

EFT Solutions Holdings Limited

俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8062



2017
Interim Report



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



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

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

Mr. Lo Chun Wa

Non-executive Directors

Ms. Lam Ching Man

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

Independent Non-executive Directors

Mr. Lam Keung

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

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

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

COMPLIANCE OFFICER

Mr. Lo Chun Wa

COMPANY SECRETARY

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

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

AUTHORISED REPRESENTATIVES

Mr. Lo Chun Kit Andrew

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

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

AUDIT COMMITTEE

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

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

Mr. Lam Keung

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

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

REMUNERATION COMMITTEE

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

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

Mr. Lo Chun Kit Andrew

Mr. Lam Keung

NOMINATION COMMITTEE

Mr. Lo Chun Kit Andrew *(Chairman)*

Mr. Lam Keung

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

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

COMPLIANCE ADVISER

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

HONG KONG LEGAL ADVISER

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

AUDITOR

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

PRINCIPAL BANK

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

REGISTERED OFFICE

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



Corporate Information

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

8062

COMPANY WEBSITE

www.eftsolutions.com

Financial Highlights

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2017 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period in 2016 as follows:

- Revenue of approximately HK\$34.6 million was recognised for the Reporting Period which represented a significant increase of approximately 42.4% as compared with approximately HK\$24.3 million in the corresponding period in 2016.
- The overall gross profit for the Reporting Period was approximately HK\$19.1 million which represented an increase of approximately 76.9% as compared with approximately HK\$10.8 million in the corresponding period in 2016. And the overall gross profit margin for the Reporting Period was approximately 55.2% which represented an increase of approximately 10.8% as compared with approximately 44.4% in the corresponding period in 2016.
- The Group recorded profit for the Reporting Period of approximately HK\$7.4 million as compared to a loss of approximately HK\$2.6 million for the six months ended 30 September 2016.
- The Board does not recommend payment of dividend for the Reporting Period (for the six months ended 30 September 2016: Nil).

Independent Auditor's Report



10/F, 8 Observatory Road,
Tsimshatsui,
Hong Kong

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF EFT SOLUTIONS HOLDINGS LIMITED

俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of EFT Solutions Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 7 to 26, which comprise the condensed consolidated statement of financial position as of 30 September 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and all explanatory notes. The GEM Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited requires the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Elite Partners CPA Limited

Certified Public Accountants

Yip Kai Yin

Practising Certificate Number: P05131

Hong Kong, 10 November 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months and six months ended 30 September 2017

	Notes	For the three months ended		For the six months ended	
		30 September		30 September	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	4	22,654	12,358	34,616	24,268
Cost of goods sold and services		(8,528)	(7,078)	(15,538)	(13,431)
Gross profit		14,126	5,280	19,078	10,837
Other income	6	27	30	93	65
Other losses	7	(25)	(7)	(48)	(11)
Administrative expenses		(7,484)	(1,265)	(10,110)	(2,637)
Listing expenses		-	(4,354)	-	(9,330)
Finance costs	8	-	(21)	(1)	(147)
Profit (loss) before tax		6,644	(337)	9,012	(1,223)
Income tax expense	9	(1,201)	(663)	(1,645)	(1,338)
Profit (loss) and total comprehensive income (expenses) for the period		5,443	(1,000)	7,367	(2,561)
Earnings (loss) per share					
- Basic (HK cents)	11	1.13	(0.26)	1.53	(0.67)

Condensed Consolidated Statement of Financial Position

As at 30 September 2017

	<i>Notes</i>	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,054	1,080
Rental deposits	13	246	246
		2,300	1,326
CURRENT ASSETS			
Inventories		3,853	960
Trade and other receivables	13	33,171	14,667
Tax recoverable		–	445
Bank balances and cash	14	34,724	46,420
		71,748	62,492
CURRENT LIABILITIES			
Trade and other payables	15	6,989	5,397
Bank borrowings	16	–	314
Tax payable		1,200	–
		8,189	5,711
NET CURRENT ASSETS		63,559	56,781
NET ASSETS		65,859	58,107
CAPITAL AND RESERVES			
Share capital	17	4,800	4,800
Share premium and reserves		61,059	53,307
TOTAL EQUITY		65,859	58,107

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2017

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 <i>(Note)</i>	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 April 2017 (audited)	4,800	53,545	(10,228)	–	9,990	58,107
Equity-settled share-based payment transaction	–	–	–	385	–	385
Profit and total comprehensive income for the period	–	–	–	–	7,367	7,367
As at 30 September 2017 (unaudited)	4,800	53,545	(10,228)	385	17,357	65,859
As at 1 April 2016 (audited)	–	–	–	–	11,285	11,285
Loss and total comprehensive expense for the period	–	–	–	–	(2,561)	(2,561)
As at 30 September 2016 (unaudited)	–	–	–	–	8,724	8,724

