NOVACON TECHNOLOGY GROUP LIMITED
連成科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8635

2019
ANNUAL REPORT

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

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

Given 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Chau Kan *(Chief Executive Officer)*
Mr. Wong Wing Hoi

Non-executive Director

Mr. Wei Ming *(Chairman)*

Independent Non-executive Directors

Mr. Moo Kai Pong
Mr. Lo Chi Wang
Mr. Wu Kin San Alfred

COMPANY SECRETARY

Ms. Chan Lok Yee *(ACIS, ACS)*

COMPLIANCE OFFICER

Mr. Chung Chau Kan

AUTHORISED REPRESENTATIVES

Mr. Chung Chau Kan
Ms. Chan Lok Yee

AUDIT COMMITTEE

Mr. Lo Chi Wang *(Chairman)*
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

REMUNERATION COMMITTEE

Mr. Moo Kai Pong *(Chairman)*
Mr. Chung Chau Kan
Mr. Wu Kin San Alfred

NOMINATION COMMITTEE

Mr. Wei Ming *(Chairman)*
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

COMPLIANCE ADVISER

Dongxing Securities (Hong Kong) Company Limited
6805-6806A, 68/F, International Commence Centre,
1 Austin Road West, Kowloon, Hong Kong

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building, Central, Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower, 3 Connaught Road Central,
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681,
Grand Cayman KY1-1111, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office E, 17th Floor, EGL Tower,
No. 83 Hung To Road, Kwun Tong, Kowloon,
Hong Kong

HONG KONG LEGAL ADVISERS

H.M. Chan & Co
in association with Taylor Wessing
21/F, 8 Queen's Road Central, Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681,
Grand Cayman KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre, 183 Queen's Road East,
Hong Kong
(which will be relocated to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019)

STOCK CODE

8635

WEBSITE OF THE COMPANY

www.novacontechgroup.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of Novacon Technology Group Limited (the "**Company**"), I am delighted to present our audited consolidated financial results of the Company and its subsidiaries (collectively, referred as to the "**Group**") for the year ended 31 March 2019.

The Group was successfully listed on GEM of the Stock Exchange (the "**Listing**") on 2 May 2019 (the "**Listing Date**"). We were pleased to have seen the Group's growth throughout the years and witnessed this remarkable milestone. Among many other benefits, the Listing has not only enhanced our capital base, but also enriched our corporate image and reputation. By leveraging on these advantages, the Group expects and endeavours to further expand its market share and manpower for sustainable growth.

We have weathered through plenty of challenges during the past financial year. Putting aside the one-off substantial costs incurred as a result of the Listing, the recurring operational and financial results of the Group for the year ended 31 March 2019 is relatively stable as compared to that for the year of 2018.

For the year ended 31 March 2019, the Group recorded revenue of approximately HK$44.2 million, representing an increase of approximately 2% as compared to the year ended 31 March 2018. Profit attributable to owners of the Company increased by approximately 1% from approximately HK$6.4 million for the year ended 31 March 2018 to approximately HK$6.5 million for the year ended 31 March 2019 due to increase in expenses by approximately HK$7.0 million in total, including but not limited to increase in listing expenses of approximately HK$3.4 million, other expenses of approximately HK$1.0 million, amortisation of intangible assets of approximately HK$0.7 million, employee benefit expenses of approximately HK$0.5 million, depreciation of property and equipment of approximately HK$0.4 million, license and subscription cost of approximately HK$0.3 million and rental expenses of approximately HK$0.3 million. It was partially offset by the increase in revenue by approximately HK$0.8 million, decrease in income tax expense by approximately HK$0.5 million and the change from fair value loss on our investment property of approximately HK$2.5 million for the year ended 31 March 2018 to fair value gain of approximately HK$3.4 million for the year ended 31 March 2019. If the listing expenses and fair value adjustment to an investment property were excluded, the profit attributable to owners of the Company decreased by approximately 15% from approximately HK$15.7 million for the year ended 31 March 2018 to approximately HK$13.3 million for the year ended 31 March 2019.

Looking forward, the Group expects the business environment continues to be challenging and competitive. Despite the abundance of opportunities in the financial technology industry, market competition is keen and securing new customers and maintaining business relationships with existing customers remain challenging. However, with our mission to continuously focus on research and development in innovative IT products and services, our commitment to providing stable and reliable financial trading solutions, and having our business led by our experienced and professional management team, we believe the Group is well-positioned to maintain our competitiveness in capturing business opportunities in the market.

On behalf of the Board, I would like to extend my sincere appreciation to our business partners, customers and Shareholders of the Company. I would also like to express my gratitude to our management team and staff for their devotion and contribution to the Group.

Wei Ming
Chairman and Non-executive Director

Hong Kong, 17 June 2019

Management Discussion and Analysis

BUSINESS REVIEW

We are a Hong Kong-based financial trading solution provider principally engaged in the development and provision of financial trading solutions. We mainly provide comprehensive and integrated financial trading solutions that enable trading of OTC-traded financial instruments, stock exchange-traded financial instruments and fund management to brokerage firms and wealth management companies to satisfy their various business needs.

Our financial trading solutions are mostly developed by our in-house development team and are typically off-the-shelf packaged solutions. Certain of our financial trading solutions are highly configurable to enhance flexibility to suit the needs of different customers and facilitate our customers to execute their business functions. Our Group's core financial trading solutions are (i) AUTON, a trading terminal; (ii) GES TX, a trading system for trading OTC-traded financial instruments; (iii) GES EX, a trading system for trading stock exchange-traded financial instruments; and (iv) GES IX, a fund management system.

Our objective is to expand our business, further strengthen our position as a financial trading solution provider, maintain our competitiveness and expand our market share by pursuing the following strategies: (i) continue to commit in research and development of our financial trading solutions; (ii) establish a research and development centre; (iii) pursue selective acquisition(s); and (iv) retain, attract and motivate high calibre and experienced staff.

In line with the fast evolving business environment and the continuous innovation of the financial market, the Group responded swiftly to the needs of the financial institutions by broadening our IT offerings to our clients. During the year ended 31 March 2019, the Group has successfully captured the opportunity by developing and launching various features such as integration with third party upgraded financial trading solution and a new OTC-traded financial instrument for index option to our internally-developed trading system, GES TX. The developing of the various features allows the Group to keep up with rapid changes in the financial markets and meet the customers' demand to ensure our business is sustainable in the long run.

Our management is devoted to experienced staff retention, sustainable recruitment, finding suitable location for the research and development centre and identification of suitable target for acquisition. For details, please refer to the paragraph headed "Use of Proceeds from the Listing" under this section.

Our services, operation flow and revenue stream

We provide installation services to our customers to ensure our financial trading solutions run smoothly on their systems and to facilitate our customers' understanding of the operations of our financial trading solutions. Depending on our customers' needs, our Group also provides customised financial trading solutions with modified or add-on functions to meet our customers' specific demands. Upon the completion of the initial set up and customisation service and the passing of the user acceptance test, our Group typically grants to our customers a non-exclusive, non-transferable and non-sub-licensable licence to use our financial trading solutions for the business of our customers. The Group then provides maintenance and support services for the financial trading solution as well as system protection and hosting. In addition, according to our customers' needs, we source computer hardware, which are mainly servers and network devices as well as third party software and re-sell them to our customers to run our financial trading solutions during the initial set up and going forward.

Management Discussion and Analysis

The below flow chart illustrate our operation flow:–

Conducting preliminary feasibility study and development of financial trading solutions

↓

Identifying our customers, understanding the specification of our financial trading solutions and providing quotations

↓

Confirmation of orders

↓

Customisation of financial trading solutions

↓

Set up of financial trading solutions

↓

User acceptance test by our customers

↓

Maintenance and support services

Generally speaking, our Group generates revenue by providing initial set up and customisation services, licensing and maintenance services and sales of computer hardware and software to our customers. Breakdown of revenue generated from these services is set out in note 5 of the consolidated financial statements.

Our customers

Our customers are mainly financial institutions, including brokerage firms and wealth management companies located in the Asia Pacific regions such as Hong Kong, Indonesia, Malaysia, Australia and Japan, as well as Cyprus. We maintain good relationship with our valued customers. During the year ended 31 March 2019, we have not experienced any customer complaints. We will continue to expand our customer base and foster our reputation and image in the financial technology industry. The table below sets out the geographical breakdown of our revenue during the years ended 31 March 2018 and 2019.

	Year ended 31 March			
	2019		2018	
	HK$'000	**%**	HK$'000	%
Hong Kong	**9,775**	**22**	13,289	31
Indonesia	**9,857**	**22**	9,991	23
Malaysia	**8,712**	**20**	5,975	14
Australia	**705**	**2**	3,237	7
Japan	**3,695**	**8**	2,828	7
Cyprus	**4,606**	**10**	822	2
Other countries	**6,892**	**16**	7,332	16
Total	**44,242**	**100**	43,474	100

Our suppliers

The Group maintains a long term and stable relationship with major suppliers. All suppliers are carefully evaluated and regularly monitored. Our major suppliers consists of (i) data center service providers; (ii) news feed providers; (iii) financial market information providers; (iv) computer hardware and software vendor for onward sale to our customers; (v) data line vendors and (vi) computer network and data service provider.

For the year ended 31 March 2019, the Group recorded a revenue of approximately HK$44.2 million, representing an increase of approximately 2% from approximately HK$43.5 million recorded for the year ended 31 March 2018. Profit attributable to owners of the Company for the year ended 31 March 2019 amounted to approximately HK$6.5 million, representing an increase of approximately HK$59,000 or 1% as compared with the profit of approximately HK$6.4 million for the year ended 31 March 2018. The increase in profit attributable to owners of the Company was mainly due to increase in expenses by approximately HK$7.0 million in total, including but not limited to increase in listing expenses of approximately HK$3.4 million, other expenses of approximately HK$1.0 million, amortisation of intangible assets of approximately HK$0.7 million, employee benefit expenses of approximately HK$0.5 million, depreciation of property and equipment of approximately HK$0.4 million, license and subscription cost of approximately HK$0.3 million and rental expenses of approximately HK$0.3 million. The increase in the Group's expenses was outweighted by the increase in revenue by approximately HK$0.8 million, decrease in income tax expense by approximately HK$0.5 million and the change from fair value loss on our investment property of approximately HK$2.5 million for the year ended 31 March 2018 to fair value gain of approximately HK$3.4 million for the year ended 31 March 2019. For details, please refer to the paragraph headed "Financial Review" under this section.

OUTLOOK

In line with the Group's long term objective to strengthen our position as a financial technology solution provider and to expand our market share, the Group intends to expend resources on enhancing and upgrading our existing financial trading solutions, exploring the development of new IT solutions, establishing our research and development centre and pursuing selective acquisition(s).

Looking ahead, the financial technology industry is a fast-evolving industry. In recent years, financial service market practitioners are incorporating prevailing technologies such as big data and cloud computing into the finance industry. In addition, industry competition is expected to continue to intensify in the near future and financial technology is taking a more and more important role in the trading process, from pre-trade risk management to clearing and settlement. Market participants are actively exploring ways to perform system upgrades and service enhancements. In particular, cloud, algo-trading, big data and artificial intelligence applications are increasingly important in the areas of investment, trading, clearing and settlement as well as regulation. As such, the Group plans to explore new business initiatives by diversifying our financial trading solutions with an aim to becoming a one-stop financial trading solution provider covering the whole life cycle of trading and settlement process from order placing, risk management, compliance to settlement. For details of how the Group expects to utilise the net proceeds from the Listing in light of the future prospects of the Group in the financial technology industry, please refer to the paragraph headed "Use of Proceeds from the Listing" under this section.

In addition, in view of the Group's stable revenue in recent years, the Group plans to continue to commit in research and development of our financial trading solutions by (a) enhancing and upgrading our financial trading solutions; and (b) incorporating prevailing technologies to promote algo-trading and awareness of our trading terminal and trading systems.

The Directors believe that the financial resources obtained by the Group from the Listing will strengthen its financial position and enable it to implement its business plan as mentioned above.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the provision of financial trading solutions which can be classified into (i) licensing and maintenance services; (ii) initial set up and customisation services; and (iii) sales of computer hardware and software. For the year ended 31 March 2019, the Group recorded revenue of approximately HK$44.2 million, representing an increase of approximately 2% as compared with the previous year of approximately HK$43.5 million. The following table sets forth the breakdown of our revenue by source of revenue:

	Year ended 31 March			
	2019		2018	
	HK$'000	**%**	HK$'000	%
Licensing and maintenance services	**38,350**	**87**	38,349	88
Initial set up and customisation services	**4,632**	**10**	3,964	9
Sales of computer hardware and software	**1,260**	**3**	1,161	3
Total	**44,242**	**100**	43,474	100

The slight increase was mainly attributable to the increase in revenue from initial set up and customisation services and sales of computer hardware and software. Revenue from initial set up and customisation services increased by approximately 17% from approximately HK$4.0 million for the year ended 31 March 2018 to approximately HK$4.6 million for the year ended 31 March 2019. Sales of computer hardware and software increased by approximately 9% from approximately HK$1.2 million for the year ended 31 March 2018 to approximately HK$1.3 million for the year ended 31 March 2019. Both initial set up and customisation services and sales of computer hardware and software are generally provided on an on-demand basis, depending on our customers' business needs.

Other Income

The Group's other income consists of interest income on bank deposits, commission income generated from the referral of internet access services and sundry income. The Group's other income were approximately HK$30,000 and HK$44,000 for the years ended 31 March 2018 and 2019, respectively.

Cost of Sales of Computer Hardware and Software

Our cost of sales of computer hardware and software increased from approximately HK$0.9 million for the year ended 31 March 2018 to approximately HK$1.0 million for the year ended 31 March 2019, which was in line with the increase in sales of computer hardware and software.

License and Subscription Cost

For the year ended 31 March 2019, the Group's license and subscription cost was approximately HK$1.6 million, representing an increase of approximately 26% over the license and subscription cost of approximately HK$1.3 million for the year ended 31 March 2018. The increase was primarily due to addition in subscription for market information packages from two financial market information providers.

Internet Services Cost

For the year ended 31 March 2019, the Group's internet services cost was approximately HK$2.0 million, representing an increase of approximately 7% over the internet services cost of approximately HK$1.8 million for the year ended 31 March 2018. The increase was primarily due to addition of a server rack in Tai Po data center since February 2018 and cloud service for IT security purpose.

Intangible Assets

For the years ended 31 March 2018 and 2019, our research and development expenses (which were mostly included in employee benefit expenses) amounted to approximately HK$8.1 million and HK$6.8 million, respectively. Out of the total research and development costs, approximately HK$4.8 million and HK$4.8 million for the years ended 31 March 2018 and 2019, respectively, was capitalised as intangible assets.

Employee Benefit Expenses

For the year ended 31 March 2019, the Group's employee benefit expenses were approximately HK$13.2 million, representing an increase of approximately 4% over the employee benefit expenses of approximately HK$12.7 million for the year ended 31 March 2018. The increase was primarily due to the increase of special bonus of approximately HK$1.2 million for staff retention.

Depreciation of Property and Equipment

The Group's depreciation of property and equipment increased by approximately HK$0.4 million for the year ended 31 March 2019 representing an increase of approximately 31% from approximately HK$1.2 million for the year ended 31 March 2018. The increase was primarily due to (i) the increase in depreciation on property reclassified from investment property to land and building as we began using the self-owned property as our office in October 2018 and (ii) additions of certain items of computers during the year ended 31 March 2019.

Amortisation of Intangible Assets

The Group's amortisation of intangible assets increased by approximately HK$0.7 million for the year ended 31 March 2019 representing an increase of approximately 31% from approximately HK$2.1 million for the year ended 31 March 2018. The increase was primarily due to additions of computer software systems mainly contributed from staff costs capitalised during the year ended 31 March 2019.

Rental Expenses

The Group's rental expenses increased by approximately HK$0.3 million for the year ended 31 March 2019 representing an increase of approximately 12% from approximately HK$2.6 million for the year ended 31 March 2018. The increase was primarily due to the forfeiture of rental deposits upon the Group entering into a surrender agreement with the landlord for early termination in respect of the leased premises in November 2018.

Fair Value Adjustment to an Investment Property

Fair value adjustment to an investment property represents fair value change in relation to our acquired investment property during the year ended 31 March 2018. The property was acquired in January 2018 at approximately HK$31.4 million, with transaction cost of approximately HK$2.7 million. The fair value of the investment property as at 31 March 2018 amounted to approximately HK$31.6 million and hence, a fair value loss of approximately HK$2.5 million was charged to our consolidated statements of comprehensive income during the year ended 31 March 2018.

On 15 October 2018, the property was reclassified as property and equipment in the consolidated statement of financial position, as the management of the Group had passed a resolution to change the usage of the property from earning rental to self-use as operating office. We recorded a fair value gain to our investment property of approximately HK$3.4 million up to the date of reclassification from investment property to property and equipment during the year ended 31 March 2019.

Valuation of Property

For the purpose of the Listing, a valuation as at 31 January 2019 was conducted on a property held by our Group, located at Office E on 17th Floor EGL Tower, No. 83 Hung To Road, Hong Kong (the "**Property**"). The Property was valued at HK$34,570,000 as at 31 January 2019 by AVISTA Valuation Advisory Limited, as disclosed in the Prospectus. On 15 October 2018, the Property was reclassified as property and equipment in the consolidated statement of financial position, as the management of the Group had passed a resolution to change the usage of the property from earning rental to self-use as operating office. As detailed in note 2.5 to the consolidated financial statements of this report, the property and equipment is carried at historical cost less depreciation and impairment loss. Accordingly, no additional depreciation would be charged to the consolidated statement of comprehensive income regardless of the changes in market value of the Property.

Listing Expenses

Listing expenses comprise professional and other expenses in relation to our Listing. They were recognised based on percentage of completion of the Listing by various professional parties. The Group's listing expenses increased by approximately HK$3.4 million for the year ended 31 March 2019 representing an increase of approximately 51% from approximately HK$6.8 million for the year ended 31 March 2018.

Other Expenses

The Group's other expenses mainly include (i) auditors' remuneration; (ii) building management fees; and (iii) advertising expenses. The Group's other expenses for the year ended 31 March 2019 were approximately HK$3.1 million, representing an increase of approximately 46% over the other expenses of approximately HK$2.1 million for the year ended 31 March 2018. The increase was primarily attributable to the increase in auditors' remuneration and management fees for our self-owned property.

Finance Costs

Finance costs increased from approximately HK$21,000 for the year ended 31 March 2018 to approximately HK$236,000 for the year ended 31 March 2019. This was related to a bank borrowing arising from mortgage loan in relation to our property acquired in January 2018.

