

EFT Solutions Holdings Limited

俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8062



2018

Third Quarterly Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 of the Stock Exchange (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. Lo Chun Wa

Non-executive Directors

Ms. Lam Ching Man
Mr. Lui Hin Weng Samuel
Mr. Chan Lung Ming
*(Ceased to be the vice chairman
and chief strategy officer and
re-designated from executive Director
to non-executive Director on
1 February 2019)*

Independent Non-executive Directors

Mr. Lam Keung
Ms. Yang Eugenia
Mr. Ng Ming Fai

COMPLIANCE OFFICER

Mr. Lo Chun Wa

COMPANY SECRETARY

Mr. Luk Pok Yin

AUTHORISED REPRESENTATIVES

Mr. Lo Chun Kit Andrew
Mr. Luk Pok Yin

AUDIT COMMITTEE

Ms. Yang Eugenia *(Chairman)*
Mr. Lam Keung
Mr. Ng Ming Fai

REMUNERATION COMMITTEE

Mr. Ng Ming Fai *(Chairman)*
Mr. Lo Chun Kit Andrew
Mr. Lam Keung

NOMINATION COMMITTEE

Mr. Lo Chun Kit Andrew *(Chairman)*
Mr. Lam Keung
Mr. Ng Ming Fai

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
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Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshops B1 & B3
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28-36 Kwai Fung Crescent
Kwai Chung, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

8062

COMPANY WEBSITE

www.eftsolutions.com

FINANCIAL HIGHLIGHTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated quarterly results of the Group for the three months and nine months ended 31 December 2018, together with the comparative figures for the corresponding periods in 2017, as follows:

	For the nine months ended 31 December		+ / (-)
	2018 HK\$ million (unaudited)	2017 HK\$ million (unaudited)	
Revenue	94.1	69.3	35.8%
Gross profit	47.7	36.4	31.0%
Operating profit	30.6	14.4	112.5%
Profit before tax	23.6	14.4	63.9%
Profit for the period	18.3	11.9	53.8%
Profit attributable to the owners of the Company	14.0	11.9	17.6%

EARNINGS PER SHARE

	For the nine months ended 31 December		+ / (-)
	2018 HK cents (unaudited)	2017 HK cents (unaudited)	
Earnings per share			
– Basic	2.91	2.47	17.8%
– Diluted	2.90	2.44	18.9%

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 31 December 2018

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	4	27,803	34,673	94,085	69,289
Cost of goods sold and services		(22,226)	(17,351)	(46,389)	(32,889)
Gross profit		5,577	17,322	47,696	36,400
Other income		70	42	175	135
Other losses		(87)	(90)	(611)	(138)
Administrative expenses		(8,518)	(11,921)	(16,680)	(22,031)
Operating profit (loss)		(2,958)	5,353	30,580	14,366
Finance costs		(2,770)	-	(6,340)	(1)
Share of results of an associate		(345)	-	(686)	-
Profit (loss) before tax		(6,073)	5,353	23,554	14,365
Income tax expense	5	279	(865)	(5,242)	(2,510)
Profit (loss) for the period		(5,794)	4,488	18,312	11,855
Profit (loss) attributable to:					
– Owners of the Company		(5,721)	4,488	13,989	11,855
– Non-controlling interests		(73)	-	4,323	-
		(5,794)	4,488	18,312	11,855
Earnings (loss) per share for the profit attributable to the owners of the Company:	6				
– Basic (HK cents)		(1.19)	0.94	2.91	2.47
– Diluted (HK cents)		(1.19)	0.93	2.90	2.44

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2018

	For the three months ended 31 December		For the nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Profit (loss) for the period	(5,794)	4,488	18,312	11,855
Other comprehensive income (loss), net of tax				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences arising on translation of the financial statements of foreign subsidiaries	(1)	–	83	–
Total comprehensive income (loss) for the period	(5,795)	4,488	18,395	11,855
Total comprehensive income (loss) attributable to:				
Owners of the Company	(5,722)	4,488	14,048	11,855
Non-controlling interests	(73)	–	4,347	–
	(5,795)	4,488	18,395	11,855

