FINSOFT CORPORATION
匯財軟件公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8018

ANNUAL REPORT 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors ("Directors") of Finsoft Corporation ("Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("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.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Li Hoi Kong
Mr. Lawrence Tang

Chairman and non-executive Director
Mr. Chan Sek Keung, Ringo

Independent non-executive Directors
Ms. Lee Kwun Ling, May Jean
Mr. Tai Man Hin, Tony
Mr. Yuen Shiu Wai

BOARD COMMITTEES

Audit Committee
Mr. Tai Man Hin, Tony *(Chairman)*
Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai

Nomination Committee
Mr. Chan Sek Keung, Ringo *(Chairman)*
Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai

Remuneration Committee
Mr. Yuen Shiu Wai *(Chairman)*
Ms. Lee Kwun Ling, May Jean
Mr. Li Hoi Kong

Compliance Committee
Mr. Li Hoi Kong *(Chairman)*
Mr. Tai Man Hin, Tony
Mr. Lawrence Tang
Ms. Law Hau Yan

COMPLIANCE OFFICER
Mr. Li Hoi Kong

AUTHORISED REPRESENTATIVES
Mr. Li Hoi Kong
Ms. Yeung Wai Man

COMPANY SECRETARY
Ms. Yeung Wai Man, *CPA*

AUDITORS
HLB Hodgson Impey Cheng Limited
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Central, Hong Kong

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PRINCIPAL BANKERS
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Dah Sing Bank Limited

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
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Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
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Wanchai, Hong Kong

PLACE OF LISTING
The Stock Exchange of Hong Kong Limited

STOCK CODE
8018

COMPANY'S WEBSITE
www.finsoftcorp.com

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board ("Board") of directors ("Directors") of Finsoft Corporation ("Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, "Group") for the year ended 31 December 2014 ("Year").

Since the listing ("Listing") of the shares of the Company on the GEM of the Stock Exchange on 26 September 2013, the Group has been on one hand, focusing on its financial trading software solutions business division, and on the other hand, seizing the investment opportunities and adjusting its strategies to adapt to the dynamic market environment by developing and expanding into various new business divisions comprising the provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services, to diversify the sources of income of the Group.

During the Year, the Group achieved satisfactory revenue growth and development progress in all business areas. The Group has been striving to devote in existing product enhancement and new product development. The iOS version of the Mobile App for retail investors has been officially registered and launched to the market in March 2015. The system development and integration testing of the order management system ("OMS") has been completed. The system, namely Connect X, is currently under final connection setup and is scheduled to be officially launched in the second quarter of 2015.

Thanks to the sustainable product development by the Group's financial trading software solutions business division and the increased customers' demand in the new solution modules resulted from the implementation of the Shanghai-Hong Kong Stock Connect, this business division recorded a stable growth for the Year. To strengthen the Group's business position in the internet financial industry, during the Year, the Group has set up a separate new business division for the provision of other internet financial platforms.

Benefited from the enlarged client base with the Group's strong business network, the referral business division also achieved satisfactory revenue growth. The Group saw further business opportunities from these clients and in November 2014, the Group commenced its corporate finance advising business to achieve synergy across the two business divisions.

Looking ahead, it is expected that trading activities will gradually increase when the two stock markets become more familiar with the operation of the Shanghai-Hong Kong Stock Connect. Meanwhile, the Group will continue to leverage on its technical strength and proficiency in seizing business opportunities to reinforce its core business and promote sustainable development of all business areas.

Finally, I would like to express my deepest gratitude to our shareholders, business partners and customers for their continuous support to the Group. I would like to thank all the staff for their hard work and contributions. We will continue to create value and contribute to the Group to benefit all our shareholders.

Chan Sek Keung, Ringo
Chairman

Hong Kong, 17 March 2015

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services. For the Year, the Group's operations and business achieved a steady growth when compared to the last financial year ended 31 December 2013 ("FY2013").

Provision of Financial Trading Software Solutions

During the Year, the financial trading software solutions business division recorded a segment revenue and profit from its external customers of approximately HK$35,267,000 (2013: approximately HK$30,955,000) and approximately HK$11,774,000 (2013: approximately HK$10,049,000) respectively.

iAsia Online Systems Limited ("iAsia") is the core operating subsidiary of the Company in this business division and its major clients are Hong Kong-based financial product brokers, in particular, Category B and Category C brokerage firms and local banks. As a result of the higher trading volume contributed by the Shanghai-Hong Kong Stock Connect, iAsia has benefited from the increasing demand for multi-functional and comprehensive financial trading solutions.

During the Year, iAsia achieved satisfactory development and enhancement progress for the new and existing products. The system development and integration testing of the order management system, namely Connect X, has been completed. The system is currently under final connection setup and is scheduled to be officially launched in the second quarter of 2015. Development of iOS version of the Mobile App for retail investors was also completed during the Year. The new version has been officially registered and launched to the market in March 2015. For the existing products, an enhanced version of each of the Futures Front Office System and the Securities Front Office and Back Office System for the banking sector, were officially launched to the market in the third quarter of 2014. Meanwhile, iAsia has developed new functions to further upgrade the Securities Front Office and Back Office System for the banking sector and the new enhanced version is expected to be launched officially in the second quarter of 2015.

Details of the development and enhancement progress of the new and existing products are set out in the section headed "Comparison of Business Objectives with Actual Business Progress" on pages 9 to 12 of this annual report.

Provision of Other Internet Financial Platforms

During the Year, this new business division contributed a segment revenue and profit of HK$6,160,000 (2013: Nil) and approximately HK$4,603,000 (2013: Nil) respectively.

To cope with the increasingly growing business potential and opportunities in electronic commerce ("e-commerce")/ mobile-commerce and the increasing use of mobile applications, during the Year, the Group ventured into the other internet financial platforms business through (i) the acquisition of Well In Technology Development Limited, a Hong Kong-incorporated information technology ("IT") company; and (ii) the establishment of two wholly-owned subsidiaries namely, Finsoft E-Commerce Limited and Zeed Asia Technology Limited in Hong Kong. The first platform developed by this division, i.e. an instant and multi-functional B2C (Business to Customer)/O2O (Online to Offline) platform connecting licensed money lending companies in Hong Kong and potential borrowers ("Money Lending Platform"), is undergoing the performance testings and is expected to be officially launched to the market in the second quarter of 2015. In addition, the Group commenced a new project in December 2014 to develop a fund administration and portfolio analysis management system ("Fund Platform") as a comprehensive suite of integrated solution modules which is designed specifically for use by asset managers and institutional investors to facilitate their finance operations and investment administration.

Provision of Referral Services

During the Year, the referral business division further expanded its client base by benefiting from the synergy across different business divisions and reported a segment revenue and profit of approximately HK$9,608,000 (2013: HK$2,200,000) and approximately HK$1,149,000 (2013: approximately HK$978,000) respectively.

Money Lending Business

During the Year, the money lending business division recorded a segment revenue and profit of approximately HK$243,000 (2013: Nil) and approximately HK$147,000 (2013: Nil) respectively. The interest rates charged to customers during the Year ranged from 8.50% to 24.00% per annum. No default event occurred as of the date of this annual report and no provision for the impairment of loan receivables was considered necessary during the Year.

Securities Investments

For the Year, the securities investments business division recorded a segment revenue and profit of approximately HK$56,000 (2013: Nil) and approximately HK$25,000 (2013: Nil) respectively. The division will continue to adopt a prudent investment approach when trading in listed securities in the Hong Kong stock market.

Provision of Corporate Finance Advisory Services

The Group identified further business opportunities from the clients of other business divisions and hence commenced its business of advising on corporate finance in early November 2014 to provide extended services to its clients upon obtaining the Type 6 Licence from the Securities and Futures Commission of Hong Kong to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") in late October 2014. This division has successfully signed certain contracts with the clients since January 2015.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Year amounted to approximately HK$51,334,000, representing an increase of approximately HK$18,179,000 or 54.83% compared to FY2013 (2013: approximately HK$33,155,000). The increase was mainly attributable to the combined effect of: (i) the increase in revenue from the financial trading software solutions business division of approximately HK$4,312,000; (ii) the increase in revenue from the referral business division of approximately HK$7,408,000; and (iii) the revenue generated from the new business division of provision of other internet financial platforms of HK$6,160,000 (2013: Nil).

Gross profit and gross profit margin

The Group's gross profit for the Year amounted to approximately HK$40,380,000, representing an increase of approximately HK$16,468,000 or 68.87% compared to FY2013 (2013: approximately HK$23,912,000) which was in line with the increase in revenue. Gross profit margin for the Year increased by approximately 6.54% to approximately 78.66%, as compared to FY2013 (2013: approximately 72.12%). The increase was mainly due to the combined effect of: (i) the slight increase in gross profit margin of the financial trading software solutions business division of approximately 4.89%; and (ii) the increase in revenue of approximately HK$7,408,000 from the referral business division with a higher gross profit margin.

Administrative expenses

The Group's administrative expenses for the Year amounted to approximately HK$26,224,000, representing an increase of approximately HK$11,590,000 or 79.20% as compared to FY2013 (2013: approximately HK$14,634,000). The increase was primarily attributable to the combined effect of: (i) the increase in administrative staff costs including directors' emoluments of approximately HK$5,115,000; (ii) the increase in marketing expenses of approximately HK$1,808,000; (iii) the increase in legal and professional fees of approximately HK$1,596,000; and (iv) the increase in operating lease expenses in respect of rented premises of approximately HK$1,191,000 during the Year.

Profit for the Year

The Group recorded a net profit of approximately HK$11,319,000 for the Year as compared with a net loss of approximately HK$571,000 for FY2013. The net profit was mainly attributable to the net effect of: (i) the increase in revenue of approximately HK$18,179,000 as compared to FY2013; (ii) the increase in administrative expenses of approximately HK$11,590,000 as compared to FY2013; and (iii) the fact that no listing expense was incurred during the Year (2013: approximately HK$8,063,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group held cash and bank balances of approximately HK$45,321,000 (2013: approximately HK$48,190,000). Net current assets amounted to approximately HK$51,101,000 (2013: approximately HK$44,875,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 3.38 times (2013: approximately 4.55 times).

As at 31 December 2014, the gearing ratio of the Group (defined as total borrowings divided by total assets) was nil (2013: Nil).

As at 31 December 2014, the Group had no outstanding bank borrowings and other borrowings (2013: Nil).

FOREIGN EXCHANGE EXPOSURE

During the years ended 31 December 2014 and 2013, the business activities of the Group were mainly denominated in Hong Kong dollars. The Directors did not consider the Group was exposed to any significant foreign currency exchange risks.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any contingent liabilities (2013: Nil).

CAPITAL COMMITMENT

As at 31 December 2014, the Group did not have any significant capital commitments (2013: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2014, the Group did not have any material charge on assets (2013: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

On 22 August 2014, the Group acquired the entire equity interest of Well In Technology Development Limited ("Well In"), a company incorporated in Hong Kong principally engaged in the provision of e-commerce/mobile commerce platforms and consultancy services, at a cash consideration of HK$1,221,000. Details of the acquisition are set out in note 31 to the consolidated financial statements.

SIGNIFICANT AND POTENTIAL INVESTMENTS

Save as disclosed in the paragraph headed "Material Acquisitions and Disposals" on page 6 of this annual report, the Group had made the following investment and investment plans for the Year.

On 9 January 2014, the Group entered into the shareholders agreement ("Previous SHA") with Time Smart Development Limited ("Time Smart") and Mr. Kwok Shun Tim ("Mr. Kwok"), each of them being an independent third party, to jointly invest in Gavottes International Limited ("JV Company"), a company incorporated in the British Virgin Islands ("BVI"). On the same date, the JV Company entered into the sale and purchase agreement with Mr. Que Bon Tan Gerald and Ms. Oei Hong Eng ("Ms. Oei") (together, "Vendors"), each of them being an independent third party, pursuant to which the JV Company has agreed to acquire the entire issued share capital of Gransing Securities Co., Limited ("Target Company"), a company incorporated in Hong Kong with limited liability at the consideration of HK$16,040,000, subject to dollar-to-dollar downward adjustments with reference to the net assets value of the Target Company at the completion of this acquisition ("Acquisition"). The aggregate capital contribution by the Group to the JV Company was HK$4,861,530 and the Group held 30% of the issued share capital of the JV Company. With the consent of the Group and Time Smart, Mr. Kwok transferred all his shares in the JV Company to Ms. Oei on 30 April 2014. As a result of the change of shareholders of the JV Company, on 30 April 2014, (i) the Group, Time Smart and Mr. Kwok entered into the termination agreement to cancel the Previous SHA with effect from the date of the termination agreement; (ii) the Group, Time Smart and Ms. Oei (together, "JV Parties") entered into the new shareholders agreement ("New SHA") to govern the shareholdings and the management of the JV Company; and (iii) the JV Company and the Vendors entered into a new sale and purchase agreement dated 30 April 2014 ("New SPA") in relation to the sale and purchase of the entire issued share capital of the Target Company. Under the New SHA, the aggregate capital contribution by the Group to the JV Company remained to be HK$4,861,530 and the Group remained to hold 30% of the issued share capital of the JV Company. On 8 September 2014, the JV Parties decided not to further proceed with the Acquisition. On the same date, (i) the JV Company and the Vendors entered into the termination agreement to terminate the New SPA; and (ii) the JV Parties and the JV Company entered into the termination agreement to terminate the New SHA with immediate effect. As at the date of this annual report, the JV Company has distributed its assets to the JV Parties in accordance with the BVI Business Companies Act and other laws and regulations of the BVI and has been officially dissolved on 16 December 2014. Details of the transactions are set out in the Company's announcements dated 9 January 2014, 30 April 2014 and 8 September 2014 respectively.