Profit Before Income Tax

Profit before income tax for the year ended 31 March 2019 amounted to approximately HK$9.1 million, representing a decrease of approximately 4% as compared with the the profit before income tax of approximately HK$9.5 million for the year ended 31 March 2018. Such decrease was primarily due to the increase in expenses of approximately HK$7.0 million in total (as explained item by item above) and partially offset by increase in revenue by approximately HK$0.8 million and the change from fair value loss on our investment property of approximately HK$2.5 million for the year ended 31 March 2018 to fair value gain of approximately HK$3.4 million for the year ended 31 March 2019. If the fair value adjustment to an investment property and listing expenses were excluded, the Group's profit before income tax decreased by approximately 15% from approximately HK$18.7 million for the year ended 31 March 2018 to approximately HK$15.9 million for the year ended 31 March 2019.

Income Tax Expense

The Group's income tax expense for the year ended 31 March 2019 was approximately HK$2.6 million, representing a decrease of approximately 15% from approximately HK$3.1 million for the year ended 31 March 2018. Such decrease was mainly due to the effect of the two-tiered profits tax rates imposed by the Government of the Hong Kong Special Administrative Region. The effective income tax rates of the Group, which equal to the income tax expense divided by profit before tax, were approximately 32.3% and 28.6% for the years ended 31 March 2018 and 2019, respectively. If the fair adjustment to an investment property and listing expenses were exclude, the effective income tax would be 16.4% for both year ended 31 March 2018 and 2019. The effective income tax rate is relatively stable.

Profit for the Year Attributable to Owners of the Company

Profit attributable to owners of the Company for the year ended 31 March 2019 amounted to approximately HK$6.5 million, representing an increase of approximately 1% as compared with the profit of approximately HK$6.4 million for the year ended 31 March 2018. Such increase was due to the combination of above-mentioned reasons, and the decrease in income tax expense by approximately HK$0.5 million. If the fair value adjustment to an investment property and listing expenses were excluded, the profit attributable to owners of the Company decreased by approximately 15% from approximately HK$15.7 million for the year ended 31 March 2018 to approximately HK$13.3 million for the year ended 31 March 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations are financed mainly by cash generated from operations. The Group recorded net current assets of approximately HK$2.0 million as at 31 March 2019 (2018: approximately HK$0.1 million).

As at 31 March 2019, the Group's current assets amounted to approximately HK$19.7 million (2018: approximately HK$19.1 million) of which approximately HK$8.5 million (2018: approximately HK$3.9 million) was trade receivables, deposits and prepayments, approximately HK$0.5 million (2018: approximately HK$0.5 million) was contract assets, approximately HK$0.3 million (2018: nil) was income tax recoverable and approximately HK$10.4 million (2018: approximately HK$14.6 million) was cash and cash equivalents.

As at 31 March 2019, the Group has interest-bearing bank borrowing of approximately HK$12.0 million (2018: approximately HK$12.4 million) at 2.95% effective interest rate (2018: 2.33%). On the same date, the Group had unused banking facilities of approximately HK$8.0 million. The banking facilities were secured by a corporate guarantee from Global eSolutions (HK) Limited ("**GES**"), personal guarantee from the directors of GES and the land and building with carrying amount of approximately HK$34.5 million. As disclosed in the Prospectus, the personal guarantee provided by the directors of GES is expected to be replaced by a corporate guarantee to be provided by the Company shortly after the Listing. As at 31 March 2019, none of the Group's borrowing bears interest at fixed rate.

The gearing ratio of the Group, which was defined as total debt divided by total equity, were 22.2% as at 31 March 2019 (2018: 26.3%). The decrease in gearing ratio was mainly due to repayment of bank borrowing raised for the acquisition of an investment property in year ended 31 March 2019. The net debt to equity of the Group, which was defined as total debt net of cash and cash equivalents divided by total equity, were 2.9% as at 31 March 2019 (2018: net cash position).

The Group's financial position has been further enhanced by the net proceeds of approximately HK$17.5 million obtained from the Listing in May 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations include: research and development risk, retention of customers and staff and concentration of customers and suppliers. In addition, the Group's activities are exposed to a variety of financial risks including, exchange rate risk, credit risk, liquidity risk and interest rate risk.

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
• Research and development risk	The financial technology industry is characterised by rapidly changing technology and customer demands. It is vital for us to keep abreast of the market and industry development. In particular, we may not be able to keep up with rapid changes in technology and customer demands, our research and development plans may not be successful or marketable and we may fail to upgrade our financial trading solutions to accommodate any upgrades to third party financial trading solutions or trading platforms of stock exchanges.	• Keep track of the technology changes • Closely communicate with the customers for their demand • Thorough feasibility study before commencement of each development project
• Retention of customers	Our ability to maintain our revenue stream depends on our capability to continue the existing engagements as well as secure new engagements from existing customers or new customers.	• Conduct configuration checking, stress test, unit test and internal user acceptance test for our financial trading solutions to ensure the quality of our financial trading solutions provided to our customers
• Concentration of customers	The terms of our service agreements are of one year or less which may or may not be automatically renewed, while some of them do not have fixed terms and will be in force from the date of agreement unless terminated.	• Provide quality maintenance support services (e.g. timely respond to customer's query)
• Retention of staff	Our future success depends on our ability to continue to retain and attract qualified technical and managerial staff with the appropriate technical expertise and domain knowledge of the financial technology industry.	• Offer competitive remuneration package • Training and development • Team building and recreational activities
• Concentration of suppliers	In case of the supply of services by our major suppliers (such as server and financial market information) is disrupted, and we are not be able to timely identify and engage replacement service providers, our business operation may be subject to disruptions or security risks.	• Timely payment of suppliers' invoices • Regular evaluation and monitoring of performance of supplier (e.g. stability of data centre)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenue and cost are primarily denominated in United States dollar and Hong Kong dollar. Since Hong Kong dollar is pegged to United States dollar, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents and trade receivables due from customers and contract assets as set out in notes 17 and 18 to the consolidated financial statements. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage the risk arising from cash at banks, the Group only transacts with reputable banks which are all high-credit-quality financial institutions. In addition, the credit record and credit period for each customer or debtor are regularly assessed, based on the customer's or debtor's financial condition, their credit records and other factors such as current market condition. For details, please refer to note 3.1(b) to the consolidated financial statements.

The Group has credit policy to monitor the level of credit risk in relation to customers. In general, the credit record and credit period for each customer or debtor are regularly assessed based on the customer's or debtor's financial condition, their credit records and other factors such as current market condition. The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets from third parties. The Group overall considers the shared credit risk characteristic and the days past due of the trade receivables and contract assets to measure the expected credit loss. Our management, considered among other factors including forward looking information, analysed historical payment pattern and concluded that the expected loss rate of trade receivables and contract assets are assessed to be less than 1% for the year ended 31 March 2019 (2018: less than 1%). The loss allowance provision for these balances was not material during the year ended 31 March 2019 (2018: nil).

EXPOSURE TO LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out in note 3.1(c) to the consolidated financial statements.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from its bank deposits and bank borrowing. These deposits and the borrowing bear interests at variable rates varied with the then prevailing market condition. Except as stated above, the Group has no other interest-bearing assets and liabilities as at 31 March 2019, its income and operating cash flows are substantially independent of changes in variable interest rates.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Company since then. As at 31 March 2019, the capital structure of the Company comprised mainly of issued share capital and reserves.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 March 2019, the Group has pledged its land and building with carrying amount of approximately HK$34.5 million to secure banking facilities granted to the Group to the extent of approximately HK$20.0 million (2018: approximately HK$20.4 million).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has not made any significant investments or material acquisitions and disposals of subsidiaries during the year ended 31 March 2019.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any material capital commitments and contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had a workforce of 30 (2018: 35) full-time employees. The remuneration of the Group's employees is determined depending on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations. For the year ended 31 March 2019, the total employee benefit expenses of the Group (including salaries, bonuses, allowances, pension costs (defined contribution plans) and staff welfare and benefits) before deduction of capitalised staff costs as development costs of computer software system was approximately HK$17.9 million (2018: approximately HK$17.5 million). The Company has adopted a share option scheme on 29 March 2019 to enable the Company to grant options to, amongst others, the employees and directors of the Group. For details, please refer to the paragraph headed "Share Option Scheme" under the section headed "Directors' Report" in this report.

FINAL DIVIDEND

Pursuant to its meeting held on 17 June 2019, the Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: nil).

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments as at 31 March 2019. Save as disclosed in the Prospectus, the Company did not have other plans for material investments or capital assets.

EVENT AFTER THE REPORTING DATE

The issued Shares were initially listed on GEM of the Stock Exchange on 2 May 2019 and 100,000,000 ordinary Shares were issued at HK$0.53 per offer Share on 2 May 2019 in connection with the Listing as detailed in the Prospectus and the announcement of the Company dated 30 April 2019 in relation to, among others, the allotment results of the share offer. After deducting related listing expenses, the net proceeds of the share offer were approximately HK$17.5 million.

Save as disclosed elsewhere in this report, the Group has no significant events subsequent to 31 March 2019 and up to the date of this report.

USE OF PROCEEDS FROM THE LISTING

The Shares of the Company were initially listed on GEM of the Stock Exchange by way of a share offer of 100,000,000 Shares on the Listing Date, at HK$0.53 per Share.

The net proceeds from the share offer were approximately HK$17.5 million, which was based on the gross proceeds from the share offer less the actual expenses relating to the Listing. The change in the amount of net proceeds as disclosed in the Prospectus is primarily due to the fact that the shares were issued at the low-end of the Offer Price Range (as defined in the Prospectus). Subsequent to the Listing, these proceeds will be used for the purposes in accordance with the future plans as set out in the Prospectus as below:

Description of intended use of the proceeds	**Net proceeds HK$ million**	**Approximate percentage of total net proceeds**
Continue to commit in research and development of our financial trading solutions		
— recruitment of research and development staff and engagement of consultant to provide technical support for research and development	5.5	31.4%
— subscription of market information package from the Stock Exchange and corporate action information package from third party vendor	4.1	23.6%
— acquisition of computer hardware and software, such as servers and network devices	3.0	17.0%
— marketing expenses	0.7	3.8%
	13.3	75.8%
Pursue selective acquisition(s)	1.4	8.0%
Establish a research and development center	1.8	10.1%
Working capital and other general corporate purpose	1.0	6.1%
Total	**17.5**	**100.0%**

Since the Listing Date and up to the date of this report, the net proceeds for the share offer have not been applied for any use.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities, convertible securities, options, warrants or similar rights of the Company during the year ended 31 March 2019 and up to the date of this report, save for those relating to the reorganisation, details of which are set out in paragraph headed "A. Further Information about our Company – 2. Changes in the share capital of our Company" in Appendix VI to the Prospectus.

Management Discussion and Analysis

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules as the basis of the Company's corporate governance practices.

The CG Code has been applicable to the Company with effect from the Listing Date and was not applicable to the Company during the year ended 31 March 2019. The Board is of the view that since the Listing Date and up to the date of this report, the Company has complied with all applicable code provisions as set out in the CG Code.

AUDIT COMMITTEE

The Company established the Audit Committee on 29 March 2019 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code have been adopted. The primary duties of the Audit Committee are mainly to make recommendations to the Board on appointment, reappointment and removal of the external auditor, review and supervise the financial reporting process and the financial controls, internal control and risk management systems of the Company.

The Audit Committee consists of three independent non-executive Directors, being Mr. Lo Chi Wang, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred. Mr. Lo Chi Wang is the chairman of the Audit Committee.

The Group's audited consolidated annual results for the year ended 31 March 2019, the accounting policies and practices adopted by the Group, and the Group's financial reporting and internal control matters have been reviewed by the Audit Committee in a meeting held on 17 June 2019.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chung Chau Kan (鍾就根), aged 43, was appointed as a Director on 7 February 2018 and was designated as an executive Director and the Chief Executive Officer of the Company on 7 May 2018 and is currently a member of the Remuneration Committee. Mr. Chung is responsible for the day-to-day management, overseeing the business operations, business development, strategic planning and supervising the development of financial trading solutions of our Group. Mr. Chung has over 19 years of experience in software engineering, system development and IT consulting, in particular, financial information systems and trading solution development. Prior to joining the Group, Mr. Chung was a trainee development programmer in Reuters Asia Pte Limited from July 1998 to June 1999 and was responsible for assisting in web server programme development and various application development. From June 2000 to January 2001, Mr. Chung was an engineer in Entone Technologies Limited and was responsible for software design, development, testing and maintenance. Mr. Chung worked in Reuters Hong Kong Limited as a consultant from January 2001 to January 2002. He was primarily responsible for developing stock exchanges connectivity for the online trading system, supporting and enhancing a production real-time market data delivery site and building Internet site for sales support. Mr. Chung was a software engineer of A.K. Technology Company and Global eSolution Limited. He was mainly responsible for designing and developing timetabling engine, online trading platforms and wealth management platforms. Mr. Chung joined our Group in August 2006 as development manager of the principal operating subsidiary, GES, of our Group. He was promoted to general manager of GES in July 2010. Since September 2011, Mr. Chung has been a director of GES, mainly responsible for overseeing the operations and software development of GES. Apart from GES, Mr. Chung is also a director of various subsidiaries of our Group, including Real Logic Technology Company Limited, Win Investment (HK) Limited and Motion Cast Limited.

Mr. Chung obtained a degree of Bachelor of Science (Hons) in Computer Studies from City University of Hong Kong in Hong Kong in November 2000 with first class honours.

Mr. Wong Wing Hoi (王永凱), aged 40, was appointed as a Director on 7 February 2018 and designated as an executive Director of the Company on 7 May 2018. Mr. Wong is responsible for the day-to-day management of the software development operations, assisting the Chief Executive Officer of our Company on planning and supervising the development of financial trading solutions of our Group. Mr. Wong has over 17 years of experience in software engineering, system development and IT support. Prior to joining our Group, (i) from August 2001 to February 2005, Mr. Wong worked in Netcast Information Limited as a programmer and was mainly responsible for developing and testing software applications; and (ii) from February 2005 to July 2006, Mr. Wong worked in Global eSolution Limited as an analyst programmer and was mainly responsible for developing online trading system, database designing and tuning and providing IT support. Mr. Wong joined our Group in August 2006 as senior analyst programmer of GES. He was promoted to project manager and assistant director of GES in January 2011 and in December 2015, respectively. During his tenure as an assistant director of GES, he was mainly responsible for overseeing the software development operations and the development team of our Group. He was also involved in the recruitment of the software developers and engineers.

Mr. Wong obtained a degree of Bachelor of Engineering (Hons) from The Chinese University of Hong Kong in Hong Kong in November 2001.

NON-EXECUTIVE DIRECTOR

Mr. Wei Ming (衛明), aged 67, was appointed as a Director on 7 February 2018 and designated as a non-executive Director of the Company and the Chairman on 7 May 2018 and is currently a chairman of the Nomination Committee. He joined our Group in December 2016 as a director of GES. He is responsible for overall strategic management and development of corporate policies and strategies of our Group. Since 21 February 2018 when Motion Cast Limited was incorporated, Mr. Wei has been a director of Motion Cast Limited which is an investment holding company of our Group. Prior to joining our Group, (i) from 1984 to 1986, he worked as an agent of Hon Hing Nominees Company Limited (currently known as Hon Hing Hong International Limited), which principally engaged in bullion trading in Hong Kong; (ii) from 1987 to 1989, he was the regional controller of 漢鑫金銀事業有限公司 (the unofficial English name of which is Han Shin Gold and Silver Company Limited), which principally engaged in bullion trading in Taiwan; (iii) from May 1991 to June 2002, he was a director of Topworth International Limited which was a Forex trading company incorporated in Hong Kong with limited liability on 9 April 1991 and was dissolved on 14 June 2002; (iv) from 1994 to 1997, he was a principal advisor of 利基行 (the unofficial English name of which is Li Ji Shing), which principally engaged in Forex trading in Taiwan; and (v) from January 2010 to January 2012, he was a director of Jin Ku Precious Metal Trading Ltd (currently known as Far East Precious Metal (HK) Limited) which principally engaged in bullion trading in Hong Kong.

Mr. Wei completed a Textile Mechanical Course at Hong Kong Technical College (currently known as The Hong Kong Polytechnic University) in Hong Kong in around September 1971.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Moo Kai Pong (巫啟邦), aged 52, was appointed as our independent non-executive Director on 29 March 2019. He is the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Moo has more than 17 years of experience in software engineering, system development and IT support. Prior to joining the Group, Mr. Moo was a trainer programmer in R Hannah & Company Limited from May 1993 to September 1995 and was responsible for developing an integrated suite of software covering ordering, merchandising, retailing and financials. From November 1995 to May 1996, Mr. Moo was a programmer in Win Master Limited and was responsible for developing the personnel management information system for the Regional Services Department of the Government of Hong Kong. Mr. Moo worked in C P International Limited as a contract analyst programmer & systems analyst from October 1996 to April 1999 and was involved in projects that develop domestic internet/extranet products as the major Oracle Database designer and project leader. From May 1999 to August 2000, Mr. Moo was a senior system designer in Reuters Hong Kong Limited, where he was involved in projects that develop domestic internet/extranet products as the major database designer and project leader. Mr. Moo joined ABN AMRO Asia Limited in August 2000 as a senior database administrator until May 2002 and he was involved in database server projects and the technical co-ordination of integration projects. From September 2002 to August 2003, Mr. Moo worked in Broadway Photo Supply Limited as a system analyst for developing applications. Mr. Moo was the assistant vice president of New York Life International, LLC from August 2003 to December 2010 and was mainly responsible for managing the setting up of a data centre in the regional office; setting up a data environment particularly for IT project development, and implementing the solution of a project which was for new network establishment for better availability and bandwidth capacity connected with each market by using encryption techniques for networking among all markets.

Mr. Moo obtained a degree of Bachelor of Science from the Victoria University of Wellington in New Zealand in December 1992.

Biographical Details of Directors and Senior Management

Mr. Lo Chi Wang (羅智弘), aged 41, was appointed as our independent non-executive Director on 29 March 2019. He is the chairman of the Audit Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Lo has over 16 years of experience in the accounting and finance field. Mr. Lo's experience in auditing and tax advisory services was gained from his various positions in Deloitte Touche Tohmatsu Limited from February 2002 to June 2009. Mr. Lo was the financial controller of Hanyu China Holdings Limited from June 2009 to October 2013, and also was the financial controller of Sino Grandness Food Industry Group Limited, a company listed on the Singapore Stock Exchange (stock code: T4B) from November 2013 to February 2015. Since May 2015, Mr. Lo has been working as a financial controller of Hung Fook Tong Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1446). Mr. Lo is currently as an independent non-executive director of Dragon Rise Group Holdings Limited with effect from January 2018, a company listed on the Main Board of the Stock Exchange (stock code: 6829).

Mr. Lo obtained a degree of Bachelor of Arts (Honours) in Accounting from Manchester Metropolitan University in Manchester, United Kingdom, in June 2001. He is a fellow member of both the Association of Chartered Certified Accountants ("**ACCA**") and the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Mr. Lo was admitted to full membership of CPA Australia in May 2017.