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2018

	Attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve	Share option reserve	Exchange reserve	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2018 (audited)	4,800	53,545	(10,228)	5,851	-	32,096	86,064	-	86,064
Adjustment on initial application of HKFRS 9	-	-	-	-	-	(33)	(33)	-	(33)
Adjusted balance as at 1 April 2018 (unaudited)	4,800	53,545	(10,228)	5,851	-	32,063	86,031	-	86,031
Comprehensive income									
Profit for the period	-	-	-	-	-	13,989	13,989	4,323	18,312
Other comprehensive income									
Exchange differences arising on translation of the financial statements of foreign subsidiaries	-	-	-	-	59	-	59	24	83
Total comprehensive income	-	-	-	-	59	13,989	14,048	4,347	18,395
Transactions with owners									
Equity-settled share-based payment transactions	-	-	-	(1,531)	-	-	(1,531)	-	(1,531)
Non-controlling interests arising on business combinations	-	-	-	-	-	-	-	8,690	8,690
Total transactions with owners	-	-	-	(1,531)	-	-	(1,531)	8,690	7,159
As at 31 December 2018 (unaudited)	4,800	53,545	(10,228)	4,320	59	46,052	98,548	13,037	111,585

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2018

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note)	Share option reserve HK\$'000	Exchange 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	-	-	-	6,208	-	-	6,208
Profit and total comprehensive income for the period	-	-	-	-	-	11,855	11,855
As at 31 December 2017 (unaudited)	4,800	53,545	(10,228)	6,208	-	21,845	76,170

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, the details of which are set out in the prospectus of the Company dated 5 December 2016.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2018

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. During the nine months ended 31 December 2018 (the “**Reporting Period**”), the Group entered into the provision of point-of-sale (“**POS**”) software solution services in Hong Kong and People’s Republic of China (“**PRC**”) through the acquisition of 70% of the issued share capital of Earn World Development Limited (“**Earn World Development**”), together with its subsidiaries, (“**Earn World Group**”) on 31 May 2018 and provision of embedded system solution services in Australia through the subscription of shares of Newport Tek Pty Ltd (“**Newport**”), which represented 75% of Newport’s shareholdings. The Company’s 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 quarterly financial information is Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Group.

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

2. BASIS OF PREPARATION

The quarterly financial information have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The amounts included in the quarterly financial information have been computed in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). However, it does not contain sufficient information to constitute an interim financial statement as defined in HKFRSs.

The quarterly financial information should be read in conjunction with the consolidated financial statements of the Group incorporated in the annual report for the year ended 31 March 2018 (the “**2018 Annual Report**”). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 2018 Annual Report.

The quarterly financial information 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.

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 2018. 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.

The application of the new and revised HKFRSs effective in the current Reporting Period has had no material effect on the amounts reported in the quarterly financial information and disclosures set out in the quarterly financial information, except for HKFRS 9 Financial Instruments as set out below.

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

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

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Classification and measurement

In accordance with the transitional provisions set out in HKFRS 9, comparative figures have not been restated, where the comparative information for prior periods with respect to classification and measurement (including impairment) changes is not restated and differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 will be recognised as an adjustment to the opening balance of equity at the date of adoption, i.e. as at 1 April 2018, without restating comparative information.

As at 1 April 2018, all of the Group's financial assets and financial liabilities were carried at amortised cost, therefore, the new guidance would not have a significant impact on the classification and measurement of its financial assets and financial liabilities.

Impairment of financial assets

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit loss (the "ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires lifetime expected losses for amounts due from customers to be recognised from initial recognition of the trade receivables.

For all other financial assets, the Group recognises allowances of doubtful debts equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the allowances of doubtful debts are measured at an amount equal to lifetime ECLs.

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

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

HKFRS 9 Financial Instruments (continued)

Impairment of financial assets (continued)

The following table summarises the measurement of trade receivables as at 1 April 2018:

	Trade receivables HK\$'000
At 31 March 2018 (audited) under HKAS 39	42,716
Remeasurement	
Recognition of ECLs on trade receivables	(33)
At 1 April 2018 (unaudited) under HKFRS 9	42,683

4. REVENUE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Sourcing of EFT-POS terminals and peripheral devices	12,017	8,613	31,101	17,083
Provision of system support and software solution services	15,786	26,060	62,984	52,206
	27,803	34,673	94,085	69,289

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

5. INCOME TAX EXPENSE

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
Hong Kong Profits Tax	(247)	865	5,253	2,510
Overseas income tax	36	–	147	–
Total current income tax	(211)	865	5,400	2,510
Deferred income tax	(68)	–	(158)	–
Total tax charge (credit) for the period	(279)	865	5,242	2,510

Hong Kong Profits Tax has been provided for at the rate of 16.5% (for the nine months ended 31 December 2017: 16.5%) on the estimated assessable profits for the Reporting Period.