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2017

	For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(9,964)	(1,453)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(1,417)	1,654
NET CASH USED IN FINANCING ACTIVITIES	(315)	(590)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,696)	(389)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	46,420	4,163
CASH AND CASH EQUIVALENTS AT END OF PERIOD	34,724	3,774
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	34,724	3,774

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

1. GENERAL

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

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

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

2. BASIS OF PREPARATION AND REORGANISATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The amounts included in the condensed consolidated financial statements have been computed in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group incorporated in the annual report for the year ended 31 March 2017. The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 2017 Annual Report.

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Pursuant to the reorganisation in preparation for the listing of the Company's shares (the "**Shares**") on GEM of the Stock Exchange on 15 December 2016 (the "**Listing**"), the Company became the holding company of the subsidiaries now comprising the Group on 20 June 2016 (the "**Reorganisation**"), the details of which are set out in the prospectus of the Company dated 5 December 2016. Accordingly, the comparatives figures of the condensed consolidated financial statements have been prepared on a combined basis as if the current group structure had been in existence since 1 April 2016, or since the respective dates of incorporation of the relevant entity.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

During the Reporting Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2017. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the Reporting Period and prior years.

The Group has not applied new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

The Group's revenue, which represented the amount received or receivable for the revenue derived from sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services, is analysed as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Sourcing of EFT-POS terminals and peripheral devices	4,848	4,878	8,470	10,272
EFT-POS system support services	8,515	6,773	16,417	12,459
Software solution services	9,291	707	9,729	1,537
	22,654	12,358	34,616	24,268

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION

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

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

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

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

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

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

For the six months ended 30 September 2017

	Sale of hardware devices HK\$'000 (unaudited)	System support and software solution services HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Segment revenue – external customers	8,470	26,146	34,616
Segment results	3,174	15,866	19,040
Other income			44
Finance costs			(1)
Unallocated expenses			(10,071)
Profit before tax			9,012

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION *(continued)*

For the six months ended 30 September 2016

	Sale of hardware devices HK\$'000 (unaudited)	System support and software solution services HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Segment revenue – external customers	10,272	13,996	24,268
Segment results	4,747	6,028	10,775
Other income			65
Finance costs			(147)
Listing expenses			(9,330)
Unallocated expenses			(2,586)
Loss before tax			(1,223)

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities

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

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Segment assets		
Sale of hardware devices	9,336	7,194
System support and software solution services	18,388	7,012
Total segment assets	27,724	14,206
Unallocated assets:		
Property, plant and equipment	2,054	1,080
Prepayments and deposits	9,546	1,667
Tax recoverable	–	445
Bank balances and cash	34,724	46,420
Consolidated assets	74,048	63,818
Segment liabilities		
Sale of hardware devices	5,229	1,509
System support and software solution services	998	1,196
Total segment liabilities	6,227	2,705
Unallocated liabilities:		
Other payables and accrued expenses	762	2,692
Bank borrowings	–	314
Tax payable	1,200	–
Consolidated liabilities	8,189	5,711

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities *(continued)*

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

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

Other segment information

As at 30 September 2017

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

As at 31 March 2017

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION *(continued)*

Geographical information

Non-current assets by geographical location

The Group's operations are solely based in Hong Kong and all its non-current assets are located in Hong Kong, being the principal place of business of the group entities.

Revenue by geographical location

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

	For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Hong Kong	32,793	21,006
Australia	73	2,391
Macau	1,750	871
	34,616	24,268

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

5. SEGMENT INFORMATION *(continued)*

Geographical information *(continued)*

Information about major customers

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

	For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Customer A from system support segment	8,929	6,946
Customer B from software solution services segment	8,814	–
Customer C from sale of hardware devices and system support segments	N/A <i>(Note)</i>	2,653
Customer D from sale of hardware devices and system support segments	N/A <i>(Note)</i>	2,646

Note: The corresponding revenue did not contribute over 10% of the total sales of the Group for the Reporting Period.

6. OTHER INCOME

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Interest income from a director	–	–	–	19
Management fee income from a related company	5	15	20	30
Rental income	5	15	21	16
Bank interest income	2	–	3	–
Others	15	–	49	–
	27	30	93	65

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

7. OTHER LOSSES

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Net exchange losses	22	7	37	11
Write-off of property, plant and equipment	3	–	11	–
	25	7	48	11

8. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Interest on bank borrowings	–	21	1	147

9. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Current tax:				
Hong Kong Profits Tax	1,201	663	1,645	1,338

The Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulations in those jurisdictions.