Besides the aforesaid investment in the JV Company, on 3 June 2014, the Group entered into a cooperation framework agreement ("Cooperation Framework Agreement") with CIL Holdings Limited ("CIL", and its subsidiaries "CIL Group"), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 479) in relation to the proposed cooperation between the Group and CIL Group in the Southeast Asia region. Pursuant to the Cooperation Framework Agreement, each of the Group and CIL Group intended to invest not more than HK$10 million to develop the financial trading software solutions business and financial e-commerce platforms/business in the Southeast Asia region. Since the preliminary feasibility analysis and research has not been completed before 31 August 2014, the Cooperation Framework Agreement was terminated on 1 September 2014. Details of the events are set out in the Company's announcements dated 3 June 2014 and 1 September 2014 respectively.

CAPITAL STRUCTURE

Share Subdivisions and Change of Board Lot Size

On 18 March 2014, the Board proposed that every one (1) issued and unissued ordinary share of HK$0.01 each in the share capital of the Company ("Un-subdivided Share(s)") be subdivided into ten (10) subdivided shares ("Shares") of HK$0.001 each ("First Share Subdivision"). The Board also proposed that subject to and upon the First Share Subdivision becoming effective, the board lot size would be changed from 2,500 Un-subdivided Shares to 5,000 Shares. The First Share Subdivision was approved by the shareholders of the Company ("Shareholders") at the extraordinary general meeting of the Company held on 30 April 2014 ("2014 EGM") and became effective on 2 May 2014. Details of the First Share Subdivision are set out in the Company's announcement, circular and poll result announcement of the 2014 EGM dated 18 March 2014, 11 April 2014 and 30 April 2014 respectively.

On 31 December 2014, the Board proposed that every one (1) issued and unissued Share be further subdivided into two (2) subdivided shares ("Subdivided Shares") of HK$0.0005 each ("Second Share Subdivision"). The Second Share Subdivision was approved by the Shareholders at the extraordinary general meeting of the Company held on 16 February 2015 ("2015 EGM") and became effective on 17 February 2015. Upon the Second Share Subdivision becoming effective, the board lot size remains unchanged and the Subdivided Shares have been trading in board lots of 5,000 Subdivided Shares. Details of the Second Share Subdivision are set out in the Company's announcement, circular and poll result announcement of the 2015 EGM dated 31 December 2014, 29 January 2015 and 16 February 2015 respectively.

Changes in Shareholding of the Controlling Shareholder

On 19 May 2014, the Company was informed that Woodstock Management Limited ("Woodstock"), a company 100% beneficially owned by Mr. Chan Sek Keung, Ringo, a non-executive Director and the chairman of the Board ("Chairman"), had entered into two sale and purchase agreements with two independent third parties ("Purchasers") respectively on the same date, pursuant to which the Purchasers have purchased and Woodstock has sold an aggregate of 96 shares of US$1.00 each in the issued share capital of Luster Wealth Limited ("Luster Wealth"), a controlling shareholder of the Company holding 69.375% of the issued share capital of the Company as at 19 May 2014, at an aggregate consideration of HK$49,284,000. The shares sold represented 9.6% of the then issued share capital of Luster Wealth. As at the date of this annual report, the transaction has been completed. Details of the transaction are set out in the Company's announcement dated 19 May 2014.

On 17 June 2014, the Company was further informed that Luster Wealth had repurchased 9.5% and 6.6% interests in Luster Wealth held by each of the Purchasers ("Shareholder A" and the "Shareholder B" respectively) on the same date at a consideration satisfied by Luster Wealth transferring 131,812,500 Shares and 91,575,000 Shares to Shareholder A and Shareholder B respectively ("Restructuring"). As informed by Luster Wealth and Mr. Chan Sek Keung, Ringo, such consideration was determined by reference to the shareholding interests in the Company attributable to Shareholder A and Shareholder B through their respective shareholding in Luster Wealth. As at the date of this annual report, the Restructuring has been completed. Details of the transaction are set out in the Company's announcement dated 17 June 2014.

As at 31 December 2014 and at the date of this annual report, the capital of the company comprised ordinary shares only.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this annual report, the Group does not have any concrete plan for material investments or capital assets for the coming year. Nonetheless, if any potential investment opportunity arises in the coming year, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the Shareholders as a whole to carry out the same.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2013: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2014, the Group had 57 employees (2013: 48). The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business plans as set out in the prospectus of the Company dated 18 September 2013 ("Prospectus") and the Group's actual business progress for the Year.

Business objectives stated in the Prospectus	Actual business progress
1. Enhancing product development by developing new products and improving its existing products	
(i) New products	
• Complete system development works for the Algorithmic Trading System ("ATS") and launch the following sections with respective products traded on Hong Kong Futures Exchange Limited: – the arbitrage section with main focus on index futures products; – the market maker section with main focus on index futures and index option products; and – the arbitrage section with main focus on futures and option products.	• To meet the market needs, the research and development team has modified the strategies of the development of ATS for trading futures products during the Year. The modified ATS, namely Futures Institution, is currently undergoing the fine-tuning and performance testings and is targeted to be launched to market in the third quarter of 2015.

Business objectives stated in the Prospectus	Actual business progress
• Launch iOS version of the Mobile App for retail investors.	• Development of iOS version of the Mobile App for retail investors was completed during the Year. The new version has been officially registered and launched to the market in March 2015.
• Launch iOS version of the Mobile App for tablets.	• The development project of iOS version of the Mobile App for tablets was on hold after obtaining feedback from the existing customers and realising the relatively low market needs of such a version. Instead, iAsia has reallocated the resources during the Year to accelerate the development of China Connect, a new platform tailor-made for the Shanghai-Hong Kong Stock Connect.
• Recruit three staff for development of OMS. Conduct system and network design work for the OMS network then complete system development works and system integration testing of the OMS.	• For the Year, three technical staff were successfully recruited for the development of the OMS. The system and network design work were conducted and the system development works and system integration testing of the OMS, namely Connect X, was completed during the Year. The system is currently under final connection setup and is scheduled to be officially launched in the second quarter of 2015.
(ii) Existing products	
• Complete enhancement of the market data interface of the Futures Front Office System to Central Gateway.	• The enhancement project was temporarily on hold until iAsia can successfully approach a suitable customer for performing the testing of Hong Kong Exchanges and Clearing Limited's Orion Market Data Platform for Derivatives Market.
• Test and launch the enhanced version of the Futures Front Office System.	• Three new features being (i) supporting ordering methodology by clicking on price chart; (ii) enabling multi-function hot key designs to improve traders' efficiency in order placing; and (iii) supporting trading of overseas futures products through the Financial Information Exchange interface, were developed, tested and added to the enhanced version of the Futures Front Office System during the Year. Such an enhanced version was officially launched in the third quarter of 2014.

Business objectives stated in the Prospectus	Actual business progress
• Develop, test and launch the enhanced version of the Securities Front Office and Back Office System for banking sector.	• The enhanced Securities Front Office System with the two new functions, being (i) a new interface with various financial systems in a banking group; and (ii) a linkage to host database system of banks, has been launched to market in the third quarter of 2014. Meanwhile, the development of one further enhancement of system security to meet the compliance requirements of the Hong Kong Monetary Authority was completed during the Year and the enhanced system is expected to be launched in the second quarter of 2015.
	• The enhanced version of the Securities Back Office System with the two new functions, being (i) a linkage to host system of banks to facilitate internal cash movements; and (ii) a hardware security module, has been launched to market in the third quarter of 2014. Meanwhile, the development of two enhancements including (i) the incorporation of client relationship management system for client data sharing; and (ii) the synchronisation between back office systems was completed during the Year and the enhanced system is expected to be launched in the second quarter of 2015.
2. Expanding the customer base	
• Establish the network of iAsian Community through recruiting end-users of the Group's software systems.	• A network to assemble end-users of the Group's software systems, namely the "iAsian Community", has been established to provide regular free system training and user experience reflection sessions to the community members.
• Commence providing regular free training sessions to community members on an on-going basis.	• Free training sessions on Front Office System and Back Office System were held once a month to the community members.
• Schedule and provide user experience reflective sessions to the community members in collection of feedback on an ongoing basis.	• User experience reflective sessions were held right after the free training sessions to collect feedback or comments from the community members.

Business objectives stated in the Prospectus	Actual business progress
• Commence scheduling and arranging sharing activities for both community members and non-customers upon invitation on an on-going basis.	• Two seminars were held for the community members and non-customers for introducing iEasy and Connect X in March 2014 and in October 2014 respectively.
• Set up an online customer service platform for input of feedback by the customers which will be systematically stored in the Group's log system of customer services.	• Most of iAsia's customers preferred to provide feedback to iAsia's customer service ("CS") team by way of emails or phone discussions. Therefore, instead of setting up the online platform, during the Year, iAsia's CS team gathered all feedbacks from the customers and input to iAsia's internal system for follow up.
3. Possible acquisition of an IT company	
• Identify potential IT company for acquisition; conduct review of the target company; negotiate, conclude and complete a possible acquisition of an IT company.	• Well In has been identified as a potential and suitable target for acquisition during the Year. A financial and operational review has been performed on Well In before the Acquisition. On 22 August 2014, the Group acquired the entire equity interest of Well In.

PRINCIPAL RISKS AND UNCERTAINTIES

Operational Risk

The Group is exposed to the operational risk in relation to each business division of the Group.

To manage the operational risk, the management of each business division is responsible for monitoring the operation and assessing the operational risk of their respective business divisions. They are responsible for implementing the Group's risk management policies and procedures and shall report any irregularities in connection with the operation of the projects to the Directors and seek directions. The Group emphasises on ethical value and prevention of fraud and bribery and has established a whistleblower program, including communication with other departments and business divisions and units, to report any irregularities since March 2013. In this regard, the Directors consider that the Group's operational risk is effectively mitigated.

Financial Risks

The Group is exposed to the credit risk, liquidity risk and market risk, particularly, the equity price risk.

Credit Risk

In order to minimise the credit risk, the Directors closely monitor the overall level of credit exposure and the management is responsible for determination of credit approvals and monitoring the implementation of the collection procedure to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Liquidity Risk

The Directors has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of 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. In this regard, the Directors consider that the Group's liquidity risk is effectively managed.

Market Risk

The Group is exposed to the market risk, particularly, the equity price risk mainly through its investment in listed equity securities. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments. In this regard, the Directors consider that the Group's market risk is effectively mitigated.

USE OF PROCEEDS FROM THE PLACING

The Company was listed on the GEM of the Stock Exchange by way of Placing (as defined in the Prospectus) on 26 September 2013. Based on the placing price of HK$0.82 per Placing Share (as defined in the Prospectus), the proceeds raised from the Placing amounted to approximately HK$28.6 million, net of underwriting fees and other related expenses.

The following table sets forth a breakdown of the use of net proceeds applied by the Group from the Latest Practicable Date (as defined in the Prospectus) up to 31 December 2014:

Use of net proceeds	Planned amount as stated in the Prospectus HK$ million	Actual amount utilised up to 31 December 2014 HK$ million	Actual balance as at 31 December 2014 HK$ million
Enhancing product development by developing new products and improving its existing products	12.3	9.7	2.6
Expanding the customer base	2.5	2.5	–
Possible acquisition of an IT company (Note)	1.2	1.2	–
General working capital (Note)	12.6	4.6	8.0
Total	28.6	18.0	10.6

Note:

As disclosed in the Company's announcement dated 26 November 2014, the Board has resolved to change ("Adjustment") the use of the entire unutilised amount of approximately HK$11.8 million originally allocated for the possible acquisition of an IT company as general working capital of the Group for the financial trading software solutions business division as well as the new business divisions comprising the provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services.

The unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong and save for the Adjustment, as at the date of this annual report, the remaining balance of the net proceeds is intended to be utilised in the same manner as set out in the Prospectus (as adjusted by the Adjustment).

OUTLOOK

The Group anticipates a steady business growth in the coming future and will maintain internet finance as the core of its future business development.

Benefiting from the Shanghai-Hong Kong Stock Connect, the Group expects that there will be a robust growth in trading activities and thus the number of clients. iAsia, the core subsidiary of the Company for the financial trading software solutions business division, will continue to place strong emphasis on research and development to meet the increasing market demand. With the launch of the iOS version of the Mobile App for retail investors as well as the anticipated launch of Connect X and the enhanced version of Securities Front and Back Office System for the banking sector in the near future, the Group is confident that it is able to further consolidate its market leadership in the financial trading software solutions industry.

In view of the rising popularity of e-commerce/mobile commerce, the Group believes that its other internet financial platforms business division encompassing the Money Lending Platform and the Fund Platform will help to open up new income streams. The Group's other business divisions including the referral business, money lending business and securities investments are expected to maintain stable growth momentum with its (i) expanding client base and professional services; (ii) increasing market demand for corporate and personal loans; and (iii) prudent investment approach in listed securities with stable returns. To adapt to the dynamic market environment and further diversify the Group's business operations, the Group has ventured into the business of advising on corporate finance and is eager to add financial consultancy as a new and extended component of service to the clients from other business divisions.

Leveraging on the strong foothold of its established client base and sophisticated technical know-how with a sustainable revenue structure, the Group will dedicate its efforts to further the development of quality financial trading software solutions. Looking ahead, the Group will sharpen its competitive edge by exploring business opportunities with high growth potentials and seeking greater synergies within its business operations to cross-sell the Group's products and services in a bid to reap maximum returns for Shareholders in the long run.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance practices by emphasising transparency, responsibility and accountability to the Shareholders.