Tax on overseas profits in Australia has been calculated at the prevailing tax rate based on existing legislation, interpretations and practices in respect thereof.

No provision for the PRC corporate income tax has been made as the Group did not generate any taxable profits in the PRC during the Reporting Period. 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.

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

6. EARNINGS (LOSS) PER SHARE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Earnings (loss)				
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	(5,721)	4,488	13,989	11,855
	2018 '000 (unaudited)	2017 '000 (unaudited)	2018 '000 (unaudited)	2017 '000 (unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	480,000	480,000	480,000	480,000
Effect of dilutive potential ordinary shares on share options	–	5,014	1,920	5,014
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	480,000	485,014	481,920	485,014

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

7. RELATED PARTY TRANSACTIONS

During the three months and nine months ended 31 December 2017 and 2018, the Group entered into the following transactions with related parties:

Name of related party	Nature of Transactions	For the three months ended 31 December		For the nine months ended 31 December	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Affinity Corporation Limited (Note 1)	Rental expense paid	84	-	91	-
EFT Payments (Asia) Limited ("EFT Payments") (Note 1)	Sourcing of EFT-POS terminals and peripheral devices (Note 2)	3,883	1,431	5,483	3,400
	Provision of EFT-POS system support services (Note 3)	1,645	509	3,700	1,253
	Management income received	-	-	-	20
	Rental income received	-	-	-	21
	Disposal of fixed asset	75	-	75	57
Guangzhou EFTPay Limited (Note 1)	Sourcing of peripheral devices	39	-	39	-
Hung Wai Innovation Limited (Note 4)	Purchasing cost of peripheral devices	1,045	-	2,437	92
Hung Wai Products Limited (Note 4)	Purchasing cost of peripheral devices	-	170	-	261
Mr. Lo	Rental expense paid	243	243	729	729
Ms. Lam Ching Man (Note 5)	Rental expense paid	81	81	243	243
Mr. Lo Chun Wa (Note 6)	Rental expense paid	45	45	135	135
Open Sparkz Pty Ltd ("Open Sparkz")	Management income received	114	-	114	-

Notes to the Quarterly Financial Information

For the three months and nine months ended 31 December 2018

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Note 1: Mr. Lo is the ultimate shareholder of Affinity Corporation Limited, EFT Payments (Asia) Limited and Guangzhou EFTPay Limited.

Note 2: The prices were made with reference to transactions prices of EFT-POS terminals products of comparable quality, quantity, specifications and delivery deadline and arrangements offered to at least 2 independent third parties in the ordinary and usual course of business.

Note 3: The services fee is based on the number of terminals deployed multiplied by a fixed system support fee per terminals ranging from HK\$50 to HK\$130 per month depending on the scope of services required. The charges are substantially in line with those offered to the major customers.

Note 4: 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.

Note 5: Ms. Lam Ching Man ("**Ms. Lam**") is a non-executive Director and the spouse of Mr. Lo.

Note 6: Mr. Lo Chun Wa is an executive Director and the brother of Mr. Lo.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

According to the statistics from the Hong Kong Monetary Authority, the total number of credit cards issued in Hong Kong under the credit card schemes of card scheme operators was approximately 19.3 million by the end of third quarter of 2018. The total number of credit card transactions was approximately 185.6 million and the total value of credit card transactions was approximately HK\$179.1 billion, which represented an increase of 16.6% and 11.8%, respectively, as compared to the corresponding period of last year. Stored Value Facilities (“SVF”) in Hong Kong are also blooming. For third quarter of 2018, the total number of SVF transactions was around 1.5 billion, representing a 6.9% increase on a year-on-year basis.

2018 has been a ground-breaking year for electronic payment development in Hong Kong. The usage of electronic payments as a method of settlement has been gaining momentum. The Group believes that electronic payment development in Hong Kong is on the right track and is growing at a rapid pace. We expect soaring demand for our payment terminals and the related payment solutions services.

The Group will strive its best effort to achieve business growth and make contribution in building Hong Kong into a smart city. The Group aims to further expand our market share and strengthen our market position in electronic payment and software solution industries by increasing its capabilities and offering diverse and high quality one-stop integrated services. 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.