The Group is subject to Hong Kong Profits Tax at a rate of 16.5% on the estimated assessable profits for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

10. PROFIT (LOSS) FOR THE PERIOD

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Profit (loss) for the period has been arrived at after charging:				
Directors' remuneration	2,929	330	3,633	652
Other staff costs				
– Salaries and allowances	3,690	2,795	6,858	5,644
– Discretionary bonus	–	–	–	–
– Retirement benefits scheme contribution	165	135	316	270
– Share-based payment expenses	385	–	385	–
Total employee benefits expenses (including directors' emoluments)	7,169	3,260	11,192	6,566
Cost of inventories recognised as expense	3,298	3,047	5,250	5,458
Depreciation of property, plant and equipment	204	208	434	402

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

11. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the earnings (loss) of the Company for the three months and six months ended 30 September 2017 and the number of ordinary shares in issue during the period.

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

	For the three months ended 30 September		For the six months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Earnings (loss)				
Earnings (loss) for the purpose of basic earnings (loss) per share	5,443	(1,000)	7,367	(2,561)
	'000	'000	'000	'000
Number of Shares				
Number of shares for the purpose of basic earnings (loss) per share	480,000	384,000	480,000	384,000

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

No diluted earnings (loss) per share was presented as there was no potential ordinary shares to be issued during both periods.

12. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2017, the carrying values of furnitures and fixtures is approximately HK\$142,000 (as at 31 March 2017: HK\$138,000); leasehold improvements is approximately HK\$114,000 (as at 31 March 2017: HK\$230,000); office equipment is approximately HK\$1,182,000 (as at 31 March 2017: HK\$712,000) and motor vehicles is approximately HK\$616,000 (as at 31 March 2017: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

13. TRADE AND OTHER RECEIVABLES

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Current assets		
Trade receivables	23,614	13,092
Prepayments and other deposits	9,557	1,575
Total	33,171	14,667
Non-current asset		
Rental deposits paid to the Lo's Family (Note)	246	246

Note: The properties owned by Mr. Lo (executive Director of the Company) and his spouse, Ms. Lam Ching Man ("Ms. Lam") (collectively referred to as the "Lo's Family") are used as the office premises of the Group in Hong Kong.

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

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

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Within 30 days	15,704	8,412
31 – 60 days	254	4,098
61 – 90 days	4,259	74
91 – 180 days	2,705	342
181 – 365 days	611	166
Over 365 days	81	–
Total	23,614	13,092

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

13. TRADE AND OTHER RECEIVABLES *(continued)*

Included in the Group's trade receivables balance are debtors as at 30 September 2017 with an aggregate carrying amount of approximately HK\$7,910,000 (as at 31 March 2017: HK\$4,680,000) which are past due at the end of Reporting Period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances. All of the trade receivables that are neither past due nor impaired have good credit quality assessed by the Group.

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

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Overdue:		
1 – 30 days	254	4,098
31 – 60 days	4,259	74
61 – 90 days	1,006	5
91 – 180 days	1,947	337
181 – 365 days	363	166
Over 365 days	81	–
	7,910	4,680

Movement in the allowance for trade receivables

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Balance at beginning of the period/year	161	–
Impairment losses recognised on receivables	–	161
Balance at end of the period/year	161	161

Included in trade receivables as at 30 September 2017 are amounts net of individually impaired receivables amounting to approximately HK\$161,000 (as at 31 March 2017: HK\$161,000). As at 31 March 2017, full impairment was recognised as the management has reviewed the repayment history of these long overdue customers and considered their deteriorating credit quality. No amount had been settled subsequent to the end of the Reporting Period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

14. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates at 0.01% (as at 31 March 2017: 0.01%) per annum.

15. TRADE AND OTHER PAYABLES

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Trade payables	5,683	1,560
Deferred revenue	380	312
Other payables and accrued expenses	926	3,525
Total	6,989	5,397

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

	As at 30 September 2017 HK\$'000 (unaudited)	As at 31 March 2017 HK\$'000 (audited)
Within 30 days	2,035	776
31 – 60 days	1,976	504
61 – 90 days	1,005	280
Over 90 days	667	–
	5,683	1,560

16. BANK BORROWINGS

In April 2016, the Group has drawn a loan for tax purpose (the "Tax Loan") with principal amount of approximately HK\$3.8 million. The carrying amount of the Tax Loan as at 31 March 2017 is approximately HK\$314,000. As at 30 September 2017, the Tax Loan has been fully settled.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