The Board has adopted the principles and the code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 15 of the GEM Listing Rules.

During the Year, the Company has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules, except for the deviation as disclosed under the section headed "Chairman and Chief Executive Officer" on page 17 of this annual report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by 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. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Year.

BOARD OF DIRECTORS

Composition of the Board

As at the date of this annual report, the Board consists of two executive Directors namely Mr. Li Hoi Kong and Mr. Lawrence Tang, one non-executive Director namely Mr. Chan Sek Keung, Ringo (who is also the Chairman) and three independent non-executive Directors namely Ms. Lee Kwun Ling, May Jean, Mr. Tai Man Hin, Tony and Mr. Yuen Shiu Wai. Biographical details of all Directors are set out on pages 25 to 26 of this annual report.

Functions and Responsibilities of the Board

The Board is collectively responsible for overseeing the management of business, strategic decisions and financial performance of the Group for the best interests of the Shareholders. The Board has established various Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and the Shareholders as a whole at all times.

The Board takes responsibility for all major matters of the Company including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (particularly those that may involve conflicts of interest), financial information, appointment of Directors and other significant financial and operational matters.

During the Year, 22 Board meetings were convened to perform the above mentioned duties and responsibilities and details of attendance of each Board member are set out in the section headed "Attendance of Directors at Meetings" on page 20 of this annual report.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company ("Company Secretary") with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Delegation of Powers

The Board delegates the day-to-day management authority, administration and operation of the Group to the executive Directors and the senior management of the Group while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to the management, it gives clear directions as to the powers of the management, in particular, with respect to the circumstances where the management need to report back to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. During the Year, the executive Directors and the senior management of the Group provided all members of the Board with monthly updates pursuant to code provision C.1.2 of the CG Code while the Board regularly reviewed its arrangement on delegation of authority and responsibilities to ensure that such delegations are appropriate in view of the Group's prevailing circumstances.

Directors' Appointment and Re-election

The appointment of a new Director is made on the recommendation of the nomination committee of the Board ("Nomination Committee") or by the Shareholders in general meetings. 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.

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from the date of Listing subject to termination, among others, by giving not less than three months' written notice, except for Mr. Lawrence Tang who has entered into a service contract with the Company for an initial fixed term of three years commencing from his date of appointment as an executive Director i.e. 29 January 2014 subject to termination, among others, by giving not less than three months' written notice.

Currently, the non-executive Director and all independent non-executive Directors are appointed for a specific term of two years pursuant to code provision A.4.1 of the CG Code. All Directors are subject to retirement by rotation at least once every three years pursuant to code provision A.4.2 of the CG Code. By virtue of article 112 of the articles of association of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director provided that so long as the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company.

Pursuant to article 108(a) of the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation and all such retiring Directors being eligible, will offer themselves for re-election. Details of the Directors to be retired by rotation and, where applicable, subject to re-election at the forthcoming annual general meeting of the Company will be contained in the circular to be despatched to the Shareholders together with this annual report. None of the Directors who are being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Independent non-executive Directors

Pursuant to Rule 5.05 of the GEM Listing Rules, the Company has three independent non-executive Directors, representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Tai Man Hin, Tony has the appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors are or have been remained independent.

Board Diversity Policy

The Board has adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the CG Code. Such policy aims to set out the approach to achieve diversity on the Board. Accordingly, all Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision shall be based on merit and contribution could the selected candidates could bring to the Board. The Nomination Committee, from time to time, oversees the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy and continues to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

Chairman and Chief Executive Officer

According to code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Year, the role of the Chairman is performed by Mr. Chan Sek Keung, Ringo while the office of the chief executive officer of the Company is vacated. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

Continuing Professional Development

According to code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the Year, each of the Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates and were also encouraged to attend relevant training courses. During the Year, each of Mr. Li Hoi Kong, Mr. Lawrence Tang, Mr. Chan Sek Keung, Ringo, Ms. Lee Kwun Ling, May Jean, Mr. Tai Man Hin, Tony and Mr. Yuen Shiu Wai participated in appropriate continuous professional development activities by way of attending training or reading materials relevant to the Group's business, GEM Listing Rules or directors' duties and provided his or her training records to the Company on a yearly basis.

Directors' and Officers' Liabilities Insurance and Indemnity

The Company has arranged for appropriate insurance covering the liabilities in respect of any legal action against the Directors that may arise out of the corporate activities which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

BOARD COMMITTEES

Audit Committee

The Company established an audit committee ("Audit Committee") on 10 September 2013 with written terms of reference in accordance with the code provisions set out in the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Audit Committee are, among other matters, to review and supervise the financial reporting process and internal control system of the Group. The chairman of the Audit Committee is Mr. Tai Man Hin, Tony and other members include Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai, both being independent non-executive Directors.

During the Year, five Audit Committee meetings were convened and details of attendance of each Audit Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 20 of this annual report.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters for the Year. The Group's audited results for the Year have also been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") on 10 September 2013 with written terms of reference in accordance with the code provisions set out in the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Remuneration Committee are, amongst other things, to review and make recommendations to the Board on (i) the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management of the Group; and (ii) the Group's policy and structure for all remuneration of the Directors and senior management of the Group. The chairman of the Remuneration Committee is Mr. Yuen Shiu Wai and other members include Mr. Li Hoi Kong, being an executive Director and Ms. Lee Kwun Ling, May Jean, being an independent non-executive Director.

During the Year, four Remuneration Committee meetings were convened and details of attendance of each Remuneration Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 20 of this annual report.

During the Year, the Remuneration Committee has reviewed and made recommendations to the Board on the remuneration packages to the Directors and senior management; and reviewed and approved any new remuneration proposals with reference to the Board's corporate objectives and the prevailing market conditions.

Details of the remuneration of each of the Directors for the Year are set out in note 13 to the consolidated financial statements.

Nomination Committee

The Company established the Nomination Committee on 10 September 2013 with written terms of reference in accordance with the code provisions set out in the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Nomination Committee are, among other matters, to formulate nomination policy and make recommendations to the Board on nomination and appointment of the Directors and succession planning for the Directors. The chairman of the Nomination Committee is Mr. Chan Sek Keung, Ringo and other members include Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai, both being independent non-executive Directors.

During the Year, two Nomination Committee meetings were convened and details of attendance of each Nomination Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 20 of this annual report.

During the Year, the Nomination Committee has reviewed the structure, size and diversity of the Board, reviewed the existing Board Diversity Policy and its implementation and assessed the independence of the independent non-executive Directors and the annual confirmations on their independence. The Nomination Committee also reviewed the nomination procedures, process and criteria to select and recommend candidates for directorship and made recommendations on the nomination and appointment of any new Director.

Compliance Committee

The Company established a compliance committee ("Compliance Committee") on 10 September 2013 with written terms of reference.

The role of the Compliance Committee includes:

– to establish, execute and maintain the compliance system of the Group;

– to support and provide instructions to ensure that each business unit can establish, execute and maintain its compliance system;

– to produce the compliance manual and keep it updated;

– to conduct education and training programmes on compliance, including compliance seminars;

– to monitor the status of the compliance system; and

– to investigate compliance problems and take appropriate measures when one arises (it may instruct the relevant department(s) to deal with the problem depending on its nature).

The chairman of the Compliance Committee is Mr. Li Hoi Kong and other members include Mr. Lawrence Tang, being an executive Director, Mr. Tai Man Hin, Tony, being an independent non-executive Director and Ms. Law Hau Yan, being the finance manager of iAsia, one of the core operating subsidiaries of the Company.

During the Year, the members of the Compliance Committee have been from time to time monitoring the status of the compliance system and the Compliance Committee was of the view that there was no compliance issue of the Group which required the Compliance Committee to resolve by way of a meeting. Therefore, no meeting of the Compliance Committee was held during the Year.

ATTENDANCE OF DIRECTORS AT MEETINGS

Director	Annual general meetings	Extraordinary general meetings	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
	Number of meetings attended/entitled to attend (Note 1)					
Executive Directors						
Mr. Li Hoi Kong	1/1	1/1	22/22	N/A	4/4	N/A
Mr. Lai Wai Ho, Samson (Note 2)	N/A	N/A	3/3	N/A	N/A	N/A
Mr. Lawrence Tang (Note 3)	1/1	1/1	18/18	N/A	N/A	N/A
Non-executive Director						
Mr. Chan Sek Keung, Ringo	1/1	1/1	22/22	N/A	N/A	2/2
Independent non-executive Directors						
Ms. Lee Kwun Ling, May Jean	0/1	0/1	22/22	5/5	4/4	2/2
Mr. Tai Man Hin, Tony	1/1	1/1	22/22	5/5	N/A	N/A
Mr. Yuen Shiu Wai	1/1	1/1	19/22	5/5	4/4	2/2

Notes:

1. Attendances of the Directors appointed/resigned during the Year were made by reference to the number of such meetings held during their respective tenures.

2. Mr. Lai Wai Ho, Samson resigned as an executive Director with effect from 21 January 2014.

3. Mr. Lawrence Tang was appointed as an executive Director with effect from 29 January 2014.

ACCOUNTABILITY AND AUDIT

Directors' and Auditors' Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group 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, 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 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. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's external auditor, HLB Hodgson Impey Cheng Limited, is set out in the section headed "Independent Auditors' Report" on page 35 of this annual report.

During the Year, the Board did not take a different view from the Audit Committee on the appointment of external auditors.

Auditors' Remuneration

During the Year, the remuneration paid or payable to the Company's auditors, HLB Hodgson Impey Cheng Limited, in respect of their audit and non-audit service was as follows:

	HK$
Audit service	
– Audit for the year	420,000
Non-audit service	
– Review of financial information of quarterly and interim reports	110,000
Total	530,000

CORPORATE GOVERNANCE FUNCTIONS

The Board has not established a corporate governance committee. According to code provision D.3 of the CG Code, the full Board is responsible for performing the corporate governance duties of the Company. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

– to develop and review the policies and practices on corporate governance of the Group and make recommendations;

– to review and monitor the training and continuous professional development of Directors and senior management;

– to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

– to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and

– to review the Company's compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules and disclosure in the corporate governance report of the Company.

The Board has reviewed the Company's policies and practices on corporate governance and compliance with the CG Code, reviewed and monitored the training and continuous professional development of Directors and senior management and reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements during the Year as well as the disclosures in this Corporate Governance Report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for the effectiveness of the Group's internal control system. Such an internal control system is designed to manage and mitigate 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. For the Year, the Board has conducted a review on the effectiveness of the Group's internal control system which covers financial, operational, compliance procedural and risk management functions.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company communicates with the Shareholders, the potential investors or the investment communities (collectively, "Investors") of the Company mainly in the following ways:

(a) the holding of annual general meetings and extraordinary general meetings, if any, which may be convened for specific purpose and provide opportunities for the Shareholders and Investors to communicate directly with the Board;

(b) the publication of quarterly, interim and annual reports, circulars, announcements and notices of shareholders' meetings as required under the GEM Listing Rules and/or press releases of the Company providing updated information of the Group; and

(c) the provision of the latest information of the Group on the websites of the GEM of the Stock Exchange and of the Company.

Pursuant to article 65 of the articles of association of the Company, the annual general meetings or extraordinary general meetings of the Company called for the passing of a special resolution shall be called by at least 21 days' notice in writing. The meetings of the Company other than an annual general meeting or an extraordinary general meeting for the passing of a special resolution shall be called by at least 14 days' notice in writing.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by Shareholders

Pursuant to article 64 of the articles of association of the Company, any one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings of the Company shall at all times have the right, by requisition in writing to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Sending Enquiries and Proposals to the Board

Shareholder(s) may send their enquiries and/or put forward proposals to the Company, for attention of the Board or the Company Secretary, by posting the same to 23/F, W Square, 318 Hennessy Road, Wanchai, Hong Kong.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMPANY SECRETARY

Mr. Lam Kit Sun, the former Company Secretary and the chief financial officer of the Company ("CFO"), was an employee of the Company and was appointed by the Board until he resigned as the Company Secretary and the CFO with effect from 1 February 2015. During the Year, Mr. Lam undertook not less than 15 hours of relevant professional training to update his skills and knowledge.

Ms. Yeung Wai Man, the financial controller of the Company since November 2013, was appointed by the Board as the Company Secretary with effect from 1 February 2015.

CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the Shareholders passed on 10 September 2013, the amended and restated memorandum and articles of association of the Company were adopted with effect from 10 September 2013. During the Year, there was no significant change to the memorandum and articles of association of the Company.

The amended and restated memorandum and articles of association of the Company are available on the website of the GEM of the Stock Exchange and the Company respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Li Hoi Kong, aged 41, is an executive Director.

Mr. Li obtained a degree of Bachelor of Engineering in Computer Science from The Hong Kong University of Science and Technology in November 1997.

Mr. Li has extensive experience in the field of information technology in the financial industry. Mr. Li was a programmer in C.A. Pacific Management Limited from August 1997 to March 1998 handling internet trading system projects. From August 1998 to July 2000, Mr. Li joined China Rise Consultants Limited as an analyst programmer. In July 2000, Mr. Li joined Intelligent Group Enterprise Limited, Powerticker as a system architect and his last position was project manager. During his time at Intelligent Group Enterprise Limited, Powerticker, he was the chief architect in setting up numerous systems, including, among others, a streaming financial data system, a multi-market financial data system and a merchandising inventory system. He was also involved in the human resources management and was the project leader for numerous international clients.