Mr. Wu Kin San Alfred (胡健生), aged 37, was appointed as our independent non-executive Director on 29 March 2019. He is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. He is primarily responsible for providing independent advice to our Board.

Mr. Wu has approximately 15 years of experience in auditing, corporate finance and investment banking. He is currently the managing director of the corporate finance department of Fortune Financial Capital Limited, a subsidiary of China Fortune Financial Group Limited which is a company listed on the Main Board of the Stock Exchange (stock code: 290). He joined the corporate finance department of Fortune Financial Capital Limited as an executive director in April 2016. Since February 2018, he has been an independent non-executive director of Tongda Hong Tai Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2363). Prior to that, Mr. Wu worked in Deloitte Touche Tohmatsu from January 2004 to August 2007, where his last position was a senior accountant. From August 2007 to March 2009, Mr. Wu worked in ICEA Capital Limited where his last position was analyst – investment banking division. From April 2009 to February 2010, Mr. Wu worked in ICBC International Holdings Limited where his last position was associate. From February 2010 to September 2010, Mr. Wu was vice president – investment banking department in CMB International Capital Holdings Corporation Limited (formerly known as CMB International Capital Corporation Limited). Mr. Wu joined CMB International Capital Limited in September 2010 until May 2013 where he worked as vice president – investment banking division. From May 2013 to August 2014, Mr. Wu worked in Haitong International Capital Limited, which is a subsidiary of Haitong International Securities Group Limited (a company listed on the Main Board of the Stock Exchange (stock code: 665)). From August 2014 to April 2016, Mr. Wu worked in Guosen Securities (HK) Financial Holdings Co., Ltd where his last position was director – investment banking department.

Mr. Wu obtained a degree of Bachelor of Arts in Accounting and Financial Analysis and a Master's degree of Arts in International Financial Analysis from University of Newcastle upon Tyne (currently known as Newcastle University), the United Kingdom, in July 2002 and December 2003, respectively. He was admitted as a member of the HKICPA in March 2009.

SENIOR MANAGEMENT

Mr. Cheung Hoi Kin (張凱健), aged 38, is the chief financial officer of our Company and a member of the senior management of our Group. He joined our Group in October 2015 and is mainly responsible for strategic planning and setting policies, and overseeing accounting and finance functions, legal function, human resources function and administrative function of our Group. Mr. Cheung has approximately 13 years of experience in accounting, internal control and taxation. Prior to joining our Group, (i) from August 2003 to August 2004, Mr. Cheung worked in L'Oréal Hong Kong Limited, a wholly-owned subsidiary of L'Oréal S.A. which is listed on Euronext Paris (stock code: OR) as a management trainee and was mainly responsible for brand management; (ii) in January 2007, Mr. Cheung joined PricewaterhouseCoopers as an associate and was mainly responsible for handling tax compliance, and left as a senior consultant in January 2011; (iii) from May 2011 to October 2011, Mr. Cheung worked in i.t apparels Limited, member of I.T. Limited, a company listed on the Main Board of the Stock Exchange (stock code: 999), as a senior internal auditor and was mainly responsible for internal control review and assessment; and (iv) in October 2011, Mr. Cheung joined Deloitte Touche Tohmatsu as a senior consultant mainly responsible for providing tax planning to clients, conducting mergers and acquisitions tax due diligence and providing business advisory services, and left as a manager in October 2015.

Mr. Cheung obtained a degree of Bachelor of Business Administration in Marketing and Finance (Hons) from The Hong Kong University of Science and Technology in Hong Kong in November 2003. He also obtained a degree of Bachelor of Laws (Hons) from University of London through a long-distance learning programme in August 2006. Mr. Cheung was admitted a member of the ACCA in April 2014.

Mr. Ye Chiu Yeung (葉朝陽), aged 38, is the senior manager of software development of GES and a member of the senior management of our Group. He is primarily responsible for software development of our Group.

Mr. Ye joined our Group in August 2006 as analyst programmer of GES. He left our Group in August 2010 on his own accord and re-joined our Group in December 2013 as product manager of GES. He was promoted to senior manager of the GES in February 2016. During his tenure as a senior manager, he has been mainly responsible for overseeing the development of our trading system, GES EX (leading to the subsequent successful launch of a trading terminal AUTON), for trading stock exchange-traded financial instruments.

Mr. Ye has more than 15 years of experience in software engineering, system development and IT support. From August 2003 to November 2003, Mr. Ye worked in Automated Systems (HK) Limited as a technician and was mainly responsible for providing daily technical support to school. From February 2004 to November 2005, Mr. Ye worked in Lotus Tours Limited as a programmer and was mainly responsible for developing system and providing software support and maintenance. From November 2005 to July 2006, Mr. Ye worked in Global eSolution Limited as an analyst programmer and was responsible for system development for online trading platforms. In August 2006, Mr. Ye joined our Group as an analyst programmer, and left our Group as a system analyst in August 2010. From August 2010 to January 2011, Mr. Ye worked in Ullink Limited as analyst programmer and was mainly responsible for system development. In January 2011, Mr. Ye joined Ayers Solutions Limited as a senior analyst programmer and was mainly responsible for the development of trading and settlement system and the supervision of the development team, and left as a system analyst in September 2013. From October 2013 to November 2013, Mr. Ye worked in China Construction Bank (Asia) Corporation Limited as system analyst and was mainly responsible for system development for card application. Mr. Ye re-joined our Group as product manager of GES in December 2013.

Mr. Ye obtained a degree of Bachelor of Science in Computer Science and Information Systems (Hons) from The University of Hong Kong in Hong Kong in December 2003.

COMPLIANCE OFFICER

Mr. Chung Chau Kan (鍾就根) is the compliance officer of our Company. For his biographical details, please refer to the paragraph headed "EXECUTIVE DIRECTORS" under this section.

COMPANY SECRETARY

Ms. Chan Lok Yee (陳濼而), ACIS, ACS, aged 29, was appointed as our company secretary on 1 June 2018. Ms. Chan has joined Vistra Corporate Services (HK) Limited since 2016 and is currently a manager of Corporate Services. Ms. Chan has approximately five years of experience in providing company secretarial and compliance services and is currently serving a portfolio of clients, including public listed companies and private companies, as an employee of Vistra Corporate Services (HK) Limited, together with other team members. She has been appointed as a joint company secretary of Innovent Biologics, Inc. since June 2018, a company listed on the Main Board of the Stock Exchange (Stock code: 1801). She is also appointed as a joint company secretary of a private company incorporated in the Cayman Islands. Ms. Chan obtained a Bachelor of Arts degree from the Hong Kong Polytechnic University in Hong Kong in October 2011 and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong in Hong Kong in July 2015. She was admitted as an associate member of The Institute of Chartered Secretaries and Administrators in United Kingdom in August 2015 and an associate member of The Hong Kong Institute of Chartered Secretaries in September 2015.

Directors' Report

The Directors are pleased to present our annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2019.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 February 2018 under the Companies Law. Pursuant to a reorganisation of the Group in preparation for the Listing of the Shares on GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group. Details of the corporate reorganisation are set out in the section headed "History, Development and Reorganisation" in the Prospectus. The Shares were initially listed on GEM of the Stock Exchange on 2 May 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the development and provision of financial trading solutions and development and supply of resource allocation, planning, scheduling and management of software and services. Details of the principal activities of the subsidiaries are set out in note 11 of the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2019.

BUSINESS REVIEW

A fair review of the Group's business, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are described in the "Chairman's Statement" and under the paragraph headed "Business Review" in the section headed "Management Discussion and Analysis" set out on pages 3 to 6 of this report. The discussion forms part of this directors' report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2019 and the Group's financial position at that date are set out in the financial statements on pages 54 to 55 of this report.

The Board did not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: nil).

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last three financial years, as extracted from the audited financial statements and the Prospectus, is set out on page 100. This summary does not form part of the audited financial statements.

REVENUE

An analysis of the Group's revenue for the year ended 31 March 2019 is set out in note 5 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended 31 March 2019 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2019 are set out in note 19 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities, convertible securities, options, warrants or similar rights of the Company during the year ended 31 March 2019 and up to the date of this report, save for those relating to the reorganisation, details of which are set out in paragraph headed "A. Further Information about our Company – 2. Changes in the share capital of our Company" in Appendix VI to the Prospectus.

PRE-EMPTIVE RIGHTS

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2019 are set out in note 20 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company did not have any reserves available for distribution.

CHARITABLE DONATIONS

During the year ended 31 March 2019, the Group did not make any charitable or other donations.

DIRECTORS

The Directors during the year ended 31 March 2019 and up to the date of this report were as follow:

Executive Directors

Mr. Chung Chau Kan *(Chief Executive Officer)*
(appointed as a Director on 7 February 2018 and designated as an executive Director and the Chief Executive Officer on 7 May 2018)

Mr. Wong Wing Hoi (appointed as a Director on 7 February 2018 and designated as an executive Director on 7 May 2018)

Non-executive Director

Mr. Wei Ming *(Chairman)*
(appointed as a Director on 7 February 2018 and designated as a non-executive Director and the Chairman on 7 May 2018)

Independent Non-executive Directors

Mr. Moo Kai Pong (appointed on 29 March 2019)

Mr. Lo Chi Wang (appointed on 29 March 2019)

Mr. Wu Kin San Alfred (appointed on 29 March 2019)

In accordance with the article 84 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to article 83(3) of the Articles as set out below shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with the article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Accordingly, Mr. Chung Chau Kan, Mr. Wong Wing Hoi, Mr. Moo Kai Pong, Mr. Lo Chi Wang and Mr. Wu Kin San Alfred will retire at the forthcoming annual general meeting of the Company and, being eligible , offer themselves for re-election.

The Company has received, from each of the independent non-executive Directors, a written annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and as at the date of this report, the Company still considers them to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 16 to 20 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from the Listing Date. The non-executive Director and each of the independent non-executive Directors respectively has entered into a letter of appointment with the Company and is appointed for a fixed term of three years commencing from the Listing Date. The service agreement may be terminated by not less than three months' notice in writing served by either party on the other after the expiry of the first year of service. The letter of appointment may be terminated by not less than three months' notice in writing served by either party on the other after the expiry of the three years of service.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service agreement or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICY

The remuneration of the Group's employees is determined based on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations.

EMOLUMENT OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Remuneration Committee is established for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure in relation to all Directors and senior management of the Group. The Directors' fees are subject to Shareholders' approval at general meeting. Other emoluments of the Directors are determined with reference to market conditions, directors' duties, responsibilities and performance and the results of the Group. For details of the Group's remuneration policy including the factors in determining the emoluments, please refer to the paragraph headed "Human Resources and Remuneration Policy" under the section headed "Management Discussion and Analysis" in this report. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 6 and 7 to the consolidated financial statements.

No Directors has waived or agreed to waive any emoluments during the financial year ended 31 March 2019.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled under the Articles to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him or her as a Director in the execution or discharge of his or her duty.

As at the date of this report, the Company has taken out Directors' and officers' liabilities insurance which provides appropriate coverage for the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in this report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2019.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 March 2019.

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

Since the Shares were not listed on the Stock Exchange as at 31 March 2019, Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable to the Company and the Directors and chief executive of the Company as at 31 March 2019.

As at the date of this report, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be 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 in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Company/ name of associated corporation	Capacity and nature of interest	Number of shares of the Company/ associated corporation held	Approximate percentage of the issued shares of the Company/ associated corporation
Mr. Wei Ming ("**Mr. Wei**")	Company	Interest in controlled corporation *(Note 1)*	210,000,000 (L)	52.5%
Mr. Chung Chau Kan ("**Mr. Chung**") *(Chief Executive Officer)*	Company	Interest in controlled corporation *(Note 2)*	90,000,000 (L)	22.5%
Mr. Wei	Essential Strategy	Beneficial owner	1,000 (L)	100%

Notes:

(1) The 210,000,000 shares were held by Essential Strategy Investments Limited ("**Essential Strategy**") which is wholly owned by Mr. Wei. As such, Mr. Wei was deemed to be interested in all the Shares held by Essential Strategy pursuant to Part XV of the SFO.

(2) The 90,000,000 shares were held by Expert Wisdom Holdings Limited ("**Expert Wisdom**") which is wholly owned by Mr. Chung. As such, Mr. Chung was deemed to be interested in all the Shares held by Expert Wisdom pursuant to Part XV of the SFO.

(3) The letter "L" denotes "long position" in such shares.

Saved as disclosed above, as at the date of this report, none of the Directors or chief executive of the Company had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed above and in note 27 to the consolidated financial statements, no Shareholder or any of its subsidiaries had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Group or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 March 2019.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

Since the Shares were not listed on the Stock Exchange as at 31 March 2019, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company and the substantial shareholders and other persons as at 31 March 2019.

As at the date of this report, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the issued voting Shares were as follows:

Name	Capacity and nature of interest	Number of Shares held	Approximate percentage of the issued Shares
Essential Strategy	Beneficial owner *(Note 1)*	210,000,000 (L)	52.5%
Ms. Wong Siu King	Interest of spouse *(Note 2)*	210,000,000 (L)	52.5%
Expert Wisdom	Beneficial owner *(Note 3)*	90,000,000 (L)	22.5%
Ms. Yip Kim Kam	Interest of spouse *(Note 4)*	90,000,000 (L)	22.5%

Notes:

(1) Mr. Wei holds 210,000,000 Shares through his wholly owned subsidiary, Essential Strategy.

(2) Ms. Wong Siu King ("**Ms. Wong**") being the spouse of Mr. Wei. Under the SFO, Ms. Wong is deemed to be interested in the same number of Shares in which Mr. Wei is interested.

(3) Mr. Chung holds 90,000,000 Shares through his wholly owned subsidiary, Expert Wisdom.

(4) Ms. Yip Kim Kam ("**Ms. Yip**") being the spouse of Mr. Chung. Under the SFO, Ms. Yip is deemed to be interested in the same number of Shares in which Mr. Chung is interested.

(5) The letter "L" denotes "long position" in such shares,

Saved as disclosed above, as at the date of this report, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

On 29 March 2019, the Company adopted the Share Option Scheme. The principal terms of the Share Option Scheme were summarised in the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix VI to the Prospectus. The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the "**Invested Entity**").

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer to any person belonging to the following classes:

(i) any employee (whether full time or part time, including our Directors (including any non-executive Director and independent non-executive Director)), any of our subsidiaries (within the meaning of Companies Ordinance) or any Invested Entity (an "**eligible employee**");

(ii) any supplier of goods or services to any member of our Group or any Invested Entity;

(iii) any customer of any member of our Group or any Invested Entity;

(iv) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

(v) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

(vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of our Directors has contributed or will contribute to the growth and development of our Group; and

(vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group, and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly-owned by one or more eligible participants.

Maximum number of Shares

(i) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of the share capital of our Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by our Group if the grant of such options will result in the limit referred herein being exceeded.

(ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) to be granted under the Share Option Scheme and any other share option schemes of our Group shall not in aggregate exceed 10% of the share capital of our Company in issue as at the Listing Date and as at the date of this, being 40,000,000 Shares ("**General Scheme Limit**").

(iii) Subject to (i) above and without prejudice to (iv) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not exceed 10% of the share capital of our Company in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of our Group) previously granted under the Share Option Scheme and any other share option schemes of our Group will not be counted.

(iv) Subject to (i) above and without prejudice to (iii) above, our Company may seek separate Shareholders' approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (iii) above to eligible participants specifically identified by our Company before such approval is sought.

Maximum entitlement of each eligible participant

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 our Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "**grantee**") in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the share capital of our Company in issue, such further grant shall be separately approved by our Shareholders in general meeting with such grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting.

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a Business Day, on which the offer is made to the eligible participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

An offer shall have been accepted by an eligible participant in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). The subscription price in respect of any option shall, subject to any adjustments made, be at the discretion of our Directors, provided that it shall not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and

(iii) the nominal value of a Share.

The Share Option Scheme will remain in force for a period of 10 years commencing on 29 March 2019.

Since the adoption of the Share Option Scheme, and up to the date of this Report, no option was granted or agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Saved as disclosed in the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" above, at no time during the year ended 31 March 2019 and up to the date of this report were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) to acquire such rights in any other body corporate.

EQUITY-LINKED AGREEMENTS

Save as disclosed, no equity-linked agreements were entered into by the Company during the year ended 31 March 2019 or subsisted at the end of the year.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2019 are set out in note 27 to the consolidated financial statements.

To the best knowledge of the Directors, none of these related party transactions constitute connected transactions that needed to be disclosed under the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2019, the Group has not conducted any "one-off connected transaction" or "continuing connected transaction" (as defined under Chapter 20 of the GEM Listing Rues) which is subject to reporting and annual review requirements under the GEM Listing Rules. The related party transactions as disclosed in note 27 to the consolidated financial statements did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 20 of the GEM Listing Rules) or are fully exempt continuing connected transaction pursuant to Rule 20.74(1) of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules as at the date of this report.

COMPETING INTEREST

Since the Listing Date and up to the date of this report, none of the Directors or the Controlling Shareholders or their close associates (as defined in the GEM Listing Rules) are interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor did they have any conflicts of interest with the Group.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders, namely Mr. Wei and Essential Strategy, entered into a deed of non-competition dated 12 April 2019 (the "**Deed of Non-Competition**") in favour of the Company, under which each of the Controlling Shareholders, among other things, irrevocably and unconditionally, jointly and severally, warrants and undertakes to the Company (for itself and as trustee for each of its subsidiaries) on competition related matters. Details of the Deed of Non-Competition are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in, or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by each of the Controlling Shareholders since the Listing Date and up to the date of this report.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, Dongxing Securities (Hong Kong) Company Limited has been appointed as the compliance adviser of the Company (the "**Compliance Adviser**"). Save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 23 May 2018, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) has or may have any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group has maintained a good relationship with its employees, customers and suppliers:

Employees

Human resources is of paramount importance to the Group's business operations and its success depends on its ability to hire new talents to deliver new features to its financial trading solutions and retain core employees to ensure stability of such financial trading solutions. The Group places great emphasis on the training and development of its employees by providing periodic trainings to equip them with the latest knowledge relating to their work duties and keep them abreast of the latest technological know-how and market news. The Group also offers sponsorships to eligible employees to participate in external professional courses.

The Group also strives to treat all of its employees with respect and equality, and create a safe and motivating workplace for its employees. By organising different staff activities, the Group also works to improve staff relationships and build up a sense of belonging, and at the same time, make sure its employees enjoy a good work-life balance. In order to provide a safe working environment and protect the Group's employees from occupational hazards, the Group has also implemented sound workplace measures to ensure all risk-bearing activities are monitored and supervised, and newly joined employees would receive comprehensive orientation on the work safety procedures. The Group's liability to its employees is covered by insurance, which it is required by law to have. During the year ended 31 March 2019, the Group did not receive any material claims for personal injuries by its employees under the employees' compensation insurance policies, and were not involved in accidents that resulted in material injuries or fatality in the course of its operations, and that no prosecution has been laid against the Group by any relevant authorities in respect of violation of applicable laws of health and safety.