FINANCIAL REVIEW

Overview

During the Reporting Period, the Group recorded revenue of approximately HK\$94.1 million which represented an increase of approximately 35.8% as compared with approximately HK\$69.3 million in the corresponding period in 2017.

The Group recorded profit for the Reporting Period of approximately HK\$18.3 million, which represented an increase of approximately 53.8% on a period-to-period basis. It was mainly due to the increase in the sourcing of EFT-POS terminals and peripheral devices.

Management Discussion and Analysis

Revenue

During the Reporting Period, the Group successfully entered into the market of POS software solution and the embedded system solution services, which enable us to enlarge the market share of the software solution business and to explore more business opportunities in payment solutions. Revenue of approximately HK\$94.1 million was recognised for the Reporting Period which represented an increase of approximately 35.8% as compared with approximately HK\$69.3 million in the corresponding period in 2017. This was mainly driven by the increase in sourcing of EFT-POS terminals and peripheral devices.

For sourcing of EFT-POS terminals and peripheral devices, revenue of approximately HK\$31.1 million was recognised for Reporting Period which represented a significant increase of approximately 81.9% as compared to HK\$17.1 million in the corresponding period in 2017 due to increase in number of EFT-POS terminals sold.

For provision of system support and software solution services, revenue of approximately HK\$63.0 million was recognised for the Reporting Period which represented an increase of approximately 20.7% as compared to HK\$52.2 million in the corresponding period in 2017 due to increase in number of EFT-POS terminals covered by our system support services and the increase in provision of POS software solution services.

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 during the Reporting Period was HK\$46.4 million (for the nine months ended 31 December 2017: HK\$32.9 million), which represented an increase of approximately 41.0% on a period-to-period basis due to increase in costs of inventories sold in accordance with the increase in revenue from sourcing of EFT-POS terminals and peripheral devices.

Gross Profit and Gross Profit Margin

The overall gross profit for the Reporting Period was approximately HK\$47.7 million (for the nine months ended 31 December 2017: HK\$36.4 million) which represented an increase of approximately 31.0%. Such increase of gross profit was primarily due to the Group sourced more EFT-POS terminals and peripheral devices with relatively higher profit margin to customers in the Reporting Period as compared to that in the corresponding period. The overall gross profit margin for the Reporting Period was about 50.7% (for the nine months ended 31 December 2017: 52.5%), which represented a slightly decrease of about 1.8%. Such decrease was primarily due to the fact that the Group completed projects with relatively lower profit margin during the Reporting Period, and thus the overall gross profit margin was slightly decreased.

Management Discussion and Analysis

Other Income

Other income mainly represented delivery income charged back to customers and management fee income. Other income for the nine months ended 31 December 2017 and 2018 was approximately HK\$0.1 million and HK\$0.2 million, respectively, and was relatively stable over the corresponding periods.

Staff Costs

Staff costs of approximately HK\$17.8 million were recorded for the Reporting Period (for the nine months ended 31 December 2017: HK\$22.5 million) which represented a decrease of approximately 20.9%. The decrease was mainly due to the decrease in directors' remuneration and the share-based payment expenses during the Reporting Period.

Other Administrative Expenses

Other administrative expenses (excluding staff costs) comprised mainly auditor's remuneration, depreciation, amortisation of intangible assets, legal and professional fees and office expenses.

Other administrative expenses for the Reporting Period was approximately HK\$12.7 million (for the nine months ended 31 December 2017: HK\$8.6 million), respectively, which represented an increase of approximately 47.7% as a result of the increase in legal and professional fee to cope with the needs of compliance work, increase in amortisation of intangible assets with the completion of acquisitions of Earn World Group and Newport and the increase in depreciation with the additions of office equipment and leasehold improvements.

Finance Costs

Finance costs mainly represented imputed interest expenses on promissory note and interest expenses on bank borrowings. Finance costs for the Reporting Period was approximately HK\$6.3 million (for the nine months ended 31 December 2017: HK\$1,000). On 31 May 2018, the Group issued promissory notes of approximately HK\$194.0 million which bear interest at 4% per annum as part of the consideration of acquisition of Earn World Group.

Profit for the Period

For the Reporting Period, the Group recorded profit of approximately HK\$18.3 million (for the nine months ended 31 December 2017: HK\$11.9 million). This was mainly due to the growth in the sourcing of EFT-POS terminals and peripheral devices.