In February 2005, Mr. Li joined iAsia and took up the position as project director. He was mainly responsible for the business development, operation and overseeing of all projects and resources scheduling. Mr. Li was promoted to the chief operating officer of iAsia on 1 April 2009. Currently, he is principally in charge of iAsia's daily operations, business and product development, customer support and quality assurance, finance, human resources and administration.

Mr. Lawrence Tang, aged 39, was appointed as an executive Director with effect from 29 January 2014.

Mr. Tang graduated from the University of Staffordshire in the United Kingdom with a Bachelor of Arts Degree in Law and Accounting.

Mr. Tang has broad experience in business development in international markets, Hong Kong and the People's Republic of China ("PRC") and possesses extensive experience and knowledge in the PRC market in (i) industrial management; (ii) project management; (iii) management and operation. He is experienced in strategic management and is responsible for the Group's corporate growth and new business development. From December 2009 to October 2013. Mr. Tang was an executive director of Jun Yang Solar Power Investments Limited (stock code: 397), a company whose securities are listed on the Main Board of the Stock Exchange.

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Chan Sek Keung, Ringo, aged 55, is a non-executive Director and the Chairman.

Mr. Chan obtained a degree of Bachelor of Science in Engineering from The University of Hong Kong in November 1981. He was a fellow member of The Hong Kong Institute of Directors and is currently a member of the Chinese People's Political Consultative Conference for Chengdu, Sichuan Province, the PRC.

Mr. Chan has over 30 years of experience in the IT and network industry. He has previously worked for various multi-national corporations such as General Electric Company, Case Communications Limited and Infa Telecom Limited and served in senior executive positions in the Asia Pacific region. In November 1998, Mr. Chan founded MelcoLot Limited ("MelcoLot") (stock code: 8198), a company whose securities are listed on the GEM of the Stock Exchange. Mr. Chan was appointed as an executive director and the chairman of MelcoLot from September 2001 to December 2009. He was re-designated as its non-executive director in December 2009 and resigned as its chairman with effect from February 2010. In March 2010, he was re-appointed as the chairman of MelcoLot. Since then, he remained as a non-executive director and the chairman of MelcoLot until July 2013 when he resigned from both positions.

Mr. Chan is also the sole director of each of Luster Wealth and Woodstock, the substantial shareholder of the Company (as defined in the SFO).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lee Kwun Ling, May Jean, aged 54, is an independent non-executive Director.

Ms. Lee obtained a degree of Master of Business Administration (Executive) at the City University of Hong Kong in October 2014.

From December 2006 to October 2012, Ms. Lee worked for King Fook Holdings Limited and her last position was director of sales and brand development, Greater China. From October 2012 to January 2015, Ms. Lee worked for Boucheron Hong Kong Limited as a retail director. Ms. Lee is also a director of Yan Oi Tong, a registered non-profit charitable organisation.

Mr. Tai Man Hin, Tony, aged 37, is an independent non-executive Director.

Mr. Tai obtained a degree of Bachelor of Business Administration in Accounting from The Hong Kong University of Science and Technology in November 1999. He also received a degree of Master of Business Administration from The University of Manchester, the United Kingdom in December 2012. He was admitted as an associate member of Hong Kong Society of Accountants (now known as The Hong Kong Institute of Certified Public Accountants) and The Institute of Chartered Accountants in England and Wales in January 2003 and February 2008 respectively. He has become a fellow member of The Association of Chartered Certified Accountants since September 2007.

Mr. Tai has more than 13 years of experience in the accounting field. He is currently an independent non-executive director of First Credit Finance Group Limited (stock code: 8215), a company whose securities are listed on the GEM of the Stock Exchange and the company secretary of Zhongtian International Limited (stock code: 2379), a company whose securities are listed on the Main Board of the Stock Exchange. Mr. Tai is also the chief financial officer and company secretary of China New Economy Fund Limited (stock code: 80), a company whose securities are listed on the Main Board of the Stock Exchange.

Mr. Yuen Shiu Wai, aged 56, is an independent non-executive Director.

Mr. Yuen obtained a degree of Bachelor of Science in Engineering from The University of Hong Kong in November 1981. He also received a degree of Master of Science (Finance) from National University of Ireland in October 1999. In April 2007, Mr. Yuen was certified as a Financial Risk Manager (FRM) and further qualified as a Chartered Financial Analyst (CFA) in September 2008.

Mr. Yuen has extensive experience in the field of sales and business development, as well as financial investment and valuation. Mr. Yuen joined VTech Computers Limited in March 1996 as a sales manager. Mr. Yuen joined RHL Appraisal Ltd. in September 2006 as a manager and was promoted to the position of associate director in August 2007. Subsequently, Mr. Yuen worked as an analyst of investment department of Chung Yuen Electrical Co., Ltd. from January 2008 to August 2008. In September 2008, Mr. Yuen was appointed as a director of Ascent Partners Transaction Service Limited. Currently, Mr. Yuen is a director of Ascent Partners Valuation Service Limited overseeing its valuation business. Both companies are wholly-owned subsidiaries of Ascent Partners Group Limited.

REPORT OF THE DIRECTORS

The Directors herewith present the annual report together with the audited consolidated financial statements of the Group for the Year.

LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 December 2012. Pursuant to a reorganisation to rationalise the group structure in preparation for the Listing, the Company became the holding company of the Group. Details of the reorganisation are set out in the Prospectus. The Company's shares were listed on the GEM of the Stock Exchange on 26 September 2013.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company while its principal subsidiaries are principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services as set out in note 1 to the consolidated financial statements.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company ("AGM") will be held on Tuesday, 5 May 2015. In order to determine the entitlement of the Shareholders to attend the AGM, the register of members of the Company will be closed from Thursday, 30 April 2015 to Tuesday, 5 May 2015 (both days inclusive), during which no transfer of shares of the Company can be registered. To qualify for the attendance at the AGM, Shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong no later than 4:00 p.m. on Wednesday, 29 April 2015.

NON-COMPETITION UNDERTAKING

Mr. Chan Sek Keung, Ringo, Woodstock and Luster Wealth (collectively, "Covenantors"), have entered into a deed of non-competition dated 10 September 2013 in favour of the Group ("Deed of Non-competition").

The Company has received from each of the Covenantors an annual confirmation on the compliance of the non-competition undertaking under the Deed of Non-competition ("Undertaking"). A committee comprising all of the independent non-executive Directors has been established to review the compliance of the Undertaking from the Covenantors and evaluate the effectiveness of the implementation of the Deed of Non-Competition and the Company considers the Covenantors have complied with Undertaking.

Please refer the Prospectus for the details of the Deed of Non-competition.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the top five customers of the Group accounted for approximately 35.80% (2013: approximately 27.16%) in aggregate of the consolidated revenue. The top five suppliers of the Group accounted for approximately 70.75% (2013: approximately 88.46%) in aggregate of the consolidated cost of sales (excluding direct staff cost) for the Year. In addition, the largest customer of the Group accounted for approximately 11.69% (2013: approximately 10.84%) of the consolidated revenue and the largest supplier of the Group accounted for approximately 20.14% (2013: approximately 33.81%) of the consolidated cost of sales (excluding direct staff cost) for the Year.

None of the Directors, their close associates or any Shareholders (who, to the best knowledge and belief of the Directors, own more than 5% of the Company's issued share capital) were interested in these major customers and/or suppliers during the Year.

RESULTS AND DIVIDEND

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 36 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2013: Nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 28 to the consolidated financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors are or have been remained independent.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

SHARE OPTION SCHEME

The Company adopted a share option scheme ("Scheme") on 10 September 2013 so as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company (in such form then existing and subject to adjustment) to any employees (full-time or part-time), directors, consultants or advisers of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 10 September 2013 and expiring on the business day immediately preceding the 10th anniversary thereof i.e. 8 September 2023, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00. The subscription price of a share of the Company in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company on the date of grant of the option.

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the Listing Date (as adjusted upon the First Share Subdivision and the Second Share Subdivision becoming effective). The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares of the Company in issue from time to time. The total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant must not exceed 1% of the shares of the Company then in issue unless approved by the Shareholders and issue of a circular and all other information in compliance with the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

As at 31 December 2014, the total number of securities available for issue under the Scheme was 200,000,000 Shares, which represented 10% of the then issued share capital of the Company and as adjusted as a result of the First Share Subdivision. Upon the Second Share Subdivision becoming effective, the total number of securities available for issue under the Scheme has been adjusted to 400,000,000 Subdivided Shares, which represented 10% of the issued share capital of the Company as at the date of this annual report.

From the adoption date of the Scheme on 10 September 2013 up to 31 December 2014, no option was granted, exercised, cancelled or lapsed pursuant thereto and there was no outstanding option under the Scheme as at 1 January and 31 December 2014.

Particulars of the Scheme are set out in note 29 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and in note 30 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Details of movement in the reserves available for distribution of the Company during the Year are set out on page 94 of this annual report.

As at 31 December 2014, the Company had reserves amounted to approximately HK$24,612,000 (2013: approximately HK$24,542,000) available for distribution as calculated in accordance with statutory provisions applicable in the Cayman Islands.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 18 to the consolidated financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group for the Year amounted to HK$30,000 (2013: HK$650,000).

REPORT OF THE DIRECTORS

DIRECTORS

The Directors who held office during the Year and up to the date of this annual report were as follow:

Executive Directors

Mr. Li Hoi Kong
Mr. Lai Wai Ho, Samson *(resigned with effect from 21 January 2014)*
Mr. Lawrence Tang *(appointed with effect from 29 January 2014)*

Chairman and non-executive Director

Mr. Chan Sek Keung, Ringo

Independent non-executive Directors

Ms. Lee Kwun Ling, May Jean
Mr. Tai Man Hin, Tony
Mr. Yuen Shiu Wai

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date subject to termination, among others, by giving not less than three-month' written notice, except for Mr. Lawrence Tang who has entered into a service contract with the Company for an initial fixed term of three years commencing from his date of appointment as the executive Director i.e. 29 January 2014 subject to termination, among others, by giving not less than three months' written notice.

Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of two years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the respective service contracts.

REMUNERATION OF THE DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and five individuals with highest emoluments are set out in the note 13 and note 14 to the consolidated financial statements respectively.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES BY THE DIRECTORS

Save as disclosed in the section headed "SHARE OPTION SCHEME" on pages 28 to 29 of this annual report, none of the Company, its holding company, or any of its subsidiaries and fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at the end of the Year or at any time during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(I) Long position in the ordinary shares and underlying shares of the Company

Name of Director	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
Mr. Chan Sek Keung, Ringo ("Mr. Chan") (Note)	Interest in controlled corporation	1,164,112,500	58.21%
Mr. Lawrence Tang	Beneficial owner	3,650,000	0.18%

Note: These 1,164,112,500 Shares are held by Luster Wealth. Mr. Chan beneficially owns 100% of the issued share capital of Woodstock, which in turn owns approximately 89.87% of the issued share capital of Luster Wealth. Therefore, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Luster Wealth for the purpose of the SFO. Mr. Chan is the sole director of each of Luster Wealth and Woodstock, respectively. As at 31 December 2014, Mr. Li Hoi Kong ("Mr. Li"), an executive Director owned approximately 7.75% of the issued share capital of Luster Wealth.

(II) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of share(s) held/ interested	Approximate percentage of shareholding
Mr. Chan	Woodstock	Beneficial owner	1	100%
	Luster Wealth	Interest in controlled corporation	754	89.87%
Mr. Li	Luster Wealth	Beneficial owner	65	7.75%

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors, as at 31 December 2014, the following shareholders and persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Position in the ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
Luster Wealth (Note 1)	Beneficial owner	1,164,112,500	58.21%
Woodstock (Note 1)	Interest in controlled corporation	1,164,112,500	58.21%
Convoy Collateral Limited (Note 2)	Beneficial owner	119,812,500	5.99%
Convoy Financial Holdings Limited ("CONVOY") (Note 2)	Interest in controlled corporation	119,812,500	5.99%

Notes:

1. These 1,164,112,500 Shares are held by Luster Wealth, which in turn is owned as to approximately 89.87% by Woodstock. Therefore, Woodstock is deemed, or taken to be, interested in all the Shares held by Luster Wealth for the purpose of the SFO.

2. These 119,812,500 Shares are held by Convoy Collateral Limited. CONVOY beneficially owns 100% of the issued share capital of Convoy Collateral Limited. Therefore, CONVOY is deemed, or taken to be, interested in all the Shares held by Convoy Collateral Limited for the purpose of the SFO.

Save as disclosed above, as at 31 December 2014, the Directors are not aware of any other persons who have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors who are also the senior management of the Group are set out on pages 25 to 26 of this annual report.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance (as defined under the GEM Listing Rules) to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

COMPETING INTERESTS

Mr. Tai Man Hin, Tony, an independent non-executive Director, is also an independent non-executive director of First Credit Finance Group Limited ("First Credit") (stock code: 8215), which is a company listed on the GEM of the Stock Exchange. First Credit and its subsidiaries are principally engaged in money lending business.