To protect the Group's reputation and the data of its customers, the Group has put measures in place to restrict access right to customer data by its employees, so as to ensure that all confidential data is used for the Group's business purposes only and with approval from management and to prevent any unauthorised use of such data. In addition, employees are obliged to give confidentiality undertakings in their employment contracts and comply with the Group's internal control policy which restricts inappropriate use and appropriation of source code at work. Further, all of the intellectual property rights created by its employees belong to the Group pursuant to its employment contracts entered into with all employees.

Customers

During the year ended 31 March 2019, the Group had 29 customers that are mainly financial institutions, including brokerage firms and wealth management companies, and mainly located in Asia Pacific regions, such as Hong Kong, Indonesia, Malaysia, Australia and Japan, as well as Cyprus.

During the year ended 31 March 2019, sales to the Group's five largest customers accounted for approximately 58.2% (2018: 49.8%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 19.2% (2018: 13.7%). During the year ended 31 March 2019, none of the Directors, their close associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any interest in the Group's five largest customers.

The Group signs service agreements with each of its customer generally which lists out the specification of the financial trading solutions to be provided by the Group and the respective terms and conditions. The Group's standard terms and conditions require its customers to pay on a monthly basis with no credit term for at least one year, which may be renewed automatically if no termination notice has been served on the Group for three months in advance. Other service agreements that the Group signs with customers may include tailor made terms in relation to duration of agreement, scope of services and payment arrangements. The Group has been advised that all such agreements are legally binding. During the year ended 31 March 2019, the Group did not experience material payment defaults from its customers, nor did it experience material difficulty in recovering trade receivables from customers, and minimal provision for impairment of trade receivables has been recorded in relation to these customers. During the year ended 31 March 2019, there were no major disputes or disagreement between the Group and its customers and no complaints from its customers which had a material impact on its business operation.

Although the Group is not reliant on any single customer, the Group cannot assure its shareholders, that it would be able to maintain business relationships with its existing major customers. In the event that the existing major customers reduce their subscription of its financial trading solutions, do not renew their service agreements with the Group or terminate the business relationship with it, and if it is unable to secure new business of a comparable size from other customers as replacement within a reasonable period of time or at all, the Group's business and profitability may be adversely affected. In addition, if any of its existing major customers experiences any liquidity problem, it may result in delay or default in settlement to the Group, which in turn may have an adverse impact on its cash flows and financial conditions. To mitigate such risks, the Group seeks to diversify the Group's customer base by obtaining significant number of new engagements from its existing or new customers. Furthermore, the Group is constantly engaging in communication with its existing and potential customers to maintain good relationship through various channels such as presentations, calls, emails and physical meetings with customers, with an aim to generate new businesses through its marketing initiatives, referrals from existing clients and the IT professionals from the finance industry.

Suppliers

During the year ended 31 March 2019, the Group's major suppliers consisted of (i) data centre service providers; (ii) news feed providers; (iii) financial market information providers; (iv) computer hardware and software vendor for onward sale to our customers; (v) data line vendors; and (vi) computer network and data service provider. Purchases from the Group's five largest suppliers accounted for approximately 69.7% (2018: 69.3%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 19.7% (2018: 20.0%). During the year ended 31 March 2019, none of the Directors, their close associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any interest in the Group's five largest suppliers.

Going forward, the Group may consider engaging subcontractors, such as for the development of certain module(s) or upgrade of part of the Group's financial trading solutions depending on the availability of labour resources and when necessary. The Group will select subcontractors based on their technical expertise, ability to meet pre-determined schedules, the Group's past dealings with them and fees. To maintain flexibility, the Group does not plan to enter into any long-term agreements with subcontractors and will only place orders with them on an order-by-order basis.

Although there was a concentration of suppliers in terms of the aggregate amount of the Group's purchase from its top five suppliers, given the availability of products and services provided by the suppliers, the Group is not dependent on any single supplier and can easily locate alternative suppliers as needed. During the year ended 31 March 2019, the Group did not experience any shortage or delay in supply. In any case, the Group selects its suppliers based on a number of factors, including their price, scope of services, quality of products and services and their technical capabilities. It generally selects two vendors or service providers to ensure competitive pricing.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Discussion on the environmental policies and performance is contained in the "Environmental, Social and Governance Report" on pages 44 to 48 of this report. This discussion form part of the directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular those which have significant impact on the Group. The Board reviews and monitors the Group's policies and practices in compliance with legal and regulatory requirements on a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of the Directors, relevant employees and relevant operation units from time to time.

From the Listing Date and up to the date of this report, to the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, the Group has complied in all material respects with the requirements under all applicable laws and regulations that have a significant impact on the business and operation of the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its Shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend pay-out, the Board shall also take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under all applicable laws and regulations.

CORPORATE GOVERNANCE

The Company has applied the principles of the CG Code set out in Appendix 15 to the GEM Listing Rules and has complied with the applicable code provisions during the financial year ended 31 March 2019. Details of the principal corporate governance practices as adopted by the Company and the Company's compliance with the applicable code provisions are set out in the section headed "Corporate Governance Report" on pages 32 to 43 of this report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 24 September 2019 to Friday, 27 September 2019 (both dates inclusive) for determining eligibility to attend and vote at the forthcoming annual general meeting. All transfer of Share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m., Monday, 23 September 2019.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 29 to the consolidated financial statements.

INDEPENDENT AUDITOR

The consolidated financial statements of the Company for the year ended 31 March 2019 have been audited by the Company's independent auditor, PricewaterhouseCoopers, who will retire and being eligible, offer themselves for re-appointment as the Company's independent auditor. A resolution for the reappointment of PricewaterhouseCoopers will be proposed at the forthcoming annual general meeting. There has been no change of auditor of the Company since the Listing Date.

By order of the Board

Wei Ming
Chairman and Non-executive Director

Hong Kong, 17 June 2019

Corporate Governance Report

The Board hereby presents this corporate governance report ("**CG Report**") in the Group's annual report for the year ended 31 March 2019.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules as the basis of the Company's corporate governance practices.

The CG Code has been applicable to the Company with effect from the Listing Date and was not applicable to the Company during the year ended 31 March 2019. The Board is of the view that since the Listing Date and up to the date of this report (the "**Relevant Period**"), the Company has complied with all applicable code provisions as set out in the CG Code.

BOARD OF DIRECTORS

Board composition and responsibilities

The Board consists of six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. Details of their composition by category are as follows:

Executive Directors

Mr. Chung Chau Kan *(Chief Executive Officer)*
(appointed as a Director on 7 February 2018 and designated as an executive Director and the Chief Executive Officer on 7 May 2018)

Mr. Wong Wing Hoi
(appointed as a Director on 7 February 2018 and designated as an executive Director on 7 May 2018)

Non-executive Director

Mr. Wei Ming *(Chairman)*
(appointed as a Director on 7 February 2018 and designated as a non-executive Director and the Chairman on 7 May 2018)

Independent Non-executive Directors

Mr. Moo Kai Pong (appointed on 29 March 2019)
Mr. Lo Chi Wang (appointed on 29 March 2019)
Mr. Wu Kin San Alfred (appointed on 29 March 2019)

Details of background and qualifications of all Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this report. There is no relationship, including financial, business, family or other material/relevant relationship(s) among members of the Board.

RESPONSIBILITIES OF THE BOARD

The Board oversees the overall management and administration of the business and operations of the Group. The Board is primarily responsible for, among other things, overall development, strategic planning, reviewing and monitoring the business performance, approving the financial statements and annual budgets, internal controls and risk management as well as supervising the management of the Group. The Board delegates to the management the authority and responsibilities of the day-to-day management and operation of the Company. Despite the foregoing delegation, the Board would review and supervise the performance of the management periodically.

The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director(s) and other person(s) as the Board thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to applicable laws and regulations, including the CG Code, and any regulations which may be imposed on it by the Board.

Regular meetings of the Board will be held to deliberate the strategic policies of the Company including but not limited to significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. Directors are also provided with access to independent professional advice in carrying out their obligations as Directors as and when required, at the expense of the Company.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from the Listing Date. The non-executive Director and each of the independent non-executive Directors respectively has entered into a letter of appointment with the Company and is appointed for a fixed term of three years commencing from the Listing Date. According to article 84 of the Articles, at each annual general meeting, one-third of the Directors shall retire from office by rotation provided that each Director is subject to retirement by rotation at least once every three years but is eligible for re-election at an annual general meeting in accordance with the Articles.

Article 83(3) of the Articles specifies that any Directors appointed by the Board during the year to fill a casual vacancy are subject to re-election by Shareholders at the first general meeting after such appointments and any Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service agreement or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. The Company has also taken out Directors' and Officers' liabilities insurance for such purposes with effect from the Listing.

Independent Non-executive Directors

During the Relevant Period, the Board comprised of six members, three of which are independent non-executive Directors, which represented more than one-third of the Board. As such, the Company has fully complied with Rules 5.05(1) and 5.05A of the GEM Listing Rules. Mr. Lo Chi Wang, our independent non-executive Director, is a certified public accountant with more than 17 years of experience in professional accounting. Accordingly, the Company has fully complied with Rule 5.05(2) of the GEM Listing Rules. For more details regarding the qualifications of Mr. Lo Chi Wang, please refer to the section headed "Biographical Details of Directors and Senior Management" of this report.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules, and the Company is of the view that all independent non-executive Directors fulfil the relevant independence requirements.

Continuous Professional Development of Directors

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 March 2019, the Directors have participated in continuous professional development by attending a training session in respect of the roles and responsibilities of directors of a company listed on GEM of the Stock Exchange, and further enhance their knowledge by reading related materials. They also from time to time received from the Company updates on laws, rules and regulations which may be relevant to their roles, duties and functions as directors of a listed company. Particulars of participation by the Directors are set out as follows:

Name of Director	Reading materials relevant to directors' roles and responsibilities	Attending training session relevant to directors' roles and responsibilities
Executive Directors		
Mr. Chung Chau Kan	✓	✓
Mr. Wong Wing Hoi	✓	✓
Non-executive Director		
Mr. Wei Ming	✓	✓
Independent Non-executive Directors		
Mr. Moo Kai Pong	✓	✓
Mr. Lo Chi Wang	✓	✓
Mr. Wu Kin San Alfred	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should not be performed by the same individual. The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. During the Relevant Period, Mr. Wei Ming is the Chairman, and Mr. Chung Chau Kan is the Chief Executive Officer. The Chairman provides leadership for the Board and the Chief Executive Officer is responsible for day-to-day management of business. Their respective responsibilities are clearly established and set out in writing. Accordingly, the Group has fully complied with code provision A.2.1 of the CG Code.

BOARD COMMITTEES

In order to assist the Board in discharging its duties in a more efficient manner, the Board has established, with written terms of reference, three Board committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for each Board committee are in compliance with the GEM Listing Rules and they are published on the websites of the Stock Exchange and the Company accordingly.

Audit Committee

The Company established the Audit Committee on 29 March 2019 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code have been adopted. The primary duties of the Audit Committee are mainly to make recommendations to the Board on appointment, reappointment and removal of the external auditor, review and supervise the financial reporting process and the financial controls, internal control and risk management systems of the Company.

The Audit Committee consists of three independent non-executive Directors, being Mr. Lo Chi Wang, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred. Mr. Lo Chi Wang is the chairman of the Audit Committee.

As the Company was listed on 2 May 2019, no meeting of Audit Committee was held during the year ended 31 March 2019.

The Group's audited consolidated annual results for the year ended 31 March 2019, the accounting policies and practices adopted by the Group, and the Group's financial reporting, risk management and internal control matters have been reviewed by the Audit Committee in an Audit Committee meeting held on 17 June 2019.

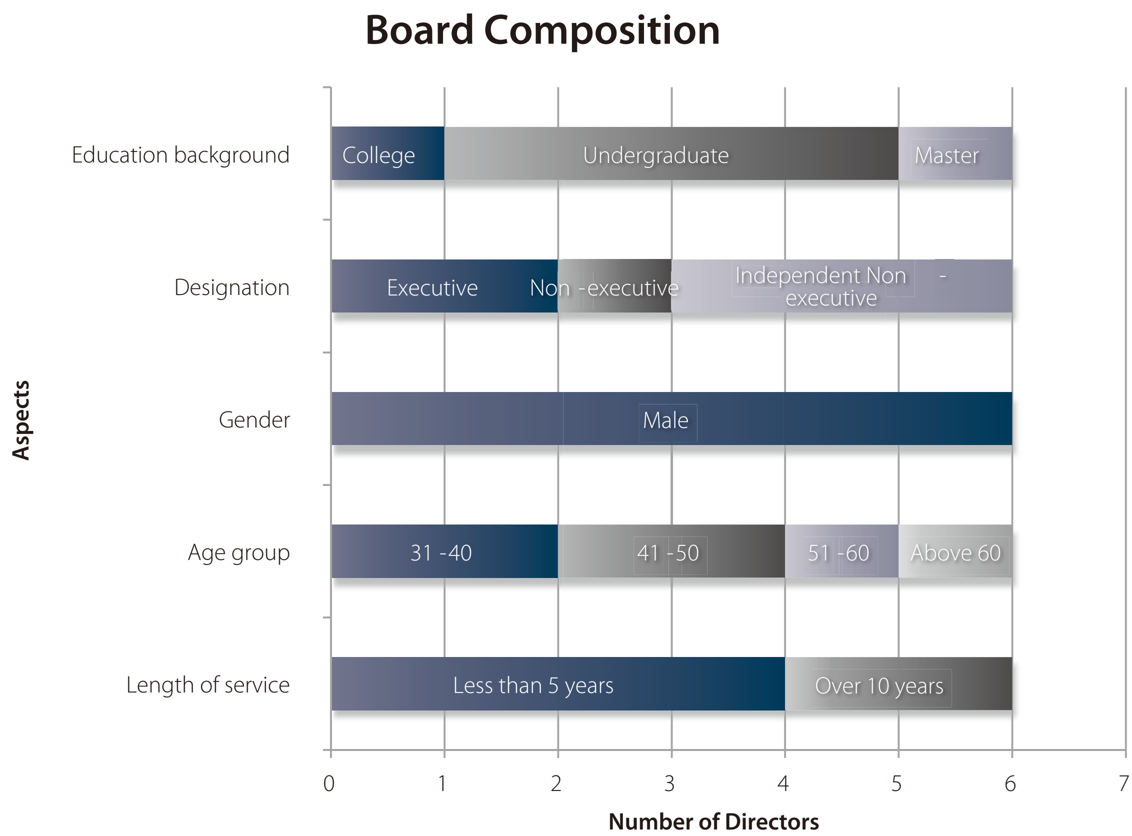
Nomination Committee

The Company established the Nomination Committee on 29 March 2019. Written terms of reference in compliance with code provision A.5.2 of the CG Code have been adopted. The primary duties of the Nomination Committee are (i) to review the structure, size and composition (including the skills, knowledge, length of service and the breath of expertise) of the Board and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, in particular that of the Chairman and the Chief Executive Officer of the Company.

The Nomination Committee consists of one non-executive Director and two independent non-executive Directors, being Mr. Wei Ming, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred, respectively. Mr. Wei Ming is the chairman of the Nomination Committee.

The Board recognises the importance of its diversity in relation to its business, and adopted on 11 April 2019 a board diversity policy (the "**Board Diversity Policy**"). The Board considered the diversity of the Board can be achieved through the consideration of a number of aspects when selecting candidates, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. During the Relevant Period, the above objective has been achieved. All Board appointments will be based on meritocracy, and will be considered against objective criteria, having due regard for the benefits of having diversity on the Board. The ultimate decision of Board appointment will be based on reputation and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy on a regular basis and discuss any revisions that might be required, and recommend to the Board for consideration and approval.

As at the date of this report, the Board's composition under diversified perspectives was summarised as follows:



As the Company was listed on 2 May 2019, no meeting of the Nomination Committee was held during the year ended 31 March 2019. The Nomination Committee held a meeting on 17 June 2019 to (i) review, among other things, the independence of the independent non-executive Directors; (ii) consider the qualifications of the retiring Directors standing for re-election at the forthcoming annual general meeting; (iii) review the structure, size and composition of the Board; and (iv) review the Board Diversity Policy adopted by the Company. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider various factors including the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board. Having reviewed the composition of the Board, the Nomination Committee considered that there is an appropriate balance of board diversity.

Remuneration Committee

The Company established the Remuneration Committee on 29 March 2019 in compliance with Rule 5.34 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and the model under code provision B.1.2 of the CG Code have been adopted. The primary duties of the Remuneration Committee are mainly to make recommendations to the Board on the remuneration policy and the structure relating to all Directors and senior management of the Group, review the remuneration packages of the Directors and senior management of the Group and ensure none of the Directors determine their own remuneration. No Directors or any of his associates were involved in deciding their own remuneration.

The Remuneration Committee consists of two independent non-executive Directors and one executive Director, being Mr. Moo Kai Pong, Mr. Wu Kin San Alfred and Mr. Chung Chau Kan, respectively. Mr. Moo Kai Pong is the chairman of the Remuneration Committee.

As the Company was listed on 2 May 2019, no Remuneration Committee meeting was held during the year 31 March 2019. The Remuneration Committee held a meeting on 17 June 2019 to review the remuneration of the Directors and senior management of the Group.

Pursuant to code provision B.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by band for the year ended 31 March 2019 are as follows:

	Number of employees
Nil to HK$1,000,000	1
HK$1,000,001 to HK$1,500,000	–
HK$1,500,001 to HK$2,000,000	–
HK$2,000,001 to HK$2,500,000	–
HK$2,500,001 to HK$3,000,000	1

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance functions set out in code provision D.3.1 of the CG Code, namely:

(i) to develop and review the Company's policies and practices on corporate governance;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and

(v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual reports.

During the Board meeting on 17 June 2019, the Board has reviewed the corporate governance measures of the Group and this CG Report and is of the view that the Company has fully complied with the CG Code in the manner as detailed in this CG Report.

Board Meetings and Attendance Records of Directors

Code provision A.1.1 of the CG Code states that the Board should meet regularly and Board meetings should be held at least four times each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

The Company was listed on 2 May 2019. Therefore, the Board did not hold any regular Board meetings during the year ended 31 March 2019. The Board will schedule to have regular Board meetings at least four times during the year ending 31 March 2020. Other Board meetings will be held if necessary.

In the Board meeting held on 17 June 2019, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Securities Transactions Code**"), and the Company's compliance with the CG Code and disclosure in this corporate governance report.