17. SHARE CAPITAL

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

	Number of shares	Amount HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
On 26 May 2016 (date of incorporation)	38,000,000	380,000
Increased on 23 November 2016	742,000,000	7,420,000
As at 31 March 2017 and 30 September 2017	780,000,000	7,800,000
Issued and fully paid:		
On 26 May 2016 (date of incorporation)	1	–
Issue of shares on 26 May 2016 pursuant to the Group Reorganisation	99	1
Issue of shares on 20 June 2016 pursuant to the Group Reorganisation	900	9
Capitalisation issue	383,999,000	3,839,990
Issue of shares	96,000,000	960,000
As at 31 March 2017 and 30 September 2017	480,000,000	4,800,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2017

18. RELATED PARTY TRANSACTIONS

During the six months ended 30 September 2016 and 2017, the Group entered into the following transactions with related parties:

Name of related party	Nature of Transactions	For the six months ended 30 September	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
EFT Payments (Asia) Limited	Sourcing of EFT-POS terminals and peripheral devices	1,969	2,343
	Provision of EFT-POS system support services	744	303
	Management fee income received	20	30
	Rental income received	21	16
	Disposal of fixed asset	57	–
Mr. Lo	Interest income received	–	19
	Rental expense paid	486	486
Ms. Lam (Note 1)	Rental expense paid	162	162
Mr. Lo Chun Wa (Note 2)	Rental expense paid	90	90
Hung Wai Innovation Limited (Note 3)	Purchasing cost of peripheral devices	92	–
Hung Wai Holdings Limited (previously known as Hung Wai Products Limited) (Note 3)	Purchasing cost of peripheral devices	91	–

Note 1: Ms. Lam is a Director and the spouse of Mr. Lo.

Note 2: Mr. Lo Chun Wa is a Director and the brother of Mr. Lo.

Note 3: Hung Wai Holdings Limited (previously known as Hung Wai Products Limited) ("**Hung Wai**"), of which Mr. Lo holds 25%, became related company of the Group since April 2017. Hung Wai Innovation Limited is the wholly-owned subsidiary of Hung Wai Electronics (Huizhou) Limited, which is owned by Hung Wai as to 92.12% of its shareholdings. Accordingly, it is also a related company of the Group.

Management Discussion and Analysis

FINANCIAL REVIEW

Overview

During the Reporting Period, the Group recorded revenue of approximately HK\$34.6 million which represented an increase of approximately 42.4% as compared with approximately HK\$24.3 million in the corresponding period in 2016.

The Group recorded profit after tax of approximately HK\$7.4 million for the Reporting Period. However, the Group recorded loss after tax of approximately HK\$2.6 million for the six months ended 30 September 2016, as a result of the one-off listing expenses in connection with the preparation for Listing of approximately HK\$9.3 million recorded during the six months ended 30 September 2016.

Revenue

The Group's revenue principally represented income derived from sourcing of EFT-POS terminals and peripheral devices, provision of EFT-POS system support services and software solutions services. Revenue of approximately HK\$34.6 million was recognised for the Reporting Period which represented a significant increase as compared with approximately HK\$24.3 million in the corresponding period in 2016. This was mainly due to increase in provision of software solution services of approximately 546.7% compared to the corresponding period in 2016.

For sourcing of EFT-POS terminals and peripheral devices, revenue of approximately HK\$8.5 million was recognised for the Reporting Period which represented a decrease of approximately 17.5% as compared to HK\$10.3 million in the corresponding period in 2016. The reason for the decrease was that the Group sourced a batch of EFT-POS peripheral devices of approximately HK\$2.4 million to a customer during the six months ended 30 September 2016 while no such order was made during the Reporting Period.

For provision of EFT-POS system support services, revenue of approximately HK\$16.4 million was recognised for Reporting Period which represented an increase of approximately 31.2% as compared to HK\$12.5 million in the corresponding period in 2016 due to increase in number of EFT-POS terminals covered by our system support services.

For provision of software solution services, revenue of approximately HK\$9.7 million was recognised for Reporting Period which represented a significant increase of approximately 546.7% as compared to HK\$1.5 million in the corresponding period in 2016. The reason for the increase was that the software solution projects completed during the Reporting Period were at higher contract values as compared with that during the six months ended 30 September 2016.

Costs of Goods Sold and Services

Costs of goods sold and services primarily consisted of costs of inventories recognised as expense, cost of independent service providers, tools and consumables, salaries and benefits, freight and transportation, rent, local travelling and telephone and utilities expense. Costs of goods sold and services for the six months ended 30 September 2016 and 2017 was approximately HK\$13.4 million and HK\$15.5 million, respectively, which represented an increase of approximately 15.7% due to increase in costs of independent service providers in accordance with the increase in revenue from provision of EFT-POS system support services.



Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The overall gross profit for the six months ended 30 September 2016 and 2017 was approximately HK\$10.8 million and HK\$19.1 million, respectively, which represented an increase of about 76.9%. And the overall gross profit margin for the six months ended 30 September 2016 and 2017 was about 44.4% and 55.2%, respectively, which represented an increase of about 10.8%. The reason for the increase was that the Group completed software solution projects with high contract values which generated relatively higher profit margin than that generated from sourcing EFT-POS terminals and system support services in the Reporting Period as compared to that in the corresponding period in 2016.

Other Income

Other income mainly represented delivery income charged back to customers and management fee income. Other income for the six months ended 30 September 2016 and 2017 was approximately HK\$0.1 million and HK\$0.1 million, respectively, and was relatively stable over the corresponding periods.

Staff Costs

Staff costs of approximately HK\$6.6 million and HK\$11.2 million were recorded for the six months ended 30 September 2016 and 2017, respectively, which represented an increase of approximately 69.7%. The increase was mainly due to the increase in directors' remuneration, staff salaries after the Listing and the share-based payment expenses.

Listing Expenses

During the Reporting Period, the Group had not incurred any listing expense. The Group incurred listing expenses of approximately HK\$9.3 million for the six months ended 30 September 2016 in connection with the preparation for the Listing which were charged as expenses. Total listing expenses for the six months ended 30 September 2016 were approximately HK\$12.4 million, and part of these expenses of approximately HK\$2.5 million is available for offsetting against the Company's equity reserves and approximately HK\$0.6 million has been borne by Mr. Lo, the selling shareholder during the Listing.

Other Administrative Expenses

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

Other administrative expenses for the six months ended 30 September 2016 and 2017 were approximately HK\$1.1 million and HK\$4.8 million, respectively, which represented a significant increase of 336.4% as a result of increased legal and professional fees of approximately HK\$3.2 million to cope with the needs of compliance work as a result of the listing status and investment projects.

Finance Costs

Finance costs represented interest expenses on bank borrowings. Finance costs for the six months ended 30 September 2016 and 2017 were approximately HK\$147,000 and HK\$1,000, respectively. Since the Group's bank borrowings have been fully settled in April 2017, the finance costs decreased accordingly.

Income Tax Expenses

Income tax expenses represented Hong Kong Profits Tax at the rate of 16.5% for the Company's subsidiary in Hong Kong. Listing expenses were not deductible for tax purpose.

Management Discussion and Analysis

Profit (Loss) for the Period

For the Reporting Period, the Group recorded profit for the period of approximately HK\$7.4 million as compared to a loss of approximately HK\$2.6 million for the six months ended 30 September 2016. The turnaround result was mainly due to absence of non-recurring listing expenses and completion of software solution projects with high contact values in the current period which boosted up the profit of the Group.

Financial Position, Liquidity and Financial Resources

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

The Group has remained at a sound financial resource level. As at 30 September 2017, the Group had net current assets of approximately HK\$63.6 million (as at 31 March 2017: approximately HK\$56.8 million) including cash and bank balances of approximately HK\$34.7 million (as at 31 March 2017: approximately HK\$46.4 million).

As at 30 September 2017, the gearing ratio (calculated on the basis of total bank borrowings divided by the total equity as at the end of the period) of the Group was nil (as at 31 March 2017: approximately 0.5%).

Pledge of Assets

As at 30 September 2017, the Group did not have any pledged assets (as at 31 March 2017: Nil).

Foreign Currency Risk

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

Capital Commitments and Contingent Liabilities

As at 30 September 2017, the Group did not have any significant capital commitments (as at 31 March 2017: Nil).

As at 30 September 2017, the Group did not have any significant capital expenditure (as at 31 March 2017: Nil).

As at 30 September 2017, the Group did not have any significant contingent liability (as at 31 March 2017: Nil).

Capital Structure

The Company's Shares were successfully listed on the GEM on 15 December 2016. There has been no change in the Company's capital structure since 15 December 2016. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

Segmental Information

Segmental information is presented for the Group as disclosed in Note 5 to the condensed consolidated financial statements.



Management Discussion and Analysis

Employees and remuneration policies

As at 30 September 2017, the Group employed 65 (as at 31 March 2017: 57) full time employees (including executive Directors). We determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the Reporting Period.