Save as disclosed above, as at 31 December 2014, none of the Directors, the controlling Shareholders and their respective close associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

RETIREMENT BENEFITS SCHEME

Particulars of retirement benefits scheme of the Group as at 31 December 2014 are set out in note 32 to the consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

On 31 December 2014, the Board proposed that every one (1) issued and unissued Share of HK$0.001 each be further subdivided into two (2) Subdivided Shares of HK$0.0005 each. The Second Share Subdivision was approved by the Shareholders at the 2015 EGM and became effective on 17 February 2015. Upon the Second Share Subdivision becoming effective, the board lot size remains unchanged and the Subdivided Shares have been trading in board lots of 5,000 Subdivided Shares. Details of the Second Share Subdivision are set out in the Company's announcement, circular and poll result announcement of the 2015 EGM dated 31 December 2014, 29 January 2015 and 16 February 2015 respectively.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions of the Group as set out in note 34 to the consolidated financial statements constituted fully exempted connected transactions under Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules during the Year, except for the deviation as disclosed under the section headed "Chairman and Chief Executive Officer" on page 17 of this annual report. Details of the Group's corporate governance practices adopted by the Board are set out in the Corporate Governance Report on pages 15 to 24 of this annual report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Ample Capital Limited, as at 31 December 2014, except for the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 17 September 2013, neither Ample Capital Limited nor its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float required by the GEM Listing Rules during the Year and as at the date of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated financial results and the consolidated assets and liabilities of the Group for the last four financial years is set out on page 102 of this annual report.

AUDITORS

There was no change in auditors of the Company since the date of its incorporation. HLB Hodgson Impey Cheng Limited, the auditors of the Company for the Year, shall retire in the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment pursuant to article 176(a) of the articles of association of the Company. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chan Sek Keung, Ringo
Chairman

Hong Kong, 17 March 2015

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF FINSOFT CORPORATION
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Finsoft Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 101, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 17 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** **HK$**	2013 HK$
Revenue	7	**51,333,947**	33,155,156
Cost of sales		**(10,953,996)**	(9,243,624)
Gross profit		**40,379,951**	23,911,532
Other income	9	**218,540**	66,245
Other gains and losses	10	**(337,516)**	167,493
Administrative expenses		**(26,223,776)**	(14,634,007)
Share of losses of associates	21	**(5,655)**	(1,443)
Listing expenses		**–**	(8,063,496)
Profit before tax		**14,031,544**	1,446,324
Income tax expense	11	**(2,712,589)**	(2,017,820)
Profit/(loss) and total comprehensive income/(expense) for the year	12	**11,318,955**	(571,496)
Profit/(loss) and total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		**11,318,955**	(570,290)
Non-controlling interests		**–**	(1,206)
		11,318,955	(571,496)
			(Restated)
Earnings/(loss) per share			
– Basic and diluted (HK cents per share)	16	**0.283**	(0.017)

The accompanying notes form an integral part of these consolidated financial statements. Details of dividend are disclosed in Note 15 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	**2014 HK$**	2013 HK$
Non-current assets			
Property, plant and equipment	18	**2,793,418**	786,803
Goodwill	19	**1,670,008**	917,976
Intangible assets	20	**5,745,431**	2,918,086
Investment in an associate	21	**–**	1,557
		10,208,857	4,624,422
Current assets			
Trade and other receivables	22	**13,976,825**	8,693,549
Loan receivable	23	**4,000,000**	–
Financial assets at fair value through profit or loss	24	**9,265,212**	–
Current tax assets		**–**	647,177
Cash and cash equivalents	25	**45,320,755**	48,190,199
		72,562,792	57,530,925
Current liabilities			
Trade and other payables	26	**20,502,465**	12,655,951
Current tax liabilities		**959,761**	–
		21,462,226	12,655,951
Net current assets		**51,100,566**	44,874,974
Total assets less current liabilities		**61,309,423**	49,499,396
Non-current liabilities			
Deferred tax liabilities	27	**1,042,896**	551,824
Net assets		**60,266,527**	48,947,572
Capital and reserves			
Share capital	28	**2,000,000**	2,000,000
Reserves	30	**58,266,527**	46,947,572
Equity attributable to owners of the Company		**60,266,527**	48,947,572
Non-controlling interests		**–**	–
Total equity		**60,266,527**	48,947,572

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 17 March 2015 and are signed on its behalf by:

Li Hoi Kong
Director

Lawrence Tang
Director

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Investments in subsidiaries	35	**20,939,001**	20,939,001
Current assets			
Prepayments		**260,320**	297,018
Amounts due from subsidiaries	35	**38,444,563**	39,247,160
Cash and cash equivalents		**162,899**	10,567
		38,867,782	39,554,745
Current liabilities			
Other payables		**41,673**	36,215
Amounts due to subsidiaries	35	**12,214,711**	12,977,127
		12,256,384	13,013,342
Net current assets		**26,611,398**	26,541,403
Net assets		**47,550,399**	47,480,404
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	28	**2,000,000**	2,000,000
Reserves	30	**45,550,399**	45,480,404
Total equity		**47,550,399**	47,480,404

Li Hoi Kong
Director

Lawrence Tang
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company						
	Share capital HK$ (Note 28)	**Share premium** HK$ (Note 30(a))	**Merger reserve** HK$ (Note 30(b))	**Retained profits** HK$	**Subtotal** HK$	**Attributable to non-controlling interests** HK$	**Total** HK$
Balance at 1 January 2013	77,894	–	–	12,830,463	12,908,357	2,367	12,910,724
Loss and total comprehensive expense for the year	–	–	–	(570,290)	(570,290)	(1,206)	(571,496)
Deregistration of a subsidiary (Note)	–	–	–	–	–	(1,161)	(1,161)
Reorganisation (Note 28)	(77,794)	–	77,794	–	–	–	–
Capitalisation issue (Note 28)	1,499,900	(1,499,900)	–	–	–	–	–
Issue of shares by placing (Note 28)	500,000	40,500,000	–	–	41,000,000	–	41,000,000
Transaction costs attributable to issue of shares	–	(4,390,495)	–	–	(4,390,495)	–	(4,390,495)
Balance at 31 December 2013	2,000,000	34,609,605	77,794	12,260,173	48,947,572	–	48,947,572
Profit and total comprehensive income for the year	**–**	**–**	**–**	**11,318,955**	**11,318,955**	**–**	**11,318,955**
Balance at 31 December 2014	**2,000,000**	**34,609,605**	**77,794**	**23,579,128**	**60,266,527**	**–**	**60,266,527**

Note:

iAsia Online Systems Limited, a wholly-owned subsidiary of the Company, held 96% equity interest of iAsia Online Systems (Macau) Limited, a company incorporated in Macau with limited liability. On 14 January 2013, iAsia Online Systems (Macau) Limited was deregistered according to the applicable Macau laws and regulations and was accordingly dissolved on deregistration.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	2014 HK$	2013 HK$
Cash flows from operating activities		
Profit before tax	**14,031,544**	1,446,324
Adjustments for:		
– Amortisation of intangible assets	**375,441**	–
– Depreciation of property, plant and equipment	**629,472**	292,826
– Interest income	**(181,488)**	(18,942)
– Impairment loss on trade receivables	**165,000**	–
– Impairment loss on other receivables	**49,880**	–
– Loss on disposal of property, plant and equipment	**119,724**	–
– Loss on dissolution of an associate	**6,830**	–
– Reversal of impairment losses on trade receivables	**–**	(167,775)
– Share of losses of associates	**5,655**	1,443
Operating cash flows before movements in working capital	**15,202,058**	1,553,876
Increase in trade and other receivables	**(5,220,844)**	(3,310,865)
Increase in loan receivable	**(4,000,000)**	–
Increase in financial assets at fair value through profit or loss	**(9,265,212)**	–
Increase/(decrease) in trade and other payables	**7,784,954**	(627,893)
Decrease in amount due to an associate	**–**	(3,000)
Cash generated from/(used in) operations	**4,500,956**	(2,387,882)
Hong Kong profits tax paid	**(614,579)**	(2,141,459)
Net cash generated by/(used in) operating activities	**3,886,377**	(4,529,341)
Cash flows from investing activities		
Interest received	**181,488**	18,942
Purchase of property, plant and equipment	**(2,524,377)**	(654,419)
Expenditures on systems development	**(3,202,786)**	(1,776,181)
Investment in an associate	**(151,530)**	–
Proceeds from dissolution of an associate	**140,602**	–
Net cash outflows on acquisition of subsidiaries	**(1,199,218)**	(997,564)
Net cash used in investing activities	**(6,755,821)**	(3,409,222)
Cash flows from financing activities		
Proceeds from issue of shares	**–**	41,000,000
Payment for transaction costs attributable to issue of new shares	**–**	(4,390,495)
Net cash generated by financing activities	**–**	36,609,505
Net (decrease)/increase in cash and cash equivalents	**(2,869,444)**	28,670,942
Cash and cash equivalents at the beginning of year	**48,190,199**	19,519,257
Cash and cash equivalents at the end of year	**45,320,755**	48,190,199

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Finsoft Corporation ("Company") was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") with effect from 26 September 2013. Its immediate holding company is Luster Wealth Limited, a company incorporated in the British Virgin Islands ("BVI") and its ultimate holding company is Woodstock Management Limited, a company incorporated in the BVI and wholly-owned by Mr. Chan Sek Keung, Ringo ("Mr. Chan"), the controlling shareholder and a non-executive director of the Company and the chairman of the board of directors of the Company.

The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business in Hong Kong is 23/F, W Square, 318 Hennessy Road, Wanchai, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred as to "Group") are principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the GEM of the Stock Exchange ("Reorganisation"), the group entities were under the control of Mr. Chan. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 28 August 2013. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the year ended 31 December 2013. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Chan prior to and after the Reorganisation.

The consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the year ended 31 December 2013 in accordance with Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2013, which include the results, changes in equity and cash flows of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the year ended 31 December 2013, or since their respective dates of incorporation, where this is a shorter period.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied for the first time in the current year the following new interpretation ("Interpretation") and amendments to HKFRSs issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The application of the new Interpretation and other 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.

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]
HKFRS 9 (2014)	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
3 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
4 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- 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 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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 9 Financial Instruments (continued)

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until the Group performs a detailed review.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, 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.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and revised HKFRSs in issue but not yet effective (continued)

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 *Impairment of Assets* regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and revised HKFRSs in issue but not yet effective (continued)

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost;
- in accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9); or
- using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have an impact on the Group's consolidated financial statements.

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

Amendments to HKAS 28 (2011):

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and revised HKFRSs in issue but not yet effective (continued)

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

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 (2011) will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2010-2012 Cycle, HKFRSs 2011-2013 Cycle and HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle, HKFRSs 2011-2013 Cycle* and *HKFRSs 2012-2014 Cycle* issued in 2014 sets out amendments to a number of HKFRSs. The directors of the Company have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

The directors of the Company anticipate that the application of the other new and revised HKFRSs, and amendments to HKFRSs, will not have a material impact to the amounts recognised or disclosures in these consolidated financial statements.

In addition, the applicable disclosure requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("New Companies Ordinance") come into operation as from the Company's first financial year commencing on or after 3 March 2014 (i.e. the Company's financial year which began on 1 January 2015). The Group is in the process of making an assessment of the expected impact of the changes in the New Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the New Companies Ordinance. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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 the GEM of the Stock Exchange ("GEM Listing Rules") and by the Hong Kong Companies Ordinance, which for the current financial year continues to be those disclosures required under the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 of that Ordinance.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies 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 these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The comparative amounts in the consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Investments in associates

An associate is an entity over which the Group has significant influence. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is 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 exceeds the Group's 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 the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) 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 costs to 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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and service provided in the normal course of business, net of discounts.

Revenue from sales of hardware is recognised upon satisfactory delivery and when the ownership has been transferred to the customers.

Revenue from sales of customised software systems and platforms are recognised on the percentage of completion method, measured by reference to the proportion of service completed to date to the estimated total services of the relevant contract.

Revenue from provision of system customisation and network support services are recognised on completion of the customisation and network support work which generally coincides with the time when the customised software and network support work is accepted by the customers.

Revenue from provision of software maintenance services, licensing and hosting fees are recognised on a straight-line basis over the period of respective agreements.

Revenue from referral services and software solutions and platforms consultancy services are recognised when services are rendered.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as finance leases whenever the terms of the 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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised 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 and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on 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 are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share 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.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Taxation

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

Current 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 comprehensive income because of items 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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, 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 and interests 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.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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. When 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to 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 (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("FVTPL"), "available-for-sale" ("AFS") financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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 debt instruments, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables; (b) held-to-maturity investments; or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

AFS financial assets (continued)

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, loan receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

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

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, 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 re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

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. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

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 an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

Financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the 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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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 in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Research and development costs

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of the reporting period. In addition, all internal activities related to the research and development of new software systems are continuously monitored by the Group's management.

Key sources of estimation uncertainty

The following 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.

Allowance for doubtful debts

The policy for impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

Impairment of capitalised systems development costs

Determining whether capitalised systems development costs are impaired requires an estimation of the recoverable amount determined by the value in use of the capitalised systems development costs. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the capitalised systems development costs and a suitable discount rate in order to calculate the present value. The Group carries out an impairment review assessment on the capitalised systems development costs at the end of each reporting period and no impairment charge was recognised during the years ended 31 December 2014 and 2013.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill as at 31 December 2014 and 2013 were HK$1,670,008 and HK$917,976 respectively and no impairment was recognised during the years ended 31 December 2014 and 2013. Information relating to the carrying amount and directors' assessment of goodwill is provided in Note 19.

5. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the 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 equity balance. The Group's overall strategy remains unchanged from 2013.

A subsidiary of the Group is licensed with Securities and Futures Commission of Hong Kong ("SFC") for the business it engages in. The Group's licensed subsidiary is subject to liquid capital requirements under Securities and Futures (Financial Resources) Rules ("SF(FR)R") (Chapter 571N of the Laws of Hong Kong) adopted by the SFC. Under SF(FR)R, the licensed subsidiary must maintain a liquid capital (assets and liabilities adjusted as determined by SF(FR)R) in excess of HK$100,000 or 5% of its total adjusted liabilities, whichever is higher. The management closely monitors, on a daily basis, the liquid capital level of that licensed subsidiary to ensure compliance with the minimum liquid capital requirements under the SF(FR)R.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group seeks to balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. For the licensed subsidiary, the Group ensures it will maintain a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities.