The attendance record of each of the Directors at the Board meeting, committee meetings and annual general meeting held during the Relevant Period is set out in the table below:

	Attendance/Number of Meeting				
Name of Director	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Mr. Chung Chau Kan	1/1	N/A	N/A	1/1	N/A
Mr. Wong Wing Hoi	1/1	N/A	N/A	N/A	N/A
Mr. Wei Ming	1/1	N/A	1/1	N/A	N/A
Mr. Moo Kai Pong	1/1	1/1	1/1	1/1	N/A
Mr. Lo Chi Wang	1/1	1/1	N/A	N/A	N/A
Mr. Wu Kin San Alfred	1/1	1/1	1/1	1/1	N/A

Apart from the Board meeting, the Chairman also held meeting with the independent non-executive Directors without the presence of the executive Directors during the Relevant Period.

COMPANY SECRETARY

Ms. Chan Lok Yee ("**Ms. Chan**") of Vistra Corporate Services (HK) Limited was appointed as the Company's company secretary on 1 June 2018. For details of Ms. Chan's qualifications, please refer to the section headed "Biographical Details of Director and Senior Management" in this report. Ms. Chan's primary contact person in the Company is Mr. Cheung Hoi Kin, the chief financial officer of the Company. In compliance with Rule 5.15 of the GEM Listing Rules, Ms. Chan has undertaken no less than 15 hours of relevant professional training to update her skills and knowledge during the year ended 31 March 2019.

NOMINATION POLICY

The Board has adopted a nomination policy (the "**Nomination Policy**") which aims to:

- set out the criteria and process in the nomination and appointment of Directors;
- ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
- ensure the Board's continuity and appropriate leadership at Board level.

Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character, reputation and integrity;
- qualifications, experience and accomplishments, including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- requirement for the Board to have independent directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent by reference to the independence guidelines set out in the GEM Listing Rules;
- Board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
- such other perspectives appropriate to the Company's business.

Nomination Procedures

(A) Appointment of New Director

(i) The Nomination Committee shall, upon receipt of the proposal on appointment of the new Director, the biographical information (or relevant details) of such candidate and evaluate such candidate based on the criteria as set out in above paragraph of "Criteria" to determine whether such candidate is qualified for directorship.

(ii) The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

(iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company (including but not limited to ensuring that the Board has a balance of skills, experience and diversity of perspectives) and reference check of each candidate (where applicable).

(iv) The Nomination Committee shall then recommend appointment of the appropriate candidate for directorship and the candidate shall provide his/her written consent (a) to be appointed as a Director, and (b) to the public disclosure of his/her personal data on any documents or the relevant websites for the purpose of or in relation to his/her standing for election as a Director.

(v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the above paragraph of "Criteria" to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.

(vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

(B) Re-Election of Director at General Meeting

(i) Retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting of the Company.

(ii) The Nomination Committee shall review the retiring Director's overall contribution and service to the Company, including his/her attendance of Board meetings and, where applicable, general meetings, and his/her level of participation and performance on the Board.

(iii) The Nomination Committee shall also review and determine whether the retiring Director continues to meet the criteria as set out in above paragraph.

(iv) the Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of the Director at the general meeting.

(v) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for re-election at any general meeting.

Regular Review

The Nomination Committee will conduct regular review on:

(i) the effectiveness of the Nomination Policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and

(ii) the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in the Securities Transactions Code.

The Securities Transactions Code was not applicable to the Company before the Listing Date. Specific enquiry has been made with all the Directors and each of the Directors have confirmed that they have complied with the Securities Transactions Code throughout the Relevant Period.

During the Relevant Period, the Company is not aware of any incident of non-compliance of the Securities Transactions Code by the Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Companies Ordinance, which give a true and fair view of the state of affairs, profit or loss and cash flow of the Group on a going concern basis.

The Directors acknowledge their responsibility for the preparation of consolidated financial statements of the Group for the year ended 31 March 2019. The statements of the Directors' responsibilities for preparing the consolidated financial statements of the Group and external auditors' responsibilities for the audit of the consolidated financial statements are set out in the "Independent Auditor's Report" in this report. There are no material uncertainties relating to events or circumstances which would significantly cast doubt over the Company's ability to operate as a going concern.

AUDITOR'S REMUNERATION

The fees paid or payable to the external auditor of the Group, PricewaterhouseCoopers, for the year ended 31 March 2019 are as follows:

Services rendered	Fees paid/payable HK$'000
Audit services	700
Non-audit services (mainly acting as the reporting accountant of the Company and internal control review in relation to the Listing)	1,551
	2,251

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's risk management and internal control systems in order to safeguard the Group's assets and the Shareholders' interests and conduct a review on an annual basis. The main features of the risk management and internal control systems of the Group include:

(i) the identification of potential risks;

(ii) the assessment and evaluation of risks;

(iii) the development and continuous updating of mitigation measures; and

(iv) the ongoing review of internal control procedures to ensure their effectiveness in respects of the Group's financial, operational, compliance controls and risk management functions.

In order to protect the Group's assets against improper use and ensure compliance with applicable laws, rules and regulations, the Group has also established organisational structure within such risk management and internal control systems by clearly defining the power and obligations of each department in the Group. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Process used to identify, evaluate and manage significant risks

The Group's risk management process involves the identification, evaluation, response, monitoring and reporting of risks. After having successfully identified the risks that may potentially affect the Group's business and operations by the management of the Company, the Board will perform risk assessment by prioritising the risks identified to determine key risks that the Group is exposed to and discuss mitigation measures. Besides, existing risk mitigation measures are subject to regular monitoring and review by the management of the Company, which will review the Group's risk management strategies, report such results and make appropriate suggestions to the Board.

For the purpose of the Listing, the Group engaged an independent external consulting firm as the Group's internal control adviser (the "**Internal Control Adviser**") to undertake a review on, among others, the internal control system on (i) entity-level controls; (ii) sales and receivables; (iii) procurement, payments and fixed asset management; (iv) information systems controls (including IT serial controls for key financial reporting system); (v) cash and treasury management; (vi) financial reporting and disclosure controls; (vii) human resources; (viii) taxation; and (ix) intellectual properties. As the Company was listed on 2 May 2019, the Board did not hold any meetings to review the risk management and internal control systems during the year ended 31 March 2019. However, the Board reviewed the effectiveness of the risk management and internal control systems in the Board meeting held on 17 June 2019 and in view of the internal control report issued by the Internal Control Adviser on 15 April 2019, the Board is of the opinion that the Group's risk management and internal control systems are effective and adequate and that nothing has come to its attention to cause the Board to believe the Group's risk management and internal control systems are inadequate.

The Group does not have an internal audit function and is of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The Board and the Audit Committee will reconsider the need for an internal audit function from time to time.

Handling and Dissemination of Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its relevant obligations under the SFO and the GEM Listing Rules. The Group adopts and implements an information disclosure policy and procedures in order to protect inside information from unauthorised and inaccurate disclosure.

The Group has strictly prohibited unauthorised use of confidential or inside information. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Chairman and the chief financial officer to decide on the need for disclosure. The Audit Committee regularly reviews and assesses the effectiveness of the information disclosure policy and procedures and proposes recommendations to the Board.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide a forum for the Shareholders to exchange views directly with the Board. Subject to provisions of the applicable laws in the Cayman Islands and GEM Listing Rules, an annual general meeting of the Company should be held each year and at the venue as determined by the Board. Each general meeting, other than an annual general meeting, is called an extraordinary general meeting ("**EGM**").

Rights to Convene EGMs and Procedures

Pursuant to article 58 of the Articles, the Board may, whenever it thinks fit, convene an EGM. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. The requisition must be deposited at the registered office or the head office of the Company.

If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to requisitionist(s) by the Company.

Rights to Put Forward Proposals at General Meetings

The Board is not aware of any provisions allowing shareholders to propose new resolutions at the general meetings under the Articles and the Companies Law. Subject to the provisions of the Articles, eligible Shareholders who wish to move a resolution may by means of requisition to convene an EGM following the procedures set out above.

Putting Forward Enquiries to the Board

To put forward any enquiries to the Board, Shareholders may send written enquiries to the Company with sufficient contact details. The Company will not normally deal with verbal or anonymous enquires.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Fax:	+852 2851 0017
Email:	investor@novacontechgroup.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company maintains a website at www.novacontechgroup.com as a communication platform with the Shareholders and potential investors, where the latest business development, financial information and other relevant information of the Company are available for public access. The information on the Company's website is updated on a regular basis in order to maintain a high level of transparency.

Information released by the Company, including but not limited to, the publication of quarterly, interim and annual reports, the publication and posting of notices, announcements and circulars will also be posted to the Stock Exchange's website at the same time.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published its memorandum of association and the Articles on the respective websites of the Stock Exchange and the Company. Since the Listing, no amendments have been made to the constitutional documents of the Company.

Environmental, Social and Governance Report

The Group's Environmental, Social and Governance ("**ESG**") report highlights its ESG performance and has been prepared in accordance with the ESG reporting principles set out in Appendix 20 to the GEM Listing Rules.

The overall performance of the two subject areas, namely Environmental and Social for the business operations of all entities (including the Group) operating in our office in Hong Kong during the year ended 31 March 2019. For corporate governance information, please refer to the "Corporate Governance Report" on pages 32 to 43 of this report.

A. ENVIRONMENTAL

The Company is an investment holding company. The Group is principally engaged in the development and provision of financial trading solutions and development and supply of resource allocation, planning, scheduling and management of software and services. The nature of the Group's business does not involve direct emission of large amounts of polluted air, discharge of pollutants into water and land, and generation of hazardous waste. Therefore, there are no laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group. Due to the nature of the Group's business, the Group's daily operations mainly involve indirect greenhouse gas emissions, which are mainly due to the use of electricity, business travel and paper consumptions in our office setting. The Group does not generate any hazardous wastes and consider to have no direct and significant impact on the environment.

A1. Emissions and Wastes

- ***Air and Greenhouse Gas Emissions***

  For the year ended 31 March 2019, the Group's quantitative information on greenhouse gases emissions is as follows:

Greenhouse Gases Emissions	**2019** **Tonnes**
Indirect Emission (Scope 2) — Electricity	**72.6**
Indirect Emission (Scope 3) — Paper Consumption	**1.0**
Total emission of greenhouse gases	**73.6**
Total emission of greenhouse gases per square metre of floor area	**0.2**

- ***Waste Management***

  The non-hazardous wastes generated by the Group's operations mainly consist of paper, toner cartridges and ink cartridges. We regularly monitor the consumption volume of paper, toner cartridges and ink cartridges and have implemented a number of reduction measures. The Group's office has also provided suitable facilities and encouraged our staff to sort and recycle the wastes to achieve the objectives in mitigating wastes, reusing and recycling in its operations. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

A2. Use of Resources

For the year ended 31 March 2019, the total electricity consumption of the Group is as follows:

Energy Consumption	2019
Energy consumption — electricity (kwh)	**92,996**
Energy consumption — electricity per floor area (kwh/m^2)	**223**

- ***Energy Consumption***

  The Group relocated the Group's office premise from Wai Chai to Kwun Tong in January 2019. Since the floor area in Kwun Tong is slightly smaller than that in Wai Chai, we have resulted in a reduction in electricity consumption since then. The Group has implemented a number of measures to mitigate energy consumption such as turning off the air-conditioning system at night or when leaving office, keeping the office temperature at 25 degree Celsius in summer and using LED lights in the Kwun Tong office, etc.

  Going forward, in order to further reduce emission of greenhouse gases and electricity consumption, the Group will continue to implement energy saving measures. The Group requires its staff to turn on power saving mode for computers, printers and monitors to reduce energy consumption when the machines are in idle. Staff is also required to switch off lights, printers, air conditioners and power of computers by the end of each working day. By adopting these policies, the Group wishes to create an environmentally friendly working environment.

- ***Water Consumption***

  Water is consumed primarily for two purposes, drinking water and daily cleaning. The water consumption of the Group's office in Wan Chai is managed by the office's building management office and therefore water usage data is not readily available. For our Kwun Tong office, there is no running water facility. Water consumed is mainly municipal water supplied by the Water Supplies Department. We did not encounter any problems in terms of sourcing water that is fit for purpose during the year ended 31 March 2019. Our Group considers our consumption of water is insignificant. Nevertheless, in order to reduce the water consumption of the Group, the office has issued a notice to remind the employee to turn off the taps after use and use it wisely. Besides, during the year ended 31 March 2019, the Group orders distilled water from suppliers for staff's drinking along with issuing a notice to remind employees to cherish drinking water.

- ***Paper Consumption***

  The Group promotes the reduction of paper printing and encourages the use of electronic communications and electronic records. Single-sided printed paper is reused as scrap paper or used to print internal documents. Notices have been posted in the office to remind employees to use paper wisely to reduce the consumption of paper. Besides, the Group does not use any packaging materials for its operations other than envelopes and company letters. The total paper consumption of the Group during the year ended 31 March 2019 was 0.2 tonnes.

- ***Business Air Travel***

  Business air travel is inevitable in some circumstances as the Group is seeking to expand its business beyond Hong Kong. Nevertheless, the staff of the Group travelled only when necessary and travelled in economy class to reduce carbon footprints. In the year ended 31 March 2019, the carbon footprint of employees is immaterial as almost all business is delivered in Hong Kong notwithstanding that we have considerable number of overseas customers. In addition, the Group believes that in order to reduce carbon emissions from air travel, the Group encourages employees to use video conference calls and participate in online meetings.

Given its nature, the principal business activities of the Group do not cause any significant negative impacts on the environment and natural resources.

B. SOCIAL

General

During the year ended 31 March 2019, the Group strictly complies with the all applicable rules and regulations such as the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong) and the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong). During the year ended 31 March 2019, the Board was not aware of any non-compliance with relevant standards, rules and regulations that have a significant impact on the Group.

B1: Employment

The Group develops employment policies regarding recruitment, compensation, promotion, dismissal, leave entitlements and other benefits and welfare. Employment and benefits provisions are communicated to staff through employee handbook. The Group is committed to creating an equal opportunity and a diverse work environment. All staff is assessed on the basis of their performance without discrimination against age, gender, pregnancy, disability, race, marital status or family status. For the year ended 31 March 2019, the Group had no material non-compliance with applicable legislations or regulations.

In addition to the above, the mandatory provident fund trustee the Group engaged offers comparatively low management fee among others which improve staff's long term benefits. The Group pays for mandatory provident fund in accordance with the laws of Hong Kong and abide by any statutory leave prescribed by the laws and regulations in Hong Kong. The working time meets the local employment laws and is stipulated in the employment contract.

As at 31 March 2019, the staff gender and age distribution by position is as follows:

Position	No. of Employee	Male	Female	Aged under 30	Aged 30 to 40	Aged 41 to 50	Aged over 50
Manager	9	8	1	1	6	2	–
General staff	22	16	6	12	8	2	–

Staff turnover during the year ended 31 March 2019 is as follows:

Category	No. of Employee	Male	Female	Aged under 30	Aged 30 to 40	Aged 41 to 50	Aged over 50
New staff	10	7	3	8	2	–	–
Staff turnover	14	11	3	12	1	–	1

B2: Health and Safety

The Group provides a safe and healthy working environment for its employees and takes all reasonable steps to prevent accidents and injuries during their work. There is a first aid kit in office. The Group also provides medical and dental insurance for permanent employees. The health and safety policy of the Group states that one of the prime responsibilities of the management at all levels is to ensure all reasonably practicable actions are taken to comply with the Employment Ordinance (Chapter 57 of the Law of Hong Kong), Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the policy itself. The Group aims to ensure the safety and health at work of the employees as required under the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) by carrying out various reasonable steps to prevent injuries, including providing adjustable working chairs and sufficient storage space for spacious working area, maintaining office equipment, and placing objects and stationary at easily reachable and convenient locations.

For the year ended 31 March 2019, health and safety performances are periodically monitored and reviewed. The Group was not aware of any material non-compliance with laws and regulations in relation of employee health and safety during the year ended 31 March 2019.

B3: Development and Training

The Group provides regular training to employees to ensure they have the appropriate skills to handle their daily job responsibilities. Employees are encouraged to participate in a variety of self-development skill training courses tailored to both general and managerial staff, such as e-Seminars which aim to regularly keep IT technical knowledge up-to-date. The Group also sponsors employees to participate in external training courses required for their work, such as courses which aim to improve knowledge on labour law and companies law, etc. The Group also encourages team leaders to work closely with employees in order to allow the management to better understand each individual employee's development needs.

B4: Labour Standards

The Group strictly complies with the labour legislations such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) on prevention of child and forced labour. There was no child nor forced labour in the Group's operation during the year ended 31 March 2019. During the recruitment process, there is a procedure for collecting and reviewing identity and age verification documents in order to ensure that the Group abides by relevant labour legislations. Any candidates who are under the legal working age and/or provide false or untrue identity proof and documents are not employed by the Group. The Group did not note any material non-compliance with laws and regulations regarding employment and labour standards during the year ended 31 March 2019.

B5: Supply Chain Management

The Group maintains a long term and stable relationship with major suppliers, which consisted of (i) data centre service providers; (ii) news feed providers; (iii) financial market information providers; (iv) computer hardware and software vendor for onward sale to our customers, (v) data line vendors; and (vi) computer network and data service provider. Our major suppliers are mainly located in Hong Kong and Singapore. All suppliers are carefully evaluated and regularly monitored based on a number of factors, including their price, scope of services, quality of products and services and their technical capabilities. During the year ended 31 March 2019, the Group was not aware that any major suppliers' actions or practices that had a significant negative impact on business ethics, environmental protection, human rights and labour practices.

B6: Product Responsibility

Product responsibility is one of the Group's priorities. We are committed to delivering excellent customer services with high connectivity and reliability. During the year ended 31 March 2019, the Group did not note any cases of material non-compliance regarding health and safety, advertising, labelling and privacy matters related to products and services provided as required by relevant laws and regulations.

The Group's policy is to respect intellectual property rights and prohibit the use of infringing products in the business. As such, the Group requires all employees must strictly follow the relevant laws such as the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong). During the year ended 31 March 2019, the Group did not find any significant non-compliance with relevant laws and regulations.

The continuous support of our customers has always been one of the key factors for the success of the Group. Therefore, the Group is committed to providing quality services to its customers. Customer complaints (if any) will be reviewed and to the customer's satisfaction resolved by a competent technical team member. If necessary, the team will also report complaints to the Group's management for follow-up actions.

Protecting customer data privacy is a priority in the Group's daily operations in order to establish and maintain a relationship of trust and confidence with our customers. The Group is committed to preventing customer data leakage or loss by adopting stringent physical security measures and good industry practices. To illustrate, the Group has a comprehensive security policy and security and confidentiality guideline to safeguard its assets and information in place, and requires its staff to comply with regulations in relation to physical security, access control security, data security, application security, network and communication, and password management.