Management Discussion and Analysis

Financial Position, Liquidity and Financial Resources

The Group adopts a prudent cash and financial management policy. The Group has remained at a sound financial resource level. As at 31 December 2018, the Group had net current assets of approximately HK\$83.8 million (as at 31 March 2018: approximately HK\$71.0 million) including cash and bank balances of approximately HK\$20.4 million (as at 31 March 2018: approximately HK\$22.6 million).

As at 31 December 2018, 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 4.6% (as at 31 March 2018: 5.8%).

Pledge of Assets

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

Capital Commitments and Contingent Liabilities

As at 31 December 2018, the Group had contracted capital commitment for the acquisition of a subsidiary, Earn World Development, of approximately HK\$210.0 million. Up to the date of this report, the Group has paid approximately HK\$9.6 million for the acquisition. Please refer to the section headed "Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets" in this report for further details. Save as disclosed above, the Group did not have any significant capital commitments (as at 31 March 2018: HK\$210.9 million).

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

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

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

On 22 November 2017, the Group entered into a subscription agreement with Open Sparkz to subscribe for the subscription shares, which represents 25% of the enlarged issued share capital of Open Sparkz at the consideration of AUD1.0 million. Open Sparkz is incorporated in Australia and is principally specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards. The Group considers that the subscription could provide an opportunity to the Group to enter into the electronic payment business. As at 31 December 2018, the Group has paid AUD1.0 million to Open Sparkz.

Management Discussion and Analysis

On 19 January 2018, the Group entered into the sale and purchase agreement with Earn World Enterprises Limited ("**Earn World Enterprises**"), pursuant to which Earn World Enterprises conditionally agreed to sell and the Group conditionally agreed to purchase the sale shares, which represented 70% of the issued share capital of Earn World Development. The consideration for the acquisition was HK\$210.0 million which was payable by the Group as to HK\$16.0 million by cash and HK\$194.0 million by issuance of promissory notes. Earn World Group has been in the information technology industry for more than ten years. It is principally engaged in the provision of software solution in retail, distribution and accounting sectors including point of sales system, ordering and inventory system and accounting system, with the objective of providing commercial software applications and retail and distribution solutions which are suitable for global operation. The Group considered that the acquisition could provide an opportunity to the Group to enlarge the market share of the software solutions business and to explore more business opportunities in POS solutions so as to strengthen the Group's financial position and maintain its growth in Hong Kong. On 31 May 2018, the Group completed the acquisition of 70% of the share capital of Earn World Development. Please refer to the Company's announcement dated 19 January 2018 and 31 May 2018 for further details. Up to the date of this report, the Group had paid HK\$9.6 million to Earn World Enterprises for this acquisition.

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

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

Plans for Material Investments and Acquisitions

Save as disclosed elsewhere in this report, the Group did not have any plans for material investments and acquisitions as at the date of this report.

Dividend

The Board does not recommend the payment of any dividend for the Reporting Period (for the nine months ended 31 December 2017: nil).

Management Discussion and Analysis

USE OF PROCEEDS

The total net proceeds from the listing on GEM of the Stock Exchange after deducting all related expenses was approximately HK\$35.1 million, which are intended to be applied in the following manners:

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

Management Discussion and Analysis

As at 31 December 2018, the actual use of the proceeds by the Group was as follows:

- approximately HK\$5.6 million has been used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK\$3.4 million has been used to expand our information technology workforce for acquiring host software services;
- approximately HK\$3.1 million has been used to expand our business development workforce;
- approximately HK\$0.6 million has been used to enhance our information technology and network system;
- approximately HK\$2.0 million has been used for property improvements to accommodate new headcount;
- approximately HK\$10.0 million has been used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share, of which HK\$8.0 million was paid as earnest money for the proposed investment in Hung Wai. On 15 January 2019, HK\$8.0 million has been returned to the Company due to the termination of memorandum of understanding (“**MOU**”). Please refer to the section headed “Event After The Reporting Period” of this report for further details;
- approximately HK\$2.8 million has been used for our working capital and other general corporate purposes; and
- the remaining balance of approximately HK\$7.6 million was placed with a licensed bank in Hong Kong.