The capital structure of the Group consists of net debt (which include borrowings net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital and reserves).

5. CAPITAL MANAGEMENT (continued)

The net debt-to-equity ratio at the end of the reporting period was as follows:

	2014 HK$	2013 HK$
Debts	–	–
Cash and cash equivalents	(45,320,755)	(48,190,199)
Net debt	(45,320,755)	(48,190,199)
Equity	60,266,527	48,947,572
Net debt-to-equity ratio	N/A	N/A

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	2014 HK$	2013 HK$
Financial assets		
Fair value through profit or loss (held-for-trading)	9,265,212	–
Loans and receivables (including cash and cash equivalents)	62,627,738	56,027,241
	71,892,950	56,027,241
Financial liabilities		
Financial liabilities at amortised cost	10,691,204	7,733,053

The Company

	2014 HK$	2013 HK$
Financial assets		
Loans and receivables (including cash and cash equivalents)	38,607,462	39,257,727
Financial liabilities		
Financial liabilities at amortised cost	12,256,384	13,013,342

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivable, financial assets at fair value through profit or loss, cash and cash equivalents, and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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 risk

Foreign currency risk management

Substantially all the revenue-generating operations of the Group were transacted in Hong Kong dollars, which is the functional currency and the presentation currency of the Group. The Group therefore does not have significant foreign currency risk.

Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial assets. Interest-bearing financial assets are mainly deposits with banks and loan receivables. Interests on deposits with banks and loan receivables are principally based on deposits rates offered by banks in Hong Kong and fixed rates, respectively.

All of the Group's loans receivables are based on fixed interest rates and short in duration with original maturities in range of 3 to 6 months. The Group prices these loan receivables strategically to reflect market fluctuations and achieve a reasonable interest-rate spread. The fixed rate instruments of the Group are insensitive to any change in market interest rates.

As the Group has no significant variable-rate interest-bearing financial assets, except for short-term bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The management does not anticipate significant impact on interest-bearing financial assets resulted from the changes in interest rates because the interest rates of bank deposits are relatively low and not expected to change significantly.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Other price risks

The Group is exposed to equity price risk mainly through its investment in listed equity securities. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period. A 10% change represents the management's assessment of a reasonably possible change in equity price.

If equity prices had been 10% higher/lower, with other variables held constant and before any impact on tax, the Group's profit would increase/decrease by approximately HK$927,000 (2013: Nil) for the year ended 31 December 2014. This is mainly due to the changes in fair value of held-for-trading investments.

6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk management

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company closely monitors the overall level of credit exposure and the management is responsible for determination of credit approvals and monitors the implementation of the collection procedure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk on trade receivables, with exposure spread over a number of customers.

For the loan receivables, the Group's management manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. The management assesses the credit quality of each customer based on the customer's background information, financial position, past experience and other relevant factors. The Group also reviews from time to time the financial conditions of the customers.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation or high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of 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.

6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk management (continued)

Liquidity table

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

	On demand or within one year HK$	Over one year HK$	Total undiscounted cash flows HK$	Total carrying amount HK$
Non-derivative financial liabilities				
As at 31 December 2014				
Trade and other payables	**10,691,204**	**–**	**10,691,204**	**10,691,204**
As at 31 December 2013				
Trade and other payables	7,733,053	–	7,733,053	7,733,053

(c) Fair value measurements of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the quoted market bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

The following table presents the Group's financial assets that are measured at fair value as at 31 December 2014.

	At 31 December 2014			
	Level 1 HK$	**Level 2 HK$**	**Level 3 HK$**	**Total HK$**
Financial assets				
Financial assets held for trading				
– listed equity securities	**9,265,212**	**–**	**–**	**9,265,212**

There were no investments classified under Level 2 and 3 and there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 during the years ended 31 December 2014 and 2013.

As at 31 December 2013, the Group did not have any assets and liabilities that were measured at the fair value measurements hierarchy.

7. REVENUE

An analysis of the Group's revenue from its major products and services for the year is as follows:

	2014 HK$	2013 HK$
Sales of hardware	**1,284,009**	873,647
Sales of technology software systems	**8,270,121**	4,930,400
System customisation and network support	**2,853,289**	3,052,469
Software maintenance services	**8,916,971**	9,253,189
Software licensing fee	**12,483,518**	11,289,655
Hosting and related services fee	**1,458,853**	1,555,796
Referral services fee	**9,608,092**	2,200,000
Interest income on loan financing	**243,260**	–
Internet financial platform service income	**6,160,000**	–
Net fair value gain on financial assets at fair value through profit or loss	**55,834**	–
	51,333,947	33,155,156

8. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

8. SEGMENT INFORMATION (continued)

During the year, the Group has commenced new businesses in money lending, securities investments, provision of other internet financial platforms and advising on corporate finance. Accordingly, the Group's reportable and operating segments under HKFRS 8 are as follows:

(a) Financial trading software solutions – development, sale and provision of financial trading software solutions with the principal products being trading and settlement systems of financial products for financial institutions;

(b) Other internet financial platforms – provision of e-commerce platforms and other online consultancy services;

(c) Referral – provision of referral services to source, identify and refer prospective deal opportunities to interested parties;

(d) Money lending – provision of loan financing;

(e) Securities investments – trading of listed securities; and

(f) Corporate finance – provision of corporate finance advisory services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2014

	Financial trading software solutions HK$	Other internet financial platforms HK$	Referral HK$	Money lending HK$	Securities investments HK$	Corporate finance HK$	Elimination HK$	Total HK$
Segment revenue								
Revenue from external customers	35,266,761	6,160,000	9,608,092	243,260	55,834	–	–	51,333,947
Inter-segment sales*	88,533	–	–	–	–	–	(88,533)	–
	35,355,294	6,160,000	9,608,092	243,260	55,834	–	(88,533)	51,333,947
Segment profit/(loss)	11,774,410	4,603,194	1,149,386	147,311	24,954	(1,035,382)	–	16,663,873
Other income								181,488
Other gains and losses								(6,830)
Share of losses of associates								(5,655)
Central administration costs								(2,801,332)
Profit before tax								14,031,544

* Inter-segment sales are conducted with reference to the prices charged to third parties.

8. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 December 2013

	Financial trading software solutions HK$	Other internet financial platforms HK$	Referral HK$	Money lending HK$	Securities investments HK$	Corporate finance HK$	Elimination HK$	Total HK$
Segment revenue								
Revenue from external customers	30,955,156	–	2,200,000	–	–	–	–	33,155,156
Inter-segment sales	–	–	–	–	–	–	–	–
	30,955,156	–	2,200,000	–	–	–	–	33,155,156
Segment profit	10,048,966	–	977,612	–	–	–	–	11,026,578
Other income								18,942
Share of losses of associates								(1,443)
Listing expenses								(8,063,496)
Central administration costs								(1,534,257)
Profit before tax								1,446,324

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of interest income on bank deposits, loss on dissolution of an associate, share of losses of associates, listing expenses and central administration costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

As at 31 December 2014

	Financial trading software solutions HK$	**Other internet financial platforms HK$**	**Referral HK$**	**Money lending HK$**	**Securities investments HK$**	**Corporate finance HK$**	**Total HK$**
Segment assets	**13,819,858**	**7,485,283**	**2,044,296**	**4,312,315**	**9,265,212**	**23,872**	**36,950,836**
Corporate and unallocated assets							**45,820,813**
Consolidated assets							**82,771,649**
Segment liabilities	**19,489,639**	**279,441**	**633,162**	**35,550**	**–**	**23,000**	**20,460,792**
Corporate and unallocated liabilities							**2,044,330**
Consolidated liabilities							**22,505,122**

8. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

As at 31 December 2013

	Financial trading software solutions HK$	Other internet financial platforms HK$	Referral HK$	Money lending HK$	Securities investments HK$	Corporate finance HK$	Total HK$
Segment assets	9,070,525	–	3,826,470	–	–	–	12,896,995
Corporate and unallocated assets							49,258,352
Consolidated assets							62,155,347
Segment liabilities	11,939,119	–	675,617	–	–	–	12,614,736
Corporate and unallocated liabilities							593,039
Consolidated liabilities							13,207,775

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

- all assets are allocated to the operating segments other than the investment in an associate, cash and cash equivalents, current tax assets and other corporate and unallocated assets. Goodwill is allocated to each of the respective operating segments as described in Note 19; and

- all liabilities are allocated to the operating segments other than the current and deferred tax liabilities and other corporate and unallocated liabilities.

8. SEGMENT INFORMATION (continued)

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM)

For the year ended 31 December 2014

	Financial trading software solutions HK$	Other internet financial platforms HK$	Referral HK$	Money lending HK$	Securities investments HK$	Corporate finance HK$	Total HK$
Depreciation	399,688	85,930	139,975	844	–	2,836	629,273
Unallocated depreciation							199
Total depreciation of property, plant and equipment							629,472
Amortisation of intangible assets	375,441	–	–	–	–	–	375,441
Loss on disposal of property, plant and equipment	–	114,424	5,300	–	–	–	119,724
Impairment loss on trade receivables	165,000	–	–	–	–	–	165,000
Impairment loss on other receivables	49,880	–	–	–	–	–	49,880
Additions to non-current assets	4,438,575	1,478,809	747,201	15,200	–	18,907	6,698,692
Unallocated additions							11,937
Total additions to non-current assets (Note)							6,710,629

Note: Non-current assets excluded investment in an associate.

8. SEGMENT INFORMATION (continued)

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM) (continued)

For the year ended 31 December 2013

	Financial trading software solutions HK$	Other internet financial platforms HK$	Referral HK$	Money lending HK$	Securities investments HK$	Corporate finance HK$	Total HK$
Depreciation of property, plant and equipment	284,168	–	8,658	–	–	–	292,826
Reversal of impairment losses on trade receivables	(167,775)	–	–	–	–	–	(167,775)
Additions to non-current assets (Note)	1,995,841	–	1,386,632	–	–	–	3,382,473

Note: Non-current assets excluded investment in an associate.

Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations located in Hong Kong. Substantially all of the Group's revenue from external customers are derived from Hong Kong. All the non-current assets of the Group are located in Hong Kong.

Information about major customers

Revenue from customers contributing over 10% of the Group's total revenue is as follows:

	2014 HK$	2013 HK$
Customer A	**N/A**[1]	3,593,673[2]
Customer B	**6,000,000**[3]	N/A[1]

[1] Revenue from the corresponding customer did not contribute over 10% of the Group's total revenue.

[2] Revenue was from the financial trading software solutions segment.

[3] Revenue was from the other internet financial platforms segment.

9. OTHER INCOME

	2014 HK$	2013 HK$
Interest income on bank deposits	181,488	18,942
Sundry income	37,052	47,303
	218,540	66,245

10. OTHER GAINS AND LOSSES

	2014 HK$	2013 HK$
Impairment loss on trade receivables	(165,000)	–
Impairment loss on other receivables	(49,880)	–
Loss on disposal of property, plant and equipment	(119,724)	–
Loss on dissolution of an associate	(6,830)	–
Net foreign exchange gain/(loss)	3,918	(282)
Reversal of impairment losses on trade receivables	–	167,775
	(337,516)	167,493

11. INCOME TAX EXPENSE

	2014 HK$	2013 HK$
Current tax:		
– Hong Kong Profits Tax	2,207,074	1,484,598
– Under/(over) provision in prior years	14,443	(18,602)
	2,221,517	1,465,996
Deferred taxation (Note 27)	491,072	551,824
Total income tax recognised in profit or loss	2,712,589	2,017,820

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both years.

11. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to profit before tax per the consolidated statement of comprehensive income as follows:

	2014 HK$	2013 HK$
Profit before tax	14,031,544	1,446,324
Tax at Hong Kong Profits Tax rate of 16.5% (2013: 16.5%)	2,315,205	238,643
Tax effect of expenses not deductible for tax purpose	119,116	1,634,395
Tax effect of income not taxable for tax purpose	(39,347)	(434)
Tax effect of temporary differences not recognised	(159,699)	187,529
Tax effect of tax losses not recognised	480,169	767
Others	(17,298)	(24,478)
Under/(over) provision in prior years	14,443	(18,602)
Income tax expense for the year	2,712,589	2,017,820

12. PROFIT/(LOSS) FOR THE YEAR

	2014 HK$	2013 HK$
Profit/(loss) for the year has been arrived at after charging/(crediting):		
Auditors' remuneration	420,000	400,000
Amortisation of intangible assets (included in cost of sales)	375,441	–
Depreciation of property, plant and equipment	629,472	292,826
Dividend income from listed equity securities (included in revenue)	(2,880)	–
Operating lease payments in respect of rented premises	3,041,080	1,849,941
Employee benefits expense (Note):		
Salaries and other benefits	22,145,839	17,362,093
Contributions to retirement benefits scheme (Note 32)	762,423	536,051
Total employee benefits expense, including directors' emoluments (Note 13)	22,908,262	17,898,144
Less: Amounts capitalised in development costs	(2,822,786)	(1,776,181)
	20,085,476	16,121,963

Note:

During the year ended 31 December 2014, total employee benefits expense amounting to HK$6,407,303 (2013: HK$7,558,760) is included in cost of sales and amounting to HK$13,678,173 (2013: HK$8,563,203) is included in administrative expenses.