On top of the abovementioned, the Group requires its staff to follow the applicable laws such as Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) when handling both customers' and the Group's internal personal data. Employees are required to undertake to keep all confidential information confidential upon the signing of contracts with customers, during and upon the terminations of the period of service, subject to the confidentiality terms prescribed in the particular contracts. For governmental projects, the Group treats all information received from the Government as confidential and undertakes to use the confidential information solely for the purposes of assignment contracts.

B7: Anti-corruption

The Group adheres to high standards of conduct and integrity. We strictly abide by the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and the relevant laws and regulations regarding anti-corruption, bribery, extortion, fraud and anti-money laundering. Each of our employees has an obligation and is encouraged to report concerns about any misconduct they have noticed, including but not limited to, violations of legal or regulatory requirements, misconduct or fraud that may adversely affect the Group's reputation and image, as well as violations of the code of conduct of the Group.

We implement policies and procedures to minimise risks of fraud, corruption and bribery. Our whistleblowing policy in place encourages our employees to report suspected irregularities to high level personnel in the Group's management, including direct reporting to Chief Executive Officer, the Chairman, the Board or the Audit Committee. Reporting can be conducted through various channels such as written report or email. For reported cases where an investigation is warranted, the outcomes and recommendations of the investigation will be reported to the Chief Executive Officer and the Chairman. Our policies and practices aim at treating all disclosures in a confidential and sensitive manner and protecting our employees from any form of intimidation and retaliation.

Our principle on conduct and integrity is well conveyed to our employees through daily communication, seminars and training. Our requirements on conduct and integrity are also communicated to our subcontractors (if any) and service providers who are expected to comply with the same.

B8: Community Investment

The Group always seeks to be a positive force in the communities in which it operates and maintains close communication and interactions with the communities in order to contribute to local development from time to time.

The Group also supports and encourages all employees to participate their own initiatives in volunteer works or charity activities for building a harmonious and prosperous society.

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Novacon Technology Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Novacon Technology Group Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 54 to 99, which comprise:

- the consolidated statement of financial position as at 31 March 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Capitalisation of development costs incurred on computer software systems

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition Refer to Note 2.20 to the consolidated financial statements. For the year ended 31 March 2019, the Group recognised revenue of HK$43.0 million from the provision of licensing and maintenance services, and initial set up and customisation services. Initial set up and customisation services and licensing and maintenance services provided by the Group are agreed upon in a single revenue contract with the customers. For the purpose of revenue recognition, these services are identified as separate performance obligations and the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Significant management's judgements and estimates are involved in the determination of the stand-alone selling prices for the allocation of the transaction price to reflect the prices at which the Group would sell the distinct services separately to the customers. In addition, revenue from initial set up and customisation services are recognised over time by using the input method based on costs incurred to measure the progress towards complete satisfaction of the performance obligation. Significant management's judgements and estimates are involved in the assumptions applied in the total budgeted contract costs for the input method. We focused on this area in view of the magnitude of the revenue to the consolidated financial statements and the use of judgements and estimates as described above.	Our procedures in relation to revenue recognition mainly included: – Assessed management's judgements and estimates used to determine the stand-alone selling price of each performance obligation and evaluated the estimations with reference to comparable transactions in the market; – Understood, evaluated and tested the key controls over the total budgeted contract costs used in the input method by conducting the following: • On a sample basis, checked whether the total budgeted contract costs of the relevant projects are properly reviewed and approved by the management; and • On a sample basis, obtained the progress reports of the installation and customisation projects to check the progress of the selected projects and corroborated with interviews of the relevant project managers; – Assessed management's historical estimation accuracy by comparing the budgeted contract costs to actual costs incurred for previously completed projects on a sample basis; – Assessed the total costs incurred as at the end of the reporting period of projects, on a sample basis, by checking to the underlying documents, such as employees' payroll and timesheet records, supporting these costs. Based on the procedures performed, we considered the judgements and estimates made by management in relation to the revenue recognition were supportable by the available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Capitalisation of development costs incurred on computer software systems Refer to Note 2.7(b), Note 4 and Note 15 to the consolidated financial statements. The Group principally engages in the provision of computer software systems which are developed internally. Development costs incurred on computer software systems are capitalised as intangible assets when management assessed and concluded that all capitalisation criteria stated in Note 2.7(b) have been met. During the year ended 31 March 2019, the Group capitalised employee benefit costs of the research and development team amounting to HK$4.8 million as "capitalised development cost" as set out in Note 15 to the consolidated financial statements. The key inputs utilised by management to calculate the development costs to be capitalised include labour hours incurred and labour rate applied to respective computer software system. We focused on this area due to the fact that there is significant judgement involved in assessing whether the capitalisation criteria set out in Note 2.7(b) to the consolidated financial statements have been met. In particular, whether the costs are appropriately identified for capitalisation and that such costs are appropriately associated with computer software systems in the development phase of production.	Our procedures in relation to capitalisation of development costs incurred on computer software systems mainly included: – Understood, evaluated and tested the key controls over management's authorisation of development of computer software systems and their subsequent review and approval of the fulfilment of capitalisation criteria and the capitalisation of the development costs of computer software systems; – Independently assessed whether the development costs capitalised during the year fulfilled the capitalisation criteria, on a sample basis, by conducting the following: • On a sample basis, obtained the progress variations report of the development of computer software system for the explanations and corroborated with interviews of the relevant project managers; and • Inspected the correspondences with potential or existing customers to demonstrate the existence of demands on the new computer software systems and modules under development. – Understood, evaluated and tested the key controls over the allocation of staff costs among the computer software systems under development and approval of timesheet records to ensure staff costs associated with the respective computer software systems' development are appropriately identified for capitalisation; and – Tested the key inputs, including actual labour hours incurred and labour rate applied to respective computer software system, by agreeing the details to timesheet and payroll records, which are reviewed and approved by management. Based on above, we found that the judgements made by management in determining development costs to be capitalised were supportable by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17 June 2019

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 HK$'000	2018 HK$'000
Revenue	5	**44,242**	43,474
Other income		**44**	30
Expenses			
Cost of sales of computer hardware and software		**(1,042)**	(926)
License and subscription cost		**(1,587)**	(1,262)
Internet services cost		**(1,963)**	(1,842)
Employee benefit expenses	6	**(13,249)**	(12,718)
Depreciation of property and equipment	13	**(1,529)**	(1,168)
Amortisation of intangible assets	15	**(2,783)**	(2,123)
Rental expenses		**(2,901)**	(2,589)
Fair value adjustment to an investment property	14	**3,400**	(2,459)
Listing expenses		**(10,224)**	(6,785)
Other expenses	8	**(3,085)**	(2,118)
Finance costs	9	**(236)**	(21)
Profit before income tax		**9,087**	9,493
Income tax expense	10	**(2,602)**	(3,067)
Profit and total comprehensive income attributable to owners of the Company for the year		**6,485**	6,426
Earnings per share attributable to owners of the Company for the year:			
— Basic and diluted (expressed in HK cents per share)	12	**2.16**	2.14

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 31 MARCH 2019

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property and equipment	13	**37,294**	2,524
Investment property	14	**–**	31,610
Intangible assets	15	**14,504**	12,524
Deposits	17	**66**	865
Deferred income tax asset	23	**216**	20
		52,080	47,543
Current assets			
Trade receivables, deposits and prepayments	17	**8,510**	3,941
Contract assets	5	**513**	542
Income tax recoverable		**289**	–
Cash and cash equivalents	18	**10,405**	14,647
		19,717	19,130
Total assets		**71,797**	66,673
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	*	*
Retained earnings		**46,286**	39,801
Other reserves	20	**7,500**	7,500
Total equity		**53,786**	47,301
LIABILITIES			
Non-current liabilities			
Provisions for reinstatement costs		**–**	100
Deferred income tax liabilities	23	**326**	246
		326	346
Current liabilities			
Bank borrowing	21	**11,950**	12,417
Accruals and other payables	22	**5,440**	5,493
Income tax payable		**8**	1,030
Contract liabilities	5	**287**	86
		17,685	19,026
Total liabilities		**18,011**	19,372
Total equity and liabilities		**71,797**	66,673

* Less than HK$1,000

The consolidated financial statements on pages 54 to 99 were approved by the Board of Directors on 17 June 2019 and were signed on its behalf:

Chung Chau Kan	**Wong Wing Hoi**
Director	*Director*

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital HK$'000 *(Note 19)*	Other reserves HK$'000 *(Note 20)*	Retained earnings HK$'000	Total HK$'000
At 1 April 2017	–	*	40,875	40,875
Total comprehensive income				
Profit and other comprehensive income for the year	–	–	6,426	6,426
Transaction with owners in their capacity as owners				
Capitalisation from retained earnings	–	7,500	(7,500)	–
Issuance of shares at the date of incorporation *(Note 1.2(a))*	*	–	–	*
At 31 March 2018	*	7,500	39,801	47,301
At 1 April 2018	*****	**7,500**	**39,801**	**47,301**
Total comprehensive income				
Profit and other comprehensive income for the year	**–**	**–**	**6,485**	**6,485**
Transaction with owners in their capacity as owners				
Issuance of shares pursuant to the Reorganisation *(Note 1.2(c))*	*****	**(*)**	**–**	**–**
At 31 March 2019	*****	**7,500**	**46,286**	**53,786**

* Less than HK$1,000

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 HK$'000	2018 HK$'000
Cash flows from operating activities			
Cash generated from operations	25(a)	**9,709**	18,253
Hong Kong profits tax paid		**(4,029)**	(2,936)
Net cash generated from operating activities		**5,680**	15,317
Cash flows from investing activities			
Interest received		**5**	1
Purchases of property and equipment		**(1,451)**	(1,400)
Additions of intangible assets		**(4,763)**	(4,774)
Acquisition of an investment property	14	**–**	(34,069)
Net cash used in investing activities		**(6,209)**	(40,242)
Cash flows from financing activities			
Interest expense		**(238)**	(19)
Proceeds from a bank borrowing	25(b)	**–**	12,500
Repayment of a bank borrowing	25(b)	**(465)**	(85)
Payments of professional fee in connection with the listing		**(3,010)**	(1,265)
Net cash (used in)/generated from financing activities		**(3,713)**	11,131
Net decrease in cash and cash equivalents		**(4,242)**	(13,794)
Cash and cash equivalents at beginning of the year		**14,647**	28,441
Cash and cash equivalents at end of the year	18	**10,405**	14,647

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Novacon Technology Group Limited (the "**Company**") was incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is located at office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Pursuant to the group reorganisation as set out in the note 1.2, which was completed on 21 March 2019 (the "**Reorganisation**"), the Company became the holding company of its subsidiaries now comprising the Group (together, the "**Group**"). The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited by way of placing and public offer on 2 May 2019.

The Company is an investment holding company. The Group is principally engaged in the development and provision of financial trading solutions and development and supply of resource allocation, planning, scheduling and management of software and services (the "**Listing Business**"). These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000), unless otherwise stated.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the Reorganisation as described below, the Listing Business was carried out by Global eSolutions (HK) Limited ("**GES**"), Real Logic Technology Company Limited ("**RLT**") and Win Investment (HK) Limited ("**WIL**"), which are companies incorporated in Hong Kong (the "**Operating Companies**"). RLT and WIL are wholly owned subsidiaries of GES. The Operating Companies were held by Essential Strategy Investments Limited ("**Essential Strategy**") as to 70% and Mr. Chung Chau Kan ("**Mr. Chung**") as to 30% (collectively the "**Shareholders**"). As at 22 March 2016, Essential Strategy was owned by Mr. Wei Ming ("**Mr. Wei**") as to 55% and Mr. Leung Tsz Fung David Ferreira ("**Mr. Leung**") as to 45%. On 21 December 2016, Mr. Wei acquired the 45% interest in Essential Strategy from Mr. Leung. Since then, Essential Strategy has been wholly owned by Mr. Wei.

In preparation for the listing of the Company's shares on GEM of The Stock Exchange of Hong Kong Limited (the "**Listing**"), the Group underwent the Reorganisation, which principally involved the following steps:

(a) On 7 February 2018, the Company was incorporated in the Cayman Islands and 1 share of HK$0.01 was allotted and issued to the initial subscriber, which was then transferred to Essential Strategy. On the same day, 6 shares and 3 shares of the Company of HK$0.01 each were allotted and issued to Essential Strategy and Expert Wisdom Holdings Limited ("**Expert Wisdom**"), a company wholly owned by Mr. Chung, respectively. Since then, the Company was owned as to 70% by Essential Strategy and as to 30% by Expert Wisdom.

(b) On 21 February 2018, Motion Cast Limited ("**Motion Cast**") was incorporated in the British Virgin Islands ("**BVI**") and 1 share of US$1.00 was allotted and issued to the Company. Since then, Motion Cast became a wholly-owned subsidiary of the Company.

(c) On 21 March 2019, Motion Cast acquired the entire share capital of GES from Essential Strategy and Mr. Chung at a consideration settled by allotment and issue of 63 and 27 ordinary shares of HK$0.01 each of the Company to Essential Strategy and Expert Wisdom, respectively. Since then, GES became an indirectly wholly-owned subsidiary of the Company.

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION *(Continued)*

1.2 Reorganisation *(Continued)*

(d) By a shareholder's resolution dated 29 March 2019 and conditional on the share premium account of the Company being credited as a result of the share offer, the Company will issue additional 299,999,900 shares, credited as fully paid, to the existing shareholders of the Company, by way of capitalisation of HK$2,999,999 standing to the credit of the Company's share premium account.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business is conducted through the Operating Companies. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same.

Pursuant to the Reorganisation, the Operating Companies and the Listing Business were transferred to the Company and were being held by the Company since 21 March 2019. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Business and the consolidated financial statements of the Company and the Listing Business are prepared in accordance with HKFRS 10, "Consolidated Financial Statements", issued by the HKICPA, using the carrying values of assets and liabilities of the Listing Business as if the group structure after the Reorganisation had been in existence throughout the years presented.

Inter-company transactions and between group companies are eliminated on consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements for the Group is consisting of the Company and its subsidiaries.

2.1 Basis of preparation

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements has been prepared under the historical cost convention, as modified by the investment property, which is measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(i) New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for these reporting periods and have not been early adopted by the Group.

		Effective for accounting period beginning on or after
HKAS 19 (Amendments)	Employee benefits	1 April 2019
HKAS 28 (Amendments)	Investments in associates and joint ventures	1 April 2019
HKFRS 9 (Amendment)	Prepayment features with negative compensation	1 April 2019
HKFRS 16	Leases	1 April 2019
HK (IFRIC)-Int23	Uncertainty over income tax treatments	1 April 2019
Amendments to HKFRS	Annual Improvements to HKFRS 2015-2017 Cycle	1 April 2019
Conceptual Framework for Financial Reporting 2018	Accounting policies, change in accounting estimates and errors	1 April 2020
HKAS 1 and HKAS 8 (Amendments)	Definition of materiality	1 April 2020
HKFRS 3 (Amendments)	Definition of a business	1 April 2020
HKFRS 17	Insurance contracts	1 April 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate and joint venture	To be determined

None of these new and amended standards and interpretations are expected to have a significant effect on the consolidated financial statements of the Group.

HKFRS 16 Leases

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

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

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

In contrast to lessees accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by HKFRS 16.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

As set out in Note 26, as at 31 March 2019, the Group's total operating lease commitments amounted to HK$257,000. The new standard is not expected to apply until the financial period beginning at 1 April 2019. The directors of the Company consider that HKFRS 16 will have no significant impact on the consolidated financial statements.

2.2 Subsidiaries

(a) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Separate financial statements

Investment in a subsidiary in the Company's statement of financial position is accounted for at cost less impairment. Cost also includes direct attributable costs of investment in the Company's statement of financial position. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investment in a subsidiary is required upon receiving dividends from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements is presented in HK$, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "other expenses".

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

2.5 Property and equipment

Property and equipment are stated at historical cost less depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged in the consolidated statement of comprehensive income during the financial period in which they are incurred.

Leasehold improvements are depreciated over the shorter of their useful lives or unexpired period of the lease while depreciation on other property and equipment is calculated using the straight-line method to allocate their costs less residual values over their estimated useful lives, as follows:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Property and equipment *(Continued)*

Land and building	Over the period of the lease
Leasehold improvement	3 years or over the lease period, whichever is shorter
Furniture and fixtures	5 years
Office equipment	5 years
Computers	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated statement of comprehensive income within "other expenses".

2.6 Investment property

Investment property, principally leasehold office buildings, is held for rental yields and is not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in the consolidated statement of comprehensive income.

A property shall be transferred to, or from, investment property only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use

2.7 Intangible assets

(a) Goodwill

Goodwill is measured as described in Notes 2.2(a) and 2.8. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(b) Computer software systems

Costs associated with maintaining software programmes are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Intangible assets *(Continued)*

(b) Computer software systems *(Continued)*

- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(c) Research and development

Research expenditure and development expenditure that do not meet the criteria in (b) above are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

(d) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods. The useful lives of computer software systems are estimated based on historical experience, which of actual useful lives of similar assets and changes in technology; while the useful lives of customer contract is estimated based on the remaining legal contract duration before expiry.

Computer software systems	5 years
Customer contract	1.4 years

The Group is required to estimate the useful lives of systems development costs in order to ascertain the amount of amortisation charged for each reporting period.

The useful lives are estimated at the time development costs incurred after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

(e) Customer contract

Customer contract acquired in a business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Impairment of non-financial assets

Goodwill and intangible assets, that have an indefinite useful life, or intangible assets, which are not ready to use, are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing the assets changes.

(b) Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets *(Continued)*

(b) Recognition and measurement *(Continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of comprehensive income in the period in which it arises. Interest income from these financial assets is recognised in the consolidated statement of comprehensive income within "other income".

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of comprehensive income. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through other comprehensive income are not reported separately from other changes in fair value.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.11 Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to HKFRS 9's new expected credit loss model. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) set out the details how the Group determines whether there has been a significant increase in credit risk.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Impairment of financial assets *(Continued)*

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.12 Trade receivables

These amounts represent receivables due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 17 for further information about the Group's accounting for trade receivables and Note 2.11 for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.14 Share capital

Ordinary shares are classified as equity (Note 19).

2.15 Other payables

Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Borrowings *(Continued)*

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis difference

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale. Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred income tax is recognised in the consolidated statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Employee benefits

(a) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as part of the accruals and other payables in the consolidated statement of financial position.

(b) *Pension obligation – Defined contribution plan*

The Group participates in a mandatory provident fund scheme ("**MPF Scheme**") for its employees in Hong Kong.

MPF Scheme is a defined contribution scheme in accordance with the Mandatory Provident Fund Scheme Ordinance. Under the rules of MPF Scheme, the employer and its employees are required to contribute 5% of the employees' salaries, up to a maximum of HK$1,500 per month from 1 June 2014 onward, respectively, and thereafter contributions are voluntary. The assets of MPF Scheme are held separately from those of the Group in an independently administered fund.