Plans for Material Investments and Acquisitions

As of the date of this report, the Group has announced memorandum of understanding in respect of the following proposed material investments and acquisitions as follows:

- The Group has conditionally proposed to subscribe for the subscription shares, which represents 75% of the enlarged issued share capital of Newport Technology Pty Ltd ("**Newport**"). Newport is incorporated in Australia and is principally engaged in guiding the clients through the maze of embedded systems technology to achieve an effective price/performance ratio for their products. The Group considers that the proposed subscription could provide an opportunity to the Group to enter into the overseas software solutions business. Please refer to the Company's announcement dated 11 September 2017 for further details.
- The Group has conditionally proposed to subscribe for the subscription shares, which represents 25% of the enlarged issued share capital of OpenSparkz Pty Ltd ("**OpenSparkz**"). OpenSparkz is incorporated in Australia and is principally specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards. The Group considers that the proposed subscription could provide an opportunity to the Group to enter into the electronic payment business. Please refer to the Company's announcement dated 25 September 2017 for further details.
- The Group has conditionally proposed to invest in Hung Wai for a majority stake by way of subscription of new shares or acquisition of shares. Hung Wai is incorporated in Hong Kong and is principally engaged in investment holding and the trading of electronic technological products, and vending machines used in conjunction with EFT-POS products and peripheral devices. The Group considers that the proposed investment could provide an opportunity to the Group to expand our market share through provision of customised EFT-POS products and devices to meet the specific customer needs and to meet global trend of smart city development and will further enhance the investment portfolio and future earnings of the Group. Please refer to the Company's announcement dated 25 October 2017 for further details.

Dividend

The Board does not recommend payment of dividend for the Reporting Period (for the six months ended 30 September 2016: Nil).

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a leading EFT-POS solution provider focusing on sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services in Hong Kong.

The Group positions itself as the link between EFT-POS terminal manufacturers and acquirers (i.e. acquiring bank or payment processor that processes credit or debit card payments on behalf of a merchant) to provide total EFT-POS solutions including sourcing of EFT-POS terminals and peripheral devices services, together with developing software that comply with electronic payment standards acceptance certification, installation and ongoing maintenance and repair services of EFT-POS terminals and other related services. The Group also provides customised project-based software solution services to merchants. The Group provides sourcing of EFT-POS terminals and peripheral devices services to acquirers as well as merchants. Leveraging its experience in the electronic payment industry and its well-established business relationships with EFT-POS terminal and peripheral device manufacturers, it is able to recommend suitable EFT-POS solutions meeting the requirements of its customers.

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

BUSINESS REVIEW AND STRATEGY

During the Reporting Period, the Group continued its efforts in developing the sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services and recorded a growth of approximately 42.4% in total revenue. This was mainly due to increase in provision of software solution services of approximately 546.7% compared to that in the corresponding period in 2016.

The business objective of the Group is to maintain its position as the leading EFT-POS solution provider that focuses on providing total EFT-POS solutions including sourcing of EFT-POS terminals and peripheral devices services, together with developing software that comply with electronic payment standards acceptance certification, installation and ongoing maintenance and repair services of EFT-POS terminals and other related services. The Group plans to continue to expand its market share and strengthen its market position in Hong Kong. To achieve such objectives, the Group intends to implement its business strategies, which are to expand and diversify its business offering to increase revenue streams. The Group's strategies are aimed to promote the business opportunities in the following areas:

Acquiring host software services – to capture this market opportunity by leveraging our years of operating experience in the EFT-POS industry, together with the technical know-how and software development capabilities accumulated from developing electronic payment standards applications and software solution services in the past years to develop a tailored secure real-time transaction data gathering system or “acquiring host” software to fit the needs of local acquirers and merchants. As at 30 September 2017, the Group has actively approached potential customers to develop tailored made data system and software to meet their specific needs and to strengthen their capabilities;

Food and beverage service providers – to promote and offer a wide range of EFT-POS terminals including “pay at table” devices with functionality and to develop tailored software that accommodate the different needs of food and beverage service providers so as to increase the number of “pay at table” devices for payment transactions used by the food and beverage service providers. As at 30 September 2017, the Group has sourced a batch of EFT-POS terminals including “pay at table” devices to a catering company and will identify and explore more business opportunities in this category;



Management Discussion and Analysis

Public car parking systems – to introduce and promote a new generation of parking systems that accept EFT-POS terminals with features and functions that can out-perform the existing public parking systems. As at 30 September 2017, the Group has sourced a batch of EFT-POS terminals to the Company in Australia for provision of secure parking. The Group actively identify and explore more business opportunities like provision of self-service car park payment system in this category; and

Taxi – to capture market opportunities by building stronger relationships with more taxi management companies and taxi owners in Hong Kong and with acquirers so as to promote our services and increase the number of taxis accepting credit and debit card payments. As at 30 September 2017, the Group has kept its best effort to identify and explore more business opportunities in this category.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business objectives as set out in the Prospectus and actual business progress as at 30 September 2017:

Business objectives

Actual business progress as at 30 September 2017

Expansion of information technology workforce for total EFT-POS solutions

We have recruited seven information technology staff to develop new models of EFT-POS terminals.