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the directors of the Company were as follows:

	Fees HK$	Salaries and other benefits HK$	Discretionary bonus HK$	Contributions to retirement benefits scheme HK$	Total HK$
Year ended 31 December 2014					
Executive directors					
Mr. Li Hoi Kong	**–**	**1,440,000**	**480,000**	**16,750**	**1,936,750**
Mr. Lai Wai Ho, Samson (resigned with effect from 21 January 2014)	**–**	**53,677**	**–**	**1,250**	**54,927**
Mr. Lawrence Tang (appointed with effect from 29 January 2014)	**–**	**719,193**	**503,000**	**15,621**	**1,237,814**
Non-executive director					
Mr. Chan	**264,000**	**–**	**–**	**–**	**264,000**
Independent non-executive directors					
Ms. Lee Kwun Ling, May Jean	**60,000**	**–**	**–**	**–**	**60,000**
Mr. Tai Man Hin, Tony	**60,000**	**–**	**–**	**–**	**60,000**
Mr. Yuen Shiu Wai	**60,000**	**–**	**–**	**–**	**60,000**
	444,000	**2,212,870**	**983,000**	**33,621**	**3,673,491**
Year ended 31 December 2013					
Executive directors					
Mr. Li Hoi Kong	–	1,105,651	–	15,000	1,120,651
Mr. Lai Wai Ho, Samson (resigned with effect from 21 January 2014)	–	1,013,715	–	15,000	1,028,715
Non-executive director					
Mr. Chan	264,000	–	–	–	264,000
Independent non-executive directors					
Ms. Lee Kwun Ling, May Jean	15,833	–	–	–	15,833
Mr. Tai Man Hin, Tony	15,833	–	–	–	15,833
Mr. Yuen Shiu Wai	15,833	–	–	–	15,833
	311,499	2,119,366	–	30,000	2,460,865

13. DIRECTORS' EMOLUMENTS (continued)

During the years ended 31 December 2014 and 2013, no chief executive officer of the Company has been appointed and accordingly no emolument was paid to the chief executive officer of the Company.

None of the directors of the Company has waived any emoluments in the year ended 31 December 2014 (2013: Nil).

14. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group were as follows:

	2014 Number of individuals	2013 Number of individuals
Directors	**2**	2
Non-director individuals	**3**	3
Five highest paid individuals	**5**	5

Details of emoluments paid to the two (2013: two) highest paid individuals who were directors of the Company have been included in Note 13. Details of emoluments paid to the remaining three (2013: three) non-director individuals were as follows:

	2014 HK$	2013 HK$
Salaries and other benefits	**2,189,182**	1,779,440
Discretionary bonus	**69,333**	–
Contributions to retirement benefits scheme	**50,250**	45,000
	2,308,765	1,824,440

The emoluments of each of the above highest paid non-director individuals were below HK$1,000,000.

During the year ended 31 December 2014, no emoluments were paid by the Group to any of the Company's directors or the five highest paid individuals of the Group (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2013: Nil).

15. DIVIDEND

No dividend was paid or proposed for the years ended 31 December 2014 and 2013, nor has any dividend been proposed since the end of the reporting period.

16. EARNINGS/(LOSS) PER SHARE

	2014 HK$	2013 HK$
Earnings/(loss)		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	**11,318,955**	(570,290)

	2014	2013 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**4,000,000,000**	3,265,753,420

The weighted average number of shares for the purpose of basic earnings per share for the year ended 31 December 2014 of 4,000,000,000 shares, being the number of shares in issue during the year and assuming that both of the First Share Subdivision and the Second Share Subdivision (as defined in Notes 28 and 36 respectively) were conducted at the beginning of the year on 1 January 2014.

The weighted average number of shares for the purpose of basic loss per share for the year ended 31 December 2013 of 3,265,753,420 shares, (i) being 10,000 shares in issue and 149,990,000 shares issued under the capitalisation issue, deemed to have been issued at the beginning of the year on 1 January 2013; (ii) the effects of 50,000,000 shares issued by way of placing as described in Note 28 and (iii) assuming both of the First Share Subdivision and the Second Share Subdivision (as defined in Notes 28 and 36 respectively) were conducted at the beginning of the year on 1 January 2013.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2014 and 2013.

17. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of HK$69,995 (2013: loss of HK$9,278,322).

18. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software HK$	Furniture and fixtures HK$	Leasehold improvements HK$	Total HK$
Cost				
Balance at 1 January 2013	13,344,895	182,417	610,010	14,137,322
Additions	651,142	3,277	–	654,419
Acquisition of subsidiaries	33,897	–	–	33,897
Balance at 31 December 2013	14,029,934	185,694	610,010	14,825,638
Additions	1,532,723	293,722	697,932	2,524,377
Acquisition of a subsidiary	102,301	–	129,133	231,434
Disposals	–	(6,000)	(116,683)	(122,683)
Balance at 31 December 2014	**15,664,958**	**473,416**	**1,320,392**	**17,458,766**
Accumulated depreciation and impairment				
Balance at 1 January 2013	12,974,082	161,917	610,010	13,746,009
Depreciation expense	284,571	8,255	–	292,826
Balance at 31 December 2013	13,258,653	170,172	610,010	14,038,835
Depreciation expense	520,697	28,811	79,964	629,472
Eliminated on disposals	–	(700)	(2,259)	(2,959)
Balance at 31 December 2014	**13,779,350**	**198,283**	**687,715**	**14,665,348**
Carrying amounts				
Balance at 31 December 2014	**1,885,608**	**275,133**	**632,677**	**2,793,418**
Balance at 31 December 2013	771,281	15,522	–	786,803

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

Computer equipment and software:	20% to 50%
Furniture and fixtures:	33 1/3%
Leasehold improvements:	Over the shorter of the lease terms

19. GOODWILL

	HK$
Cost	
Balance at 1 January 2013	–
Acquisition of subsidiaries (Note 31)	917,976
Balance at 31 December 2013	917,976
Acquisition of a subsidiary (Note 31)	752,032
Balance at 31 December 2014	**1,670,008**

Impairment testing on goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units ("CGU"):

- Referral business; and
- Other internet financial platforms business.

Referral business

The recoverable amount of the referral business's CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a pre-tax discount rate of 10.00% (2013: 9.00%) per annum. The discount rate used reflects the risks specific to the CGU. The cash flows beyond that five-year period are extrapolated using a steady growth rate of 4.50% (2013: 5.00%) per annum which is based on the management's expectation of growth in revenue. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on past performance and the management's expectations for the market development.

The directors are of the view that, based on their assessment, there was no impairment of goodwill allocated to the referral business's CGU as of 31 December 2014 and 2013.

In the opinion of the directors, any reasonable possible change in any of the key assumptions on which the recoverable amount is based would not cause the carrying amount of the referral business's CGU to exceed the recoverable amount of the referral business's CGU.

19. GOODWILL (continued)

Other internet financial platforms business

The recoverable amount of the provision of the other internet financial platforms business's CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a pre-tax discount rate of 11.00% per annum. The discount rate used reflects the risks specific to the CGU. The cash flows beyond that five-year period are extrapolated using a steady growth rate of 4.50% per annum which is based on the management's expectation of growth in revenue. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on past performance and the management's expectations for the market development.

The directors are of the view that, based on its assessment, there was no impairment of goodwill allocated to the provision of the other internet financial platforms business's CGU as of 31 December 2014.

In the opinion of the directors, any reasonable possible change in any of the key assumptions on which the recoverable amount is based would not cause the carrying amount of the provision of the other internet financial platforms business's CGU to exceed the recoverable amount of the provision of the other internet financial platforms business's CGU.

20. INTANGIBLE ASSETS

	Systems development costs HK$
Cost	
Balance at 1 January 2013	1,141,905
Additions from internal developments	1,776,181
Balance at 31 December 2013	2,918,086
Additions from internal developments	3,202,786
Balance at 31 December 2014	**6,120,872**
Accumulated amortisation	
Balance at 1 January 2013 and 31 December 2013	–
Amortisation expense	375,441
Balance at 31 December 2014	**375,441**
Carrying amounts	
Balance at 31 December 2014	**5,745,431**
Balance at 31 December 2013	2,918,086

20. INTANGIBLE ASSETS (continued)

Intangible assets of internally generated development costs represented all direct costs incurred in the development of new software systems.

The software development costs are amortised on a straight-line basis over their estimated useful lives of 4 years.

No amortisation was recognised during the year ended 31 December 2013 as the software systems were not available for use.

At 31 December 2014 and 2013, the management considers there was no impairment on systems development costs since the recoverable amounts exceeds its carrying amounts.

21. INVESTMENT IN AN ASSOCIATE

	2014 **HK$**	2013 HK$
Cost of investment in an associate – unlisted (Note 31)	**3,000**	3,000
Share of post-acquisition losses and other comprehensive expense, net of dividends received	**(3,000)**	(1,443)
	–	1,557

Details of the Group's associate at the end of the reporting period are as follows:

Name of associate	**Place of incorporation/ operation**	**Particulars of issued and fully paid up share capital**	**Proportion ownership interest held by the Group**	**Principal activities**
JunBridge Company Limited	Hong Kong	HK$10,000	30% (indirect)	Inactive

During the year ended 31 December 2014, the Group entered into the shareholders agreement with two independent third parties to jointly invest in Gavottes International Limited, a company incorporated in the BVI, and subscribed for 30% of the issued share capital of Gavottes International Limited. In December 2014, Gavottes International Limited was dissolved and the Group shared a loss of HK$4,098 during the period and realised a loss on dissolution of an associate of HK$6,830 for the year ended 31 December 2014, as included in the "other gains and losses" line item in the consolidated statement of comprehensive income (Note 10).

21. INVESTMENT IN AN ASSOCIATE (continued)

The Group's associate is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's associate that is not individually material at the end of the reporting period is set out below:

	2014 **HK$**	2013 HK$
The Group's share of loss	**(1,557)**	(1,443)
The Group's share of other comprehensive income	**–**	–
The Group's share of total comprehensive expense	**(1,557)**	(1,443)

Unrecognised share of loss of an associate:

	2014 **HK$**	2013 HK$
The unrecognised share of loss of an associate for the year	**200**	–
Cumulative unrecognised share of loss of an associate	**200**	–

22. TRADE AND OTHER RECEIVABLES

	2014 **HK$**	2013 HK$
Trade receivables	**11,631,467**	6,677,327
Allowance for doubtful debts	**–**	–
	11,631,467	6,677,327
Other receivables	**82,708**	154,784
Deposits and prepayments	**2,262,650**	1,861,438
	13,976,825	8,693,549

22. TRADE AND OTHER RECEIVABLES (continued)

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

	2014 **HK$**	2013 HK$
0 – 30 days	**9,075,172**	2,560,056
31 – 60 days	**1,434,205**	3,197,741
61 – 90 days	**790,852**	32,800
91 – 120 days	**168,638**	80,250
Over 120 days	**162,600**	806,480
Total	**11,631,467**	6,677,327

The Group generally allows an average credit period of not more than 30 days to its customers and based on the negotiations between the Group and individual customers. No interest is charged on trade receivables.

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Age of receivables that are past due but not impaired

	2014 **HK$**	2013 HK$
Overdue by:		
1 – 30 days	**1,434,205**	3,197,741
31 – 60 days	**790,852**	32,800
61 – 90 days	**168,638**	80,250
Over 90 days	**162,600**	806,480
Total	**2,556,295**	4,117,271

22. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for doubtful debts

	2014 HK$	2013 HK$
Balance at the beginning of year	–	283,275
Impairment loss recognised on trade receivables	165,000	–
Amounts written off during the year as uncollectible	(165,000)	(115,500)
Impairment losses reversed	–	(167,775)
Balance at the end of year	–	–

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. The Group has assessed the credit quality of the trade receivables by using internal assessment, taking into account the repayment history and financial background of the trade customers. The concentration of credit risk is limited due to the customer base being large and unrelated.

23. LOAN RECEIVABLE

	2014 HK$	2013 HK$
Loan receivable from money lending business	4,000,000	–

The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability.

At 31 December 2014, the loan receivable was charging on interest rate mutually agreed with the contracting party at 8.50% per annum, secured by a guarantee given by the borrower's holding company and was entered with contractual maturity within 6 months.

23. LOAN RECEIVABLE (continued)

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

	2014	2013
	HK$	HK$
Within 4 months	**4,000,000**	–

The loan receivable was neither past due nor impaired at the end of the reporting period. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of this loan receivable as there has not been a significant change in credit quality and the balance is still considered fully recoverable.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	HK$	HK$
Held-for-trading investments		
Equity securities listed in Hong Kong	**9,265,212**	–

The fair values of the equity securities held for trading were determined based on the quoted market bid prices in an active market.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Group, deposits placed with securities brokers and short-term bank deposits with an original maturity of three months or less which carry interest at market rates ranging from 0.01% to 1.10% (2013: 0.01% to 0.70%) per annum.