(c) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(d) *Bonus plans*

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.19 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenues are recognised when goods are transferred or services are rendered to the customer.

Depending on the terms of the contract and the laws that apply to the contract, service may be provided over time or at a point in time. Service is provided over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- time-based measure of progress; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

When determining the transaction price to be allocated from different performance obligations, the Group first determines the service fees that the Group entitles in the contract period and adjusts the transaction price for variable considerations and significant financing component, if any. The variable considerations relate to licensing and maintenance services contracts. Such variable considerations are measured based on transaction volume of customers. The Group includes in the transaction price the best estimated amount of variable considerations only for maintenance service contract to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

If contracts involve the provision of multiple services, the transaction price will be allocated from each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

A contract asset is the Group's right to consideration in exchange for the services that the Group has transferred to a customer. In addition, incremental costs incurred to obtain a new contract, if recoverable, are capitalised as contract cost and subsequently amortised when the related revenue is recognised.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

A contract liability is the Group's obligation to render the services to a customer for which the Group has received consideration from the customer. A contract liability is recognised by the Group when the customer pays consideration but before the Group renders the service to the customer. Contract liabilities mainly included the advance payments received from sales of hardware and software and provision of initial set up and customisation services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Revenue recognition *(Continued)*

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) Initial set up and customisation services

The Group provides installation and customisation services of financial trading solutions and non-financial IT solutions. Initial set up and customisation services are generally provided on an on demand basis and could be completed in a short period of time. Revenue from providing such services is recognised in the accounting period in which the services are rendered, by using the input method for the specific transaction to measure the progress towards complete satisfaction of a performance obligation. Under input method, the progress is assessed on the basis of actual service costs incurred as a proportion of the total service costs to be incurred. Payment of the transaction is made upfront or due immediately when the installation services are provided to customers.

(b) Licensing and maintenance services

The Group licenses the right to access financial trading solutions and non-financial IT solutions and provides technical maintenance and support to licensees for licensed financial trading solutions and non-financial IT solutions for a specific period. Such services are transferred over time and revenue is recognised when the customers simultaneously receive and consume the benefits from the Group's performance of providing access to the financial software and maintenance period.

(c) Sales of computer hardware and software

The Group sells computer hardware which are mainly servers and network devices as well as third party computer software to customers for running the financial trading solutions.

Revenue is recognised at a point in time when computer hardware and/or software products are delivered and installed at the customers' specific location with their signed acceptance and the Group has present right to payment and the collection of the consideration is probable. Payment of the transaction is made upfront or due immediately when the sales transactions are completed.

2.21 Operating leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk), credit risk and liquidity risk. The Group adopts a conservative and balanced treasury policy which focuses on the financial risks factors as below and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's transactions are mainly denominated in HK$ and United States dollar ("**US$**"). The majority of assets and liabilities are denominated in HK$ and US$. There are no significant assets or liabilities denominated in other currencies.

Since HK$ is pegged to US$, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

(ii) Cash flow interest rate risk

The Group's cash flow interest rate risks primarily relate to cash at banks and a bank borrowing. The Group does not enter into any contract for interest rate hedging purposes. However, management monitors the related interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise.

Had interest rates been 100 basis points higher/lower than the prevailing interest rate for the year ended 31 March 2019, with all other variables held constant, the post-tax profit and equity for the year ended 31 March 2019, would have been approximately HK$13,000 lower/higher (2018: HK$19,000 higher/lower), as a result of changes in interest income on cash at banks and interest expenses from a bank borrowing.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and contract assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage the risk arising from cash at banks, the Group only transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions. The expected credit loss is close to zero for the year ended 31 March 2019.

The Group has credit policy to monitor the level of credit risk in relation to customers. In general, the credit record and credit period for each customer or debtor are regularly assessed based on the customer's or debtor's financial condition, their credit records and other factors such as current market condition. The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets from third parties. The Group overall considers the shared credit risk characteristic and the days past due of the trade receivables and contract assets to measure the expected credit loss. Management, considered among other factors including forward looking information, analysed historical payment pattern and concluded that the expected loss rate of trade receivables and contract assets are assessed to be less than 1% for the year ended 31 March 2019 (2018: less than 1%). The loss allowance provision for these balances was not material during the year ended 31 March 2019 (2018: nil).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe there is no material credit risk inherent in the Group's outstanding balances of deposits and other receivables and the expected credit loss was close to zero for the year ended 31 March 2019.

(c) Liquidity risk

The Group adopts a prudent liquidity risk management by maintaining sufficient cash and bank balances and ensuring the availability of bank facilities to meet its liquidity requirements in the short and long term.

Due to the dynamic nature of the businesses environment, the Group aims to maintain flexibility in funding by keeping sufficient banking facilities if necessary. The liquidity risk of the Group is primarily attributable to accruals and other payables, and a bank borrowing.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. As at 31 March 2019, the bank borrowing with a repayment on demand clause, amounting to HK$11,950,000 (2018: HK$12,417,000), is included in the "on demand" time band in the maturity analysis below. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

	On demand HK$'000	Within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
At 31 March 2019					
Bank borrowing	**11,950**	**–**	**–**	**–**	**11,950**
Accruals and other payables (excluding accrued payroll and employee benefits)	**–**	**4,876**	**–**	**–**	**4,876**
At 31 March 2018					
Bank borrowing	12,417	–	–	–	12,417
Accruals and other payables (excluding accrued payroll and employee benefits)	–	3,464	–	–	3,464

Specifically, for a bank borrowing which contains a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest date in which the Group can be required to pay, that is if the lender was to invoke their unconditional rights to call the loans with immediate effect.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

The table below summarises the maturity analysis of the bank borrowing (subjected to a repayment on demand clause) based on agreed scheduled repayments set out in the loan agreement. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowing will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

	Less than 1 year HK$'000	**Between 1 and 2 years HK$'000**	**Between 2 and 5 years HK$'000**	**Over 5 years HK$'000**
At 31 March 2019	791	791	2,374	10,947
At 31 March 2018	794	794	2,381	11,776

The Group maintains continuous communication with its bank and has obtained a letter from the bank, confirming that, subject to normal banking criteria and its periodic review, and in the absence of unforseen circumstance the facilities will not be demanded before 30 June 2020.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital return to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to total capital ratio. Net debt is calculated as total borrowings (including bank borrowing as shown in the consolidated statement of financial position) less cash and bank balance. Total capital is calculated as "total equity", as shown in the consolidated statement of financial position, plus net debt. As at 31 March 2018, the Group was in a net cash position. The gearing ratio as at 31 March 2019 was as follows:

	At 31 March 2019 HK$'000
Bank borrowing *(Note 21)*	**11,950**
Less: Cash and cash equivalents *(Note 18)*	**(10,405)**
Net debt	**1,545**
Total equity	**53,786**
Total capital	**55,331**
Gearing ratio	**2.79%**

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

(a) *Financial assets and liabilities*

As at 31 March 2019 and 2018, the Group did not have any financial assets or financial liabilities that are measured at fair value.

The carrying values of receivables, payables and the bank borrowing are of a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(b) *Non-financial assets and liabilities*

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards.

As at 31 March 2019, there was no non-financial asset or liability recognised and measured at fair value.

		Level 1	**Level 2**	**Level 3**	**Total**
	Notes	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2018					
Investment property	*14*	–	–	31,610	31,610

Level 1: The fair value of instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for instruments held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of each reporting period.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year ended 31 March 2019.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(b) Non-financial assets and liabilities *(Continued)*

(ii) Valuation techniques used to determine level 3 fair values

The Group obtains an independent valuation for its investment property at least annually or at the end of each reporting period.

At the end of each reporting period, the directors update their assessment of the fair value of investment property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is a recent price in an active market of similar properties.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for each of the financial years for recurring fair value measurements:

	Investment property HK$'000
At 1 April 2017	–
Addition *(Note (a))*	34,069
Fair value changes recognised in the consolidated statement of comprehensive income	(2,459)
At 31 March 2018	31,610
At 1 April 2018	**31,610**
Fair value changes recognised in the consolidated statement of comprehensive income	**3,400**
Transferred to property and equipment *(Note (b))*	**(35,010)**
At 31 March 2019	**–**

Note:

(a) The amount included the initial consideration for an investment property amounted to HK$31,372,000 and stamp duty and legal fee paid amounted to HK$2,697,000, totaling HK$34,069,000. As at 31 March 2018, the fair value of the investment property amounted to HK$31,610,000.

(b) On 15 October 2018, the property was reclassified as property and equipment in the consolidated statement of financial position and the fair value of the property was HK$35,010,000, which was determined by an independent valuer (Note 14(c)).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(b) Non-financial assets and liabilities *(Continued)*

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Description	Fair value 2019 HK$'000	Fair value 2018 HK$'000	Unobservable inputs (Note)	Range of inputs (probability-weighted average) 2019	Range of inputs (probability-weighted average) 2018	Relationship of inputs to fair value
Commercial building located in Hong Kong	N/A	31,610	Market approach. The key input is price per square foot of comparable properties, adjusted for location and time factor	N/A	Price per square foot, using market direct comparable and taking into account of location and time factor. Adjusted price per square foot ranged from HK$12,883 to HK$13,963 and from HK$13,951 to HK$15,079 as at 31 March 2018.	Slight increase/decrease in the adjustments to price per square foot will increase/decrease significantly the fair value

Note: There was no significant inter-relationships between unobservable inputs that materially affect fair value.

(v) Valuation processes

The Group engages an external independent and qualified valuer to determine the fair value of the Group's investment property at each reporting period or measurement date. As at 31 March 2018, the fair value of the investment property was determined by an independent valuer.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, or presentation of the consolidated financial statements within the next financial year are discussed below.

(a) Capitalisation of development costs incurred on computer software systems

Development costs incurred on computer software systems are capitalised as intangible assets when recognition criteria as detailed in Note 2.7(b) are fulfilled. Management has applied its judgement in determining whether these software products could generate probable future economic benefits to the Group based on the historical experience and the prospects of the markets. Any severe change in market performance or technology advancement will have an impact on the development costs capitalised.

5 REVENUE AND SEGMENT INFORMATION

	2019 HK$'000	2018 HK$'000
Licensing and maintenance services	**38,350**	38,349
Initial set up and customisation services	**4,632**	3,964
Sales of computer hardware and software	**1,260**	1,161
	44,242	43,474

(a) Disaggregation of revenue from contracts with customers

During the year ended 31 March 2019, all sources of revenue were recognised over time, except for revenue from sales of computer hardware and software which was recognised at a point in time (2018: same).

(b) Contract assets and liabilities

	Note	2019 HK$'000	2018 HK$'000
Contract assets	*(i)*	**513**	542
Contract liabilities	*(ii)*	**287**	86

Note:

(i) Contract assets represent revenue recognised prior to the date on which it is invoiced to customers. As at 31 March 2019, the contract assets mainly consisted of unbilled amount resulting from initial set up and customisation services. Contract assets decreased by HK$29,000 during the year ended 31 March 2019 and such decrease was primarily due to timing of issue of sales invoices. There was no impairment loss recognised on any contract assets during the year ended 31 March 2019.

(ii) Contract liabilities represent advance payments received from customers for goods or services that have not yet been transferred to the customers. As at 31 March 2019, the contract liabilities mainly included the advance payments received from provision of initial set up and customisation services and provision of licensing and maintenance services. During the year ended 31 March 2019, contract liabilities increased by HK$201,000 and such increase was due to advance payments received from customers for provision of licensing and maintenance services of financial trading solutions.

(iii) During the year ended 31 March 2019, all carried-forward contract liabilities at the beginning of financial year were fully recognised as revenue.

(iv) As at 31 March 2019, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) was HK$2,426,000, (2018: HK$841,000). Management expects that the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the related services, mainly related to provision of maintenance services, are provided over the next 5 years (2018: 3 years) for the year ended 31 March 2019.

The Group has elected the practical expedient for not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for revenue contracts which have an original expected duration of one year or less.

(c) Segment information

The executive directors have been identified as the chief operating decision-makers ("**CODM**") of the Group who review the Group's internal reporting in order to assess performance and allocate resources. For the year ended 31 March 2019, the directors considered that the Group's operations were operated and managed as a single segment and no separate segment information was presented for the financial years (2018: same).

The Group domiciles and operates in Hong Kong. All revenue and non-current assets of the Group was generated and were located in Hong Kong during the year ended 31 March 2019 (2018: same).

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(d) Certain customers contributed more than 10% of the total sales of the Group during the year. The amount of sales of these customers are disclosed as follows:

	2019 HK$'000	2018 HK$'000
Customer A	**8,501**	5,975
Customer B	**4,606**	N/A
Customer C	**4,486**	N/A

N/A: The revenue of the particular customer for the particular year was less than 10% of the Group's revenue for the particular year.

6 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2019 HK$'000	2018 HK$'000
Salaries and allowances	**13,416**	14,142
Discretionary bonuses	**3,950**	2,745
Pension costs — defined contribution plans	**497**	559
Staff welfare and benefits	**23**	20
	17,886	17,466
Less: staff costs capitalised as development costs of computer software systems	**(4,637)**	(4,748)
	13,249	12,718

Note: During the year ended 31 March 2019, employee benefits costs related to research and development staff, amounting to HK$2,197,000 (2018: HK$3,328,000), were recognised as employee benefit expenses in the consolidated statement of comprehensive income.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors (2018: two directors) whose emoluments are reflected in the analysis shown in Note 7 during the year ended 31 March 2019. The emoluments payable to the remaining three individuals (2018: three individuals) for the year ended 31 March 2019 are as follows:

	2019 HK$'000	2018 HK$'000
Salaries and allowances	**2,374**	2,159
Discretionary bonuses	**1,910**	819
Pension costs – defined contribution plans	**54**	54
Staff welfare and benefits	**9**	1
	4,347	3,033

The emoluments fell within the following band:

	Number of individuals	
	2019 HK$'000	2018 HK$'000
Nil — HK$1,000,000	**2**	2
HK$1,000,001 — HK$1,500,000	**–**	–
HK$1,500,001 — HK$2,000,000	**–**	1
HK$2,000,001 — HK$2,500,000	**–**	–
HK$2,500,001 — HK$3,000,000	**1**	–

7 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director for the year ended 31 March 2019 is set out below:

	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company HK$'000	Total HK$'000
For the year ended 31 March 2019						
Executive directors:						
Mr. Chung Chau Kan	–	1,190	1,605	18	–	2,813
Mr. Wong Wing Hoi	–	673	40	18	–	731
Non-executive director:						
Mr. Wei Ming *(chairman)*	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Wu Kin San Alfred *(Note (ii))*	–	–	–	–	–	–
Mr. Moo Kai Pong *(Note (ii))*	–	–	–	–	–	–
Mr. Lo Chi Wang *(Note (ii))*	–	–	–	–	–	–
	–	1,863	1,645	36	–	3,544

7 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of each director for the year ended 31 March 2018 is set out below:

	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company HK$'000	Total HK$'000
For the year ended 31 March 2018						
Executive directors:						
Mr. Chung Chau Kan	–	970	730	18	–	1,718
Mr. Wong Wing Hoi	–	626	149	18	–	793
Non-executive director:						
Mr. Wei Ming *(chairman)*	–	–	–	–	–	–
	–	1,596	879	36	–	2,511

Notes:

(i) The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Operating Companies and no directors waived any emolument during the year.

No director fees were paid to these directors in their capacity as directors of the Company and no emoluments were paid by the Company or the Operating Companies to the directors as an inducement to join the Company or the Operating Companies, or as compensation for loss of office during the year.

(ii) Mr. Wu Kin San Alfred, Mr. Moo Kai Pong and Mr. Lo Chi Wang were appointed as the Company's independent non-executive directors on 29 March 2019. During the year ended 31 March 2018, the independent non-executive directors had not been appointed and had not received any remuneration.

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2018: none).

(c) Consideration provided to third parties for making available directors' services

No consideration was made to third parties for making available directors' services during the year (2018: none).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2018: none).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 27, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the year (2018: none).

8 OTHER EXPENSES

	2019 HK$'000	2018 HK$'000
Advertising expenses	**203**	212
Auditor's remuneration		
— Audit services	**700**	100
— Non-audit services	**56**	54
Building management fees	**567**	456
Entertainment expenses	**188**	124
Exchange loss/(gain), net	**120**	(181)
Insurance expenses	**171**	143
Loss on write-off of property and equipment	**162**	–
Legal and professional fee	**135**	299
Property agent commission	**–**	314
Telephone and utilities	**213**	236
Others	**570**	361
Total other expenses	**3,085**	2,118

9 FINANCE COSTS

	2019 HK$'000	2018 HK$'000
Finance costs on		
— Bank borrowing	**362**	47
Amounts capitalised *(Note)*	**(126)**	(26)
Finance costs	**236**	21

Note: The amounts represent borrowing costs capitalised as development costs of intangible assets. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings. During the year, the capitalisation rate was 2.95% (2018: 2.33%).

10 INCOME TAX EXPENSE

Hong Kong profits tax is levied at progressive rate at 8.25% on the estimate assessable profit below HK$2,000,000, and thereafter at a fixed rate at 16.5% for the year (2018: fixed rate at 16.5%). The amount of tax charged to the consolidated statement of comprehensive income represents:

	2019 **HK$'000**	2018 HK$'000
Hong Kong profits tax		
— Current year	**2,718**	3,103
Deferred income tax	**(116)**	(36)
Income tax expense	**2,602**	3,067

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2019 **HK$'000**	2018 HK$'000
Profit before income tax	**9,087**	9,493
Calculated at a tax rate of 16.5%	**1,499**	1,567
Effect of progressive tax rate of 8.25%	**(165)**	–
Income not subject to tax	**(562)**	(30)
Expenses not deductible for tax purpose	**1,830**	1,590
Tax concession	**–**	(60)
Income tax expense	**2,602**	3,067

11 SUBSIDIARIES

The Group's principal subsidiaries at the reporting date are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of subsidiary	Place and date of incorporation	Registered/ issued and paid-up capital	Effective interest held by the Group 2019	2018	Principal activities and place of operation
Directly owned:					
Motion Cast	BVI 21 February 2018	1 ordinary share US$1	**100%**	100%	Investment holding, Hong Kong
Indirectly owned:					
GES	Hong Kong 25 January 2006	100 ordinary shares HK$7,500,000	**100%**	100%	Development and provision of financial trading solutions, Hong Kong
RLT	Hong Kong 2 October 2003	100,000 ordinary shares HK$100,000	**100%**	100%	Development and supply of resource allocation, planning, scheduling and management of software and services, Hong Kong
WIL	Hong Kong 25 October 2017	100 ordinary shares HK$100	**100%**	100%	Properties investment, Hong Kong

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 March 2019	2018
Profit attributable to owners of the Company (HK'000)	**6,485**	6,426
Weighted average number of ordinary shares in issue (thousands) *(Note)*	**300,000**	300,000
Basic earnings per share (HK cents)	**2.16**	2.14

Note: The weighted average number of shares in issue for the years ended 31 March 2019 and 2018 for the purpose of earnings per share computation has been retrospectively adjusted for the effect of the 10 shares and 90 shares issued on 7 February 2018 (the date of incorporation) and 21 March 2019 respectively, and 299,999,900 shares issued under the capitalisation issue which took place on 2 May 2019.