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

INTERESTS IN THE SHARES OF THE COMPANY

Name	Capacity	Notes	Long position	
			Total interests in ordinary Shares	Percentage of total number of issued Shares
Mr. Lo	Interest in a controlled corporation	1	345,600,000	72%
Ms. Lam	Interest of spouse	2	345,600,000	72%

Notes:

1. Mr. Lo is interested in the entire issued share capital of LCK and he is therefore deemed to be interested in the 345,600,000 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 31 December 2018, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, 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 31 December 2018, 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 issued Shares
LCK	Beneficial Owner	1	345,600,000	72%

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 31 December 2018, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above 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).

Disclosure of Interests and Other Information

Save as disclosed above and as provided in the section “Share Option Scheme” of this report, 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).

DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTEREST IN COMPETING BUSINESS

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

DIRECTORS’ INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 7 to the quarterly financial information 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

Save as disclosed in Note 7 to the quarterly financial information in this report, 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.

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.

Disclosure of Interests and Other Information

SHARE OPTION SCHEME

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

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

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

Eligible participants of the Share Option Scheme include:

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

Disclosure of Interests and Other Information

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 (the “**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 the Options will be a price determined by the Board and notified to each participant and shall be the highest of:

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

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	Exercise price	Number of share options				Balance as at 31 December 2018
				Balance as at 1 April 2018	Granted	Exercised	Cancelled/ lapsed (Note 5)	
Executive Directors								
Mr. Lo	9 January 2018	Note 1	0.530 (Note 4)	4,800,000	-	-	(4,800,000)	-
Mr. Lo Chun Wa	9 January 2018	Note 1	0.530 (Note 4)	4,800,000	-	-	(4,800,000)	-
Non-executive Directors								
Mr. Chan	18 September 2017	Note 2	0.320 (Note 3)	24,000,000	-	-	(24,000,000)	-
Ms. Lam	9 January 2018	Note 1	0.530 (Note 4)	4,800,000	-	-	(4,800,000)	-
				38,400,000	-	-	(38,400,000)	-

Notes:

- 50% of the Options granted to Mr. Lo, Mr. Lo Chun Wa and Ms. Lam shall become exercisable after three months from the date of grant. The remaining Options granted to Mr. Lo, Mr. Lo Chun Wa and Ms. Lam shall become exercisable on or after the first anniversary of the date of grant.
- 40% of the Options granted to Mr. Chan 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 have been approved by the Shareholders in its extraordinary general meeting held on 10 November 2017.
- The closing price of shares on the date of grant was HK\$0.320. The average closing price was HK\$0.2744 per share for the five business days immediately preceding the date of grant.
- The closing price of shares on the date of grant was HK\$0.530. The average closing price was HK\$0.520 per share for the five business days immediately preceding the date of grant.
- The Options lapsed during the Reporting Period in accordance with the terms of the Share Option Scheme.

Disclosure of Interests and Other Information

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 31 December 2018.

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 CODE OF CORPORATE GOVERNANCE

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.

Disclosure of Interests and Other Information

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 and a 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.

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.

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 unaudited condensed consolidated quarterly results of the Group for the Reporting Period have not been audited.

The Audit Committee has reviewed with the management of the Group the unaudited condensed consolidated quarterly results of the Group for the Reporting Period, this quarterly report, the accounting principles and policies 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.

Disclosure of Interests and Other Information

EVENT AFTER THE REPORTING PERIOD

On 9 January 2019, the fourth supplemental agreement and the new master supply and services agreement dated 26 November 2018 entered into between the Company and EFT Payments and the transactions contemplated thereunder and the annual caps were ratified, confirmed and approved by the Shareholders in its extraordinary general meeting. Please refer to the Company's announcement dated 9 January 2019 for further details.

On 15 January 2019, the MOU dated 25 October 2017 entered into between Hung Wai and the Company for the proposed investment has been terminated and the deposit of HK\$8.0 million as earnest money has been returned to the Company. Please refer to the Company's announcement dated 15 January 2019 for further details.

On 21 January 2019, the memorandum of understanding dated 18 October 2018 entered into between Skyer Holding Limited and the Company for the proposed acquisition has been terminated.

On 1 February 2019, Mr. Chan resigned as the vice chairman and chief strategy officer and was re-designated from executive Director to a non-executive Director of the Company. Please refer to the Company's announcement dated 28 January 2019 for further details.

By order of the Board

EFT Solutions Holdings Limited

Lo Chun Kit Andrew

Chairman and Chief Executive Officer

12 February 2019

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