Expand our business development workforce

We have recruited one business development manager.

Enhancement of information technology and network system

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

Expansion of office space for new headcount

We have renovated our office to accommodate new headcount.

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

We have entered into a non-legally binding memorandum of understanding with Newport and OpenSparkz to grasp the opportunity to enter into overseas software solutions business and electronic payment business. Please refer to the sub-heading "Plans for Material Investments and Acquisitions" for further details.

Management Discussion and Analysis

USE OF PROCEEDS

The total net proceeds from the issue of new Shares under the public offer and placing after deducting all related expenses was approximately HK\$35.1 million, which are intended to be applied in the following manner:

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

Upon receipt of the proceeds, the actual use of the proceeds by the Group as at 30 September 2017 was as follow:

- approximately HK\$0.5 million has been used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK\$0.2 million has been used to expand our business development workforce;
- approximately HK\$0.2 million has been used to enhance our information technology and network system;
- approximately HK\$0.1 million has been used for property improvements to accommodate new headcount;
- approximately HK\$0.5 million has been used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share;
- approximately HK\$2.8 million has been used for our working capital and other general corporate purposes; and
- the remaining balance of approximately HK\$30.8 million is placed with a licensed bank in Hong Kong.

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



Management Discussion and Analysis

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

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

OUTLOOK

The Group understands and anticipates that EFT-POS solution providers would require a larger system development team and specialists on acquiring host software to adapt to the fast-paced payment technology movement and rapid development of the mobile payment market. Therefore, we will strive our best effort to improve business growth, we aim to further expand our market share and strengthen our market position in Hong Kong's electronic payment industry by increasing our capabilities and offering diverse and high quality services.

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

Disclosure of Interests and Other Information

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

As at 30 September 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

INTERESTS IN THE SHARES OF THE COMPANY

Name	Capacity	Note	Long position	
			Number of ordinary Shares	Percentage of total number of Shares
Mr. Lo	Interest in controlled corporation	1	360,000,000	75%
Ms. Lam	Interest of spouse	2	360,000,000	75%

Notes:

1. Mr. Lo is interested in the entire issued share capital of LCK and he is therefore deemed to be interested in the Shares held by LCK by virtue of the SFO.
2. Ms. Lam is the spouse of Mr. Lo and she is therefore deemed to be interested in the Shares held by Mr. Lo by virtue of the SFO.

Save as disclosed above and the paragraph headed "Share Option Scheme", as at 30 September 2017, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Disclosure of Interests and Other Information

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

As at 30 September 2017, to the knowledge of the Directors, shareholders of the Company (the "Shareholders") (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Note	Long position	
			Number of ordinary Shares	Percentage of total number of Shares
LCK	Beneficial Owner	1	360,000,000	75%

Note:

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

Save as disclosed above, as at 30 September 2017, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above and the paragraph headed "Share Option Scheme", at no time during the Reporting Period and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

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

Disclosure of Interests and Other Information

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

For the Reporting Period, none of the Directors, nor the substantial shareholders of the Company nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or (prior to completion of the Reorganisation) its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in Note 18 to the condensed consolidated financial statements in this report, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the period under review.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

For the Reporting Period, there had been no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder (as defined in the GEM Listing Rules) or any of their close associates, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of their close associates.

SHARE OPTION SCHEME

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

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

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

Eligible participants of the Share Option Scheme include:

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



Disclosure of Interests and Other Information

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

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

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

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

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

Disclosure of Interests and Other Information

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

Category	Date of grant	Exercise period of the option	Exercise price HK\$	Number of share options		
				As at 1 April 2017	Granted during the period	As at 30 September 2017
Executive Director (Mr. Chan Lung Ming)	18 September 2017	<i>Note 1</i>	0.320 <i>(Note 4)</i>	–	24,000,000	24,000,000
Employees	18 September 2017	<i>Note 2</i>	0.320 <i>(Note 4)</i>	–	4,800,000	4,800,000
Consultants	18 September 2017	<i>Note 3</i>	0.320 <i>(Note 4)</i>	–	14,400,000	14,400,000
				–	43,200,000	43,200,000

Notes:

- 40% of the Options granted to Mr. Chan Lung Ming (“**Mr. Chan**”) shall become exercisable immediately upon approval by the shareholders of the Company; 30% of the Options granted to Mr. Chan shall become exercisable on or after completion of one year of service on 1 September 2018 and the remaining Options granted to Mr. Chan shall become exercisable on or after completion of two years of service on 1 September 2019. Options granted to Mr. Chan has been approved by the Shareholders in its extraordinary general meeting (“**EGM**”) held on 10 November 2017.
- 50% of the Options granted to the Grantees of this category shall become exercisable after three months from the date of grant. The remaining Options granted to the Grantees shall become exercisable on or after the first anniversary of the date of grant.
- 50% of the Options granted to the Grantees of this category shall become exercisable after six months from the date of grant. The remaining Options granted to the Grantees shall become exercisable on or after the first anniversary of the date of grant.
- The closing price of shares on the date of grant was HK\$0.320. The average closing price of HK\$0.2744 per share for the five business days immediately preceding the date of grant.
- There are no share options being exercised, cancelled or lapsed during the Reporting Period.

COMPLIANCE ADVISER’S INTERESTS

As notified by Lego Corporate Finance Limited (“**Lego**”), compliance adviser of the Company, neither Lego nor any of its close associates and none of the directors or employees of Lego had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2017.



Disclosure of Interests and Other Information

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the “**Model Code**”) by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code for the Reporting Period.

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

The Group has adopted the principles and code provisions of Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established its audit committee (“**Audit Committee**”), a nomination committee (“**Nomination Committee**”) and a remuneration committee (“**Remuneration Committee**”) with specific written terms of reference. During the Reporting Period and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviations as follows:

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

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

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

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

Disclosure of Interests and Other Information

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee was established by the Board on 23 November 2016 with written terms of reference in compliance with the GEM Listing Rules. Members of the Audit Committee currently comprise Ms. Yang Eugenia (Chairman of the Audit Committee), Mr. Lam Keung and Mr. Ng Ming Fai, all of them being independent non-executive Directors. The primary duties of the Audit Committee include, but are not limited to, (a) monitoring the integrity of the Company's financial statements, (b) reviewing the Company's financial controls, internal control and risk management systems, and (c) reviewing the Group's financial and accounting policies and practices.

The condensed consolidated financial statements of the Group for the Reporting Period have not been audited, but has been reviewed by Elite Partners CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA. Elite Partners CPA Limited's independent review report to the board of Directors is included on page 6.

The Audit Committee has reviewed with the management the condensed consolidated financial statements of the Group for the Reporting Period, this interim report, the accounting principles and practices adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

During the Reporting Period and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

On 9 October 2017, Mr. Pang be resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company with effect from 9 October 2017. Please refer to the Company's announcement dated 9 October 2017 for further details.

On 13 October 2017, Mr. Ng be appointed as an independent non-executive Director, the chairman of Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee of the Company with effect from 13 October 2017. Please refer to the Company's announcement dated 13 October 2017 for further details.

Deloitte Touche Tohmatsu be resigned as the auditors of the Group with effect from 12 October 2017 and Elite Partners CPA Limited be appointed as the new auditors of the Group with effect from 13 October 2017. Please refer to the Company's announcement dated 13 October 2017 for further details.

On 25 October 2017, the Group be conditionally proposed to invest in Hung Wai for a majority stake by way of subscription of new shares or acquisition of shares and the Company entered into a non-legally binding memorandum of understandings with Hung Wai. Please refer to the sub-heading "Plans for Material Investments and Acquisitions" in this report and Company's announcement dated 25 October 2017 for further details.



Disclosure of Interests and Other Information

On 2 November 2017, Mr. Luk Pok Yin be appointed in place of Ms. Ng Wing Shan as the company secretary and the authorised representative of the Company with effect from 2 November 2017 under Rule 5.24 of the GEM Listing Rules. Please refer to the Company's announcement dated 2 November 2017 for further details.

On 10 November 2017, Shareholders have passed the resolution in the EGM on 10 November 2017 that Mr. Chan be granted 24,000,000 Share Options and the Share Option Scheme mandate limit be refreshed up to 10% of the issued capital of the Company. Please refer to the Company's announcement dated 10 November 2017 for further details.

By Order of the Board

EFT Solutions Holdings Limited

Lo Chun Kit Andrew

Chairman and Chief Executive Officer

10 November 2017

As of the date of this report, the Board comprises executive Directors Mr. Lo Chun Kit Andrew, Mr. Lo Chun Wa and Mr. Chan Lung Ming; non-executive Directors Ms. Lam Ching Man and Mr. Lui Hin Weng Samuel; and independent non-executive Directors Mr. Lam Keung, Ms. Yang Eugenia and Mr. Ng Ming Fai.

This report will remain on the Stock Exchange's website at www.hkexnews.hk and the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and be posted on the website of the Company at www.eftsolutions.com.