26. TRADE AND OTHER PAYABLES

	2014 HK$	2013 HK$
Trade payable	**400,000**	–
Receipts in advance	**9,719,278**	4,791,512
Customers deposit	**5,118,330**	3,846,510
Other payables and accruals	**5,264,857**	4,017,929
	20,502,465	12,655,951

The following is an analysis of trade payable by age presented based on the invoice date, at the end of the reporting period:

	2014 HK$	2013 HK$
31 – 60 days	**400,000**	–

27. DEFERRED TAXATION

The following are the major deferred tax liabilities recognised and movements thereon during the years ended 31 December 2014 and 2013:

	Intangible assets HK$	Accelerated tax depreciation HK$	Total HK$
At 1 January 2013	–	–	–
Charged to profit or loss	481,484	70,340	551,824
At 31 December 2013	481,484	70,340	551,824
Charged to profit or loss	466,512	24,560	491,072
At 31 December 2014	**947,996**	**94,900**	**1,042,896**

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$4,784,000 (2013: approximately HK$140,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

28. SHARE CAPITAL

	Number of shares	Share capital HK$
Authorised:		
At 1 January 2013, ordinary shares of HK$0.01 each	38,000,000	380,000
Increase in authorised share capital (Note (ii))	962,000,000	9,620,000
At 31 December 2013, ordinary shares of HK$0.01 each	1,000,000,000	10,000,000
First Share Subdivision (Note (v))	9,000,000,000	–
At 31 December 2014, ordinary shares of HK$0.001 each	**10,000,000,000**	**10,000,000**
Issued and fully paid:		
At 1 January 2013, ordinary shares of HK$0.01 each	1	–
Issue of shares pursuant to Reorganisation (Note (i))	9,999	100
Issue of shares upon capitalisation issue (Note (iii))	149,990,000	1,499,900
Issue of shares by placing (Note (iv))	50,000,000	500,000
At 31 December 2013, ordinary shares of HK$0.01 each	200,000,000	2,000,000
First Share Subdivision (Note (v))	1,800,000,000	–
At 31 December 2014, ordinary shares of HK$0.001 each	**2,000,000,000**	**2,000,000**

28. SHARE CAPITAL (continued)

Notes:

(i) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Infinite Capital Ventures Limited from Luster Wealth Limited and Efficient Channel Limited on 28 August 2013, (a) the one nil paid share held by Luster Wealth Limited was credited as fully paid; and (b) 9,249 shares and 750 shares were allotted and issued to Luster Wealth Limited and Efficient Channel Limited, respectively, and were credited as fully paid.

(ii) Pursuant to the written resolution of the shareholders passed on 10 September 2013, the authorised share capital of the Company was increased from HK$380,000 to HK$10,000,000 by the creation of an additional of 962,000,000 shares of HK$0.01 each, each ranking *pari passu* with the shares then in issue in all respects.

(iii) Pursuant to the written resolution of the shareholders passed on 10 September 2013, the directors were authorised to capitalise the amount of HK$1,499,900 standing to the credit of the share premium account of the Company and to appropriate such amount as to capital to pay up in full at par 149,990,000 shares for allotment and issue to the then existing shareholders of the Company, each ranking *pari passu* in all respects with the then existing issued shares. On 26 September 2013, the Company allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.

(iv) On 26 September 2013, the Company issued 50,000,000 shares pursuant to the Company's listing on the GEM of the Stock Exchange by way of placing at a price of HK$0.82 per share.

(v) Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company held on 30 April 2014, a share subdivision was approved with effect from 2 May 2014 in which every one (1) share issued and unissued ordinary share of HK$0.01 each in the share capital of the Company was subdivided into ten (10) subdivided shares having a par value of HK$0.001 per subdivided share ("First Share Subdivision"). Immediately after the First Share Subdivision, the authorised share capital of the Company of HK$10,000,000 was divided into 10,000,000,000 subdivided shares, of which 2,000,000,000 subdivided shares were issued and fully paid.

29. SHARE OPTION SCHEME

The Company's share option scheme ("Scheme") was adopted pursuant to a resolution passed on 10 September 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants or advisors of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution or potential contribution to the development and growth of the Group.

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

29. SHARE OPTION SCHEME (continued)

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to and including the date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million, such grant must be approved in advance by the Company's shareholders.

The offer of a grant of share options might be accepted in writing within 7 days inclusive of the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

The Scheme shall be valid and effective for a period of ten years commencing on 10 September 2013 and expiring on the business day immediately preceding the 10th anniversary thereof i.e. 8 September 2023, subject to early termination provisions contained in the Scheme.

No share option was granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2014 and 2013.

30. RESERVES

The Group

(a) Share premium

Share premium arose from the issue of shares at a price greater than the par value of the shares and can be utilised for future bonus issue.

(b) Merger reserve

Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the Reorganisation.

The Company

	Share premium HK$	Special reserve HK$	Accumulated losses HK$	Total HK$
Balance at 1 January 2013	–	–	(789,000)	(789,000)
Loss and total comprehensive expense for the year	–	–	(9,278,322)	(9,278,322)
Reorganisation (Note 28)	–	20,938,121	–	20,938,121
Capitalisation issue (Note 28)	(1,499,900)	–	–	(1,499,900)
Issue of shares by placing (Note 28)	40,500,000	–	–	40,500,000
Transaction costs attributable to issue of shares	(4,390,495)	–	–	(4,390,495)
Balance at 31 December 2013	34,609,605	20,938,121	(10,067,322)	45,480,404
Profit and total comprehensive income for the year	**–**	**–**	**69,995**	**69,995**
Balance at 31 December 2014	**34,609,605**	**20,938,121**	**(9,997,327)**	**45,550,399**

Special reserve

Special reserve represents the difference between the fair value of the shares of Infinite Capital Ventures Limited acquired pursuant to the Reorganisation on 28 August 2013 over the nominal value of the Company's shares issued in exchange therefore.

31. ACQUISITION OF SUBSIDIARIES

Year ended 31 December 2014

On 22 August 2014, the Group acquired the entire equity interest of Well In Technology Development Limited ("Well In") at a cash consideration of HK$1,221,000.

Consideration transferred

	HK$
Cash paid	**1,221,000**

Acquisition-related costs amounting to HK$22,747 have been excluded from the consideration transferred and have been recognised as an expense for the period, within the administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2014.

Assets acquired and liabilities recognised at the date of acquisition

	HK$
Non-current assets	
Property, plant and equipment	**231,434**
Current assets	
Deposits	**277,312**
Cash and bank balances	**21,782**
Current liabilities	
Other payables	**(61,560)**
	468,968

The fair value of deposits acquired approximated the gross contractual amounts. There were no contractual cash flows not expected to be collected.

31. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2014 (continued)

Goodwill arising on acquisition

	HK$
Consideration transferred	**1,221,000**
Less: Fair value of identified net assets acquired	**(468,968)**
Goodwill arising on acquisition	**752,032**

Goodwill arose in the acquisition of Well In was attributable to the anticipated profitability and future development of Well In in the provision of other internet financial platforms business and the anticipated future operating synergy from the business combination.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	HK$
Consideration paid in cash	**1,221,000**
Less: Cash and cash equivalent balances acquired	**(21,782)**
	1,199,218

Impact of acquisition on the results of the Group

Well In contributed revenue of HK$160,000 and net loss of HK$1,370,969 to the Group for the year ended 31 December 2014. Had this business combination been effected at 1 January 2014, the revenue of the Group would have been approximately HK$51,654,000, and the profit for the year would have been approximately HK$10,694,000. The directors of the Group consider this "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

31. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2013

On 7 November 2013, the Group acquired the entire equity interest of One Rich Investments Limited and its subsidiary, ChinaQFii Company Limited (collectively referred to as "One Rich Group") at a cash consideration of HK$1,500,000.

Consideration transferred

	HK$
Cash paid	1,500,000

Acquisition-related costs amounting to HK$28,100 had been excluded from the consideration transferred and had been recognised as an expense for the period, within the administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2013.

Assets acquired and liabilities recognised at the date of acquisition

	HK$
Non-current assets	
Property, plant and equipment	33,897
Investment in an associate	3,000
Current assets	
Prepayments and deposits	51,358
Cash and bank balances	502,436
Current liabilities	
Accruals	(5,667)
Amount due to an associate	(3,000)
	582,024

The fair value of receivables acquired, which principally comprised deposits, approximated the gross contractual amounts. There were no contractual cash flows not expected to be collected.

31. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2013 (continued)

Goodwill arising on acquisition

	HK$
Consideration transferred	1,500,000
Less: Fair value of identified net assets acquired	(582,024)
Goodwill arising on acquisition	917,976

Goodwill arose in the acquisition of One Rich Group was attributable to the anticipated profitability and future development of the One Rich Group in the referral business and the anticipated future operating synergy from the business combination.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	HK$
Consideration paid in cash	1,500,000
Less: Cash and cash equivalent balances acquired	(502,436)
	997,564

Impact of acquisition on the results of the Group

One Rich Group contributed nil revenue and net loss of HK$243,252 to the Group for the year ended 31 December 2013. Had this business combination been effected at 1 January 2013, the revenue of the Group would have been approximately HK$33,155,000, and the loss for the year would have been approximately HK$1,269,000. The directors of the Group consider this "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

32. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at specified rate and capped at HK$1,500 (HK$1,250 prior to 1 June 2014) per month per person. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The total contributions payable to the MPF Scheme by the Group amounted to HK$762,423 for the year ended 31 December 2014 (2013: HK$536,051). Amounts of HK$112,137 (2013: HK$45,958) were capitalised in development costs and the remaining HK$650,286 (2013: HK$490,093) were recognised in the consolidated statement of comprehensive income for the year ended 31 December 2014.

33. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented office premises which fall due as follows:

	2014	2013
	HK$	HK$
Within one year	**4,281,268**	224,360
In the second to fifth years inclusive	**4,334,077**	55,200
	8,615,345	279,560

Operating lease payments represent rentals payable for the Group's office premises. Leases are negotiated for a term of 1 to 3 years and rentals are fixed throughout the lease period.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the years ended 31 December 2014 and 2013:

Compensation of key management personnel

	2014	2013
	HK$	HK$
Salaries and short-term employee benefits	**3,639,870**	2,430,865
Post-employment benefits	**33,621**	30,000
	3,673,491	2,460,865

35. INVESTMENTS IN SUBSIDIARIES

The Company

	2014 HK$	2013 HK$
Unlisted shares, at cost	**20,939,001**	20,939,001

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

Details of the Group's subsidiaries at the end of the reporting period are set out below:

Name of subsidiary	Place of incorporation/ operations	Particulars of issued and fully paid up share capital	Proportion ownership interest held by the Company	Principal activities
ChinaQFii Company Limited	Hong Kong	HK$1	100% (indirect)	Provision of referral services
Dealmatch.com Limited	Hong Kong	HK$100	100% (indirect)	Provision of referral services and securities investments
Finsoft Corporate Finance Limited	Hong Kong	HK$3,000,000	100% (indirect)	Advising on corporate finance
Finsoft E-Commerce Limited	Hong Kong	HK$100	100% (indirect)	Provision of internet financial platforms
Finsoft Finance Limited	Hong Kong	HK$100	100% (indirect)	Money lending
Gracious Queen Limited	BVI	US$1	100% (indirect)	Provision of administrative support to the Group
iAsia Online Systems Limited	BVI	US$10	100% (indirect)	Development, sale and provision of financial trading software solutions
Infinite Capital Ventures Limited	BVI	US$10,000	100% (direct)	Investment holding
KL Securities Investment Services Limited	Hong Kong	HK$100	100% (indirect)	Inactive

35. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ operations	Particulars of issued and fully paid up share capital	Proportion ownership interest held by the Company	Principal activities
One Rich Investments Limited	BVI	US$1	100% (indirect)	Investment holding
Sky Luck International Limited	BVI	US$100	100% (indirect)	Investment holding
Wealthy Link Technology Limited	Hong Kong	HK$1	100% (indirect)	Development of financial trading software solutions
Well In Technology Development Limited	Hong Kong	HK$1	100% (indirect)	Development of e-commerce/mobile commerce platforms and consultancy services
Windluck International Limited	BVI	US$100	100% (indirect)	Investment holding
Wings Spread International Limited	BVI	US$100	100% (indirect)	Investment holding
Winrange Investments Limited	BVI	US$100	100% (direct)	Investment holding
Wise Link International Limited	BVI	US$100	100% (indirect)	Investment holding
Zeed Asia Technology Limited	Hong Kong	HK$100	100% (indirect)	Provision of internet financial platforms and solutions

36. EVENT AFTER THE REPORTING PERIOD

The following significant event took place subsequent to the end of the reporting period:

On 31 December 2014, the board of directors of the Company proposed that every one (1) issued and unissued ordinary share of HK$0.001 each in the share capital of the Company be subdivided into two (2) subdivided shares of HK$0.0005 each ("Second Share Subdivision"). The Second Share Subdivision was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 16 February 2015 and became effective on 17 February 2015.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 December			
	2014	2013	2012	2011
	HK$	HK$	HK$	HK$
Revenue	**51,333,947**	33,155,156	33,626,811	40,553,470
Cost of sales	**(10,953,996)**	(9,243,624)	(11,000,898)	(12,171,504)
Gross profit	**40,379,951**	23,911,532	22,625,913	28,381,966
Other income	**218,540**	66,245	482,908	1,374,127
Other gains and losses	**(337,516)**	167,493	172,540	(1,246,810)
Administrative expenses	**(26,223,776)**	(14,634,007)	(9,364,355)	(17,263,049)
Share of losses of associates	**(5,655)**	(1,443)	–	–
Listing expenses	**–**	(8,063,496)	(789,000)	–
Profit before tax	**14,031,544**	1,446,324	13,128,006	11,246,234
Income tax expense	**(2,712,589)**	(2,017,820)	(1,908,778)	(2,069,365)
Profit/(loss) for the year	**11,318,955**	(571,496)	11,219,228	9,176,869
Profit/(loss) for the year attributable to:				
Owners of the Company	**11,318,955**	(570,290)	11,218,828	9,177,096
Non-controlling interest	**–**	(1,206)	400	(227)

ASSETS AND LIABILITIES

	As at 31 December			
	2014	2013	2012	2011
	HK$	HK$	HK$	HK$
Total assets	**82,771,649**	62,155,347	26,216,026	21,639,313
Total liabilities	**22,505,122**	13,207,775	13,305,302	16,433,413