(b) Diluted

For the year ended 31 March 2019, diluted earnings per share equalled to basic earnings per share as there was no dilutive potential share (2018: same).

13 PROPERTY AND EQUIPMENT

	Land and building HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Computers HK$'000	Leasehold improvement HK$'000	Total HK$'000
At 1 April 2017						
Cost	–	374	2,916	1,786	1,166	6,242
Accumulated depreciation	–	(209)	(2,653)	(795)	(293)	(3,950)
Net book amount	–	165	263	991	873	2,292
Year ended 31 March 2018						
Opening net book amount	–	165	263	991	873	2,292
Additions	–	–	5	1,395	–	1,400
Depreciation	–	(59)	(251)	(469)	(389)	(1,168)
Disposals	–					
— Cost	–	–	(2)	–	–	(2)
— Accumulated depreciation	–	–	2	–	–	2
Closing net book amount	–	106	17	1,917	484	2,524
At 31 March 2018						
Cost	–	374	2,919	3,181	1,166	7,640
Accumulated depreciation	–	(268)	(2,902)	(1,264)	(682)	(5,116)
Net book amount	–	106	17	1,917	484	2,524
Year ended 31 March 2019						
Opening net book amount	**–**	**106**	**17**	**1,917**	**484**	**2,524**
Additions	**–**	**54**	**15**	**162**	**1,220**	**1,451**
Transfer from investment property *(note 14)*	**35,010**	**–**	**–**	**–**	**–**	**35,010**
Depreciation	**(531)**	**(38)**	**(7)**	**(561)**	**(392)**	**(1,529)**
Written-off						
— Cost	**–**	**(94)**	**(128)**	**(112)**	**(1,166)**	**(1,500)**
— Accumulated depreciation	**–**	**93**	**128**	**112**	**1,005**	**1,338**
Closing net book amount	**34,479**	**121**	**25**	**1,518**	**1,151**	**37,294**
At 31 March 2019						
Cost	**35,010**	**334**	**2,806**	**3,231**	**1,220**	**42,601**
Accumulated depreciation	**(531)**	**(213)**	**(2,781)**	**(1,713)**	**(69)**	**(5,307)**
Net book amount	**34,479**	**121**	**25**	**1,518**	**1,151**	**37,294**

The land and building was pledged as security against the bank borrowing (Note 21) as at 31 March 2019.

14 INVESTMENT PROPERTY

	Investment property HK$'000
At fair value	
For the year ended 31 March 2018	
At 1 April 2017	–
Addition *(Note (a))*	34,069
Fair value changes recognised in the consolidated statement of comprehensive income	(2,459)
At 31 March 2018	31,610
For the year ended 31 March 2019	
At 1 April 2018	**31,610**
Fair value changes recognised in the consolidated statement of comprehensive income	**3,400**
Transferred to property and equipment *(Note 13)*	**(35,010)**
At 31 March 2019	**–**

Notes:

(a) The amount included the initial consideration for an investment property amounted to HK$31,372,000 and stamp duty and legal fee paid amounted to HK$2,697,000. As at 31 March 2018, the fair value of the investment property amounted to HK$31,610,000.

(b) Amounts recognised in profit or loss for an investment property.

	Year ended 31 March	
	2019 HK$'000	2018 HK$'000
Direct operating expenses from property that generated rental income	**(96)**	(22)
Fair value change recognised in the consolidated statement of comprehensive income	**3,400**	(2,459)
	3,304	(2,481)

(c) On 15 October 2018, the property was reclassified as property and equipment in the consolidated statement of financial position, as the management of the Group had passed a resolution to change the usage of the property from earning rental to self-use as operating office and started to negotiate with the landlord to early terminate the rental agreement of the leased office. According to the surrender agreement, dated 9 November 2018, entered between the Group and the landlord, the rental and building management deposits of HK$767,000 were forfeited by the Group as a compensation for the early termination. The deposits were recognised as expenses during the year. At the date of reclassification, the fair value of the property was HK$35,010,000, which was determined by an independent valuer.

15 INTANGIBLE ASSETS

	Goodwill HK$'000	Computer software systems HK$'000	Capitalised development costs HK$'000	Customer contract HK$'000	Total HK$'000
At 1 April 2017					
Cost	110	6,857	4,155	601	11,723
Accumulated depreciation	–	(1,672)	–	(178)	(1,850)
Net book amount	110	5,185	4,155	423	9,873
Year ended 31 March 2018					
Opening net book amount	110	5,185	4,155	423	9,873
Additions	–	–	4,774	–	4,774
Transfer	–	1,866	(1,866)	–	–
Amortisation	–	(1,700)	–	(423)	(2,123)
Closing net book amount	110	5,351	7,063	–	12,524
At 31 March 2018					
Cost	110	8,723	7,063	601	16,497
Accumulated depreciation	–	(3,372)	–	(601)	(3,973)
Net book amount	110	5,351	7,063	–	12,524
Year ended 31 March 2019					
Opening net book amount	**110**	**5,351**	**7,063**	**–**	**12,524**
Additions	**–**	**–**	**4,763**	**–**	**4,763**
Transfer	**–**	**6,866**	**(6,866)**	**–**	**–**
Amortisation	**–**	**(2,783)**	**–**	**–**	**(2,783)**
Closing net book amount	**110**	**9,434**	**4,960**	**–**	**14,504**
At 31 March 2019					
Cost	**110**	**15,589**	**4,960**	**601**	**21,260**
Accumulated depreciation	**–**	**(6,155)**	**–**	**(601)**	**(6,756)**
Net book amount	**110**	**9,434**	**4,960**	**–**	**14,504**

(a) Goodwill

Goodwill of HK$110,000 arose from the acquisition of RLT. On 27 October 2016, GES entered into a sale and purchase agreement with Ms. Yip Kim Kam, who is a close family member of a director of GES, to acquire the entire equity interest in RLT at a cash consideration of HK$650,000. The acquisition was completed on 27 October 2016.

(b) Computer software systems

Computer software systems are internally developed systems and the costs of the systems represent all direct costs incurred in the development. The systems are amortised over the estimated useful life of 5 years.

15 INTANGIBLE ASSETS *(Continued)*

(c) Capitalised development costs

Capitalised development costs represent all direct costs incurred for the development of computer software systems. Such capitalised costs will not be subject to amortisation until the underlying computer software under development are ready for use. It will be tested for impairment annually and whenever there is an indication that it may be impaired.

(d) Customer contract

The customer contract arose from the acquisition of RLT which was completed on 27 October 2016. The customer contract represents a service contract signed between RLT and its main contractor to develop a timetabling software and has met the recognition criteria of intangible assets to recognise separately from the goodwill. This intangible asset is amortised over the expected useful life of 1.4 years.

(e) Impairment test

Goodwill and capitalised development costs not ready for use are tested annually based on the recoverable amount of the cash generating unit ("**CGU**") to which the intangible asset is related.

There are two identified CGUs which include the (i) financial IT solutions CGU and (ii) non-financial IT solutions CGU. As at 31 March 2019, goodwill amounted to HK$110,000 (2018: HK$110,000) was allocated to the non-financial IT solutions CGU and capitalised development costs amounted to HK$4,960,000 (2018: HK$7,063,000) was allocated to the financial IT solutions CGU for impairment test.

The recoverable amount of each CGU is determined based on a value-in-use calculation which uses cash flow projection based on a five-year financial budget approved by the directors. Assumed growth rate is used to extrapolate the cash flows in the following years. The financial budgets are prepared based on a five-year business plan which is appropriate after considering the sustainability of business growth, stability of core business developments and achievement of business targets.

For financial IT solutions CGU, the pre-tax discount rate applied to cash flow projections was around 18.00% (2018: 18.37%) and the cash flows beyond the five-year period are extrapolated using an annual growth rate of 2% (2018: 2%) for the year.

For non-financial IT solutions CGU, the pre-tax discount rate applied to cash flow projections was around 20.00% (2018: 20.38%) for the year.

As at 31 March 2019, the directors assessed the recoverable amount of each CGU and determined that no impairment loss was recognised for the goodwill and the capitalised development costs as the recoverable amounts exceeded the carrying amounts.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets measured at amortised cost	
	2019	2018
	HK$'000	HK$'000
Assets included in the consolidated statement of financial position		
Trade receivables, deposits and prepayments (excluding prepayments) *(Note 17)*	**2,440**	2,470
Cash and cash equivalents *(Note 18)*	**10,405**	14,647
	12,845	17,117

	Financial liabilities at amortised cost	
	2019	2018
	HK$'000	HK$'000
Liabilities included in the consolidated statement of financial position		
Accruals and other payables (excluding accrued payroll and employee benefits) *(Note 22)*	**4,876**	3,464
Bank borrowing *(Note 21)*	**11,950**	12,417
	16,826	15,881

17 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019	2018
	HK$'000	HK$'000
Trade receivables	**2,121**	1,378
Deposits	**319**	1,092
Prepayments	**6,136**	2,336
	8,576	4,806
Less: non-current portion of deposits	**(66)**	(865)
Trade receivables, deposits and prepayments — current	**8,510**	3,941

The carrying amounts of the Group's trade receivables, deposits and prepayments approximated their fair values at the end of each reporting period.

17 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

Credit period ranging from 0 days to 45 days were granted to the customers. As at the end of each reporting period, the ageing analysis of trade receivables by the invoice date was as follows:

	2019 HK$'000	2018 HK$'000
Less than 30 days	**1,549**	991
31 days to 90 days	**552**	307
Over 90 days	**20**	80
	2,121	1,378

The Group's trade receivables were denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
US$	**1,921**	1,171
HK$	**200**	181
Japanese yen ("**JPY**")	**–**	26
	2,121	1,378

The maximum exposure to credit risk at the reporting date was the fair value of the receivables mentioned above. The Group did not hold any collateral as security.

18 CASH AND CASH EQUIVALENTS

	2019 HK$'000	2018 HK$'000
Cash at banks	**10,405**	14,647
Maximum exposure to credit risk	**10,405**	14,647

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
HK$	**6,889**	5,934
US$	**2,477**	7,847
JPY	**833**	647
Renminbi ("**RMB**")	**206**	219
	10,405	14,647

19 SHARE CAPITAL

	Number of shares	Nominal value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 7 February 2018 (date of incorporation)	38,000,000	380
At 31 March 2018 and 1 April 2018	38,000,000	380
Increase in authorised share capital *(Note (a))*	9,962,000,000	99,620
At 31 March 2019	**10,000,000,000**	**100,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 7 February 2018 (date of incorporation) *(Note 1.2(a))*	1	*
Issuance of shares pursuant to the Reorganisation *(Note 1.2(a))*	9	*
At 31 March 2018 and 1 April 2018	10	*
Issuance of shares pursuant to the Reorganisation *(Note 1.2(c))*	90	*
At 31 March 2019	**100**	*****

* Less than HK$1,000

Notes:

(a) On 29 March 2019, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares of HK$0.01 each to HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each by creation of an additional 9,962,000,000 shares, ranking pari passu in all respects with the then existing shares.

(b) Subsequent to the year end, on 2 May 2019, pursuant to the capitalisation issue approved on 29 March 2019, the Company issued a total number of additional 299,999,900 shares to Essential Strategy and Expert Wisdom, credited as fully paid, by way of capitalisation of HK$2,999,999 standing to the credit of the Company's share premium account. On the same date, the Company issued a total of 100,000,000 shares by way of public offer and placing at a price of HK$0.53 each and successfully listed its share on GEM of the Stock Exchange of Hong Kong Limited. The net proceeds after deducting underwriting fee and related expense were approximately HK$17,500,000.

20 OTHER RESERVES

	Share premium HK$'000	Capital reserve HK$'000 *(Note (ii))*	Total HK$'000
At 1 April 2017	–	*	*
Transaction with owners in their capacity as owners			
Capitalisation from retained earnings *(Note (i))*	–	7,500	7,500
At 31 March 2018	–	7,500	7,500
At 1 April 2018	–	7,500	7,500
Transaction with owners in their capacity as owners			
Issuance of shares pursuant to the Reorganisation *(Note 1.2(c))*	*	(*)	–
At 31 March 2019	*****	**7,500**	**7,500**

* Less than HK$1,000

Notes:

(i) Upon the written resolution passed through on 29 December 2017, the share capital of GES increased to HK$7,500,000 by way of capitalisation of its retained earnings of HK$7,499,900, without allotment or issuance of any new shares to the shareholders.

(ii) Capital reserve of HK$7,500,000 represented the difference between the share capital of Operating Companies acquired over the nominal value of the share capital of the Company issued in exchange thereof.

21 BANK BORROWING

	2019 HK$'000	2018 HK$'000
Bank borrowing	**11,950**	12,417

As at 31 March 2019, the Group had aggregated bank facilities of approximately, HK$19,950,000 (2018: HK$20,417,000), for a revolving loan and a term loan. Unutilised facilities as at the same date amounted to approximately HK$8,000,000 (2018: HK$8,000,000).

As at 31 March 2018, the bank borrowing was secured by a corporate guarantee from GES, personal guarantee from the directors of GES and an investment property with fair value amounted to HK$31,610,000 (Note 14).

As at 31 March 2019, the bank borrowing was secured by a corporate guarantee from GES, personal guarantee from the directors of GES and a land and building with carrying amount of HK$34,479,000 (Note 13). The personal guarantee provided by the directors of GES is expected to be replaced by a corporate guarantee to be provided by the Company shortly after the Listing.

21 BANK BORROWING *(Continued)*

As at 31 March 2019, the Group's bank borrowing contractually due for repayment after one year, amounting to HK$11,950,000 (2018: HK$12,417,000), contained a repayable on demand clause and was classified as current liabilities. The following table is prepared based on the schedule repayment date set out in the relevant agreement and ignore the effect of any repayment on demand right:

	2019 **HK$'000**	2018 HK$'000
Within one year	**507**	492
Between one and five years	**2,154**	2,088
Over five years	**9,289**	9,837
	11,950	12,417

The carrying amount of the bank borrowing was denominated in HK$.

During the year ended 31 March 2019, the effective interest rate of the bank borrowing was 2.95% (2018: 2.33%).

22 ACCRUALS AND OTHER PAYABLES

	2019 **HK$'000**	2018 HK$'000
Accrued payroll and employee benefits	**564**	2,029
Accrued listing expenses	**4,079**	3,148
Accrued expenses and other payables	**797**	316
Accruals and other payables	**5,440**	5,493

The carrying amounts of the accruals and other payables were denominated in HK$.

All accruals and other payable were expected to be settled within one year.

23 DEFERRED INCOME TAX ASSET AND LIABILITIES

Deferred income tax asset and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis.

For each of the reporting period, deferred income tax was calculated in full on temporary differences under the liability method using a principal tax rate of 16.5%.

(i) Deferred income tax asset

	2019 **HK$'000**	2018 HK$'000
Tax losses	**216**	90
	216	90
Set-off of deferred income tax liabilities pursuant to set-off provisions	**–**	(70)
Net deferred income tax asset	**216**	20

The analysis of deferred income tax assets is as follow:

	2019 **HK$'000**	2018 HK$'000
Deferred income tax asset to be recovered within 12 months	**138**	90
Deferred income tax asset to be recovered after more than 12 months	**78**	–
	216	90

The movements in deferred income tax asset during the years, without taking into consideration the offsetting of balance within the same tax jurisdiction were as follows:

Deferred income tax asset

	Tax losses	
	2019 **HK$'000**	2018 HK$'000
At beginning of the year	**90**	–
Credited to the consolidated statement of comprehensive income	**126**	90
At end of the year	**216**	90

23 DEFERRED INCOME TAX ASSET AND LIABILITIES *(Continued)*

(ii) Deferred income tax liabilities

	2019 HK$'000	2018 HK$'000
Property and equipment	**326**	246
Investment property	**–**	70
	326	316
Set-off of deferred income tax assets pursuant to set-off provisions	**–**	(70)
	326	246

	2019 HK$'000	2018 HK$'000
Deferred income tax liabilities to be recovered within 12 months	**259**	142
Deferred income tax liabilities to be recovered after more than 12 months	**67**	174
	326	316

The movements in deferred income tax liabilities during the year, without taking into consideration the offsetting of balance within the same tax jurisdiction were as follows:

Deferred income tax liabilities

	Property and equipment		Investment property		Intangible assets		Total	
	2019 HK$'000	2018 HK$'000	**2019 HK$'000**	2018 HK$'000	**2019 HK$'000**	2018 HK$'000	**2019 HK$'000**	2018 HK$'000
At beginning of the year	**246**	192	**70**	–	**–**	70	**316**	262
Charged/(credited) to the consolidated statement of comprehensive income	**(60)**	54	**70**	70	**–**	(70)	**10**	54
Transfer	**140**	–	**(140)**	–	**–**	–	**–**	–
At end of the year	**326**	246	**–**	70	**–**	–	**326**	316

24 DIVIDENDS

No dividend was paid or declared by the Company or the companies now comprising the Group during each of the year (2018: same).

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2019 **HK$'000**	2018 HK$'000
Profit before income tax	**9,087**	9,493
Adjustments for:		
— Bank interest income	**(5)**	(1)
— Interest expense *(Note 9)*	**236**	21
— Depreciation of property and equipment *(Note 13)*	**1,529**	1,168
— Amortisation of intangible assets *(Note 15)*	**2,783**	2,123
— Write-off of property and equipment *(Note 13)*	**162**	–
— Fair value changes to an investment property	**(3,400)**	2,459
Operating profit before working capital changes	**10,392**	15,263
Changes in working capital:		
— Trade receivables, deposits and prepayments	**(3,770)**	(2,138)
— Contract assets	**29**	267
— Contract liabilities	**201**	(300)
— Accruals and other payables	**2,857**	5,181
— Amount due to a director	**–**	(20)
Cash generated from operations	**9,709**	18,253

(b) The reconciliation of liabilities arising from financing activities is as follows:

	Bank borrowing (current) HK$'000
For the year ended 31 March 2018	
At 1 April 2017	–
Cash flows	
— Proceeds from a bank borrowing	12,500
— Repayment of a bank borrowing	(85)
Non-cash change	
— Accrued interest expense	2
At 31 March 2018	12,417
For the year ended 31 March 2019	
At 1 April 2018	**12,417**
Cash flows	
— Repayment of a bank borrowing	**(465)**
— Payment of interest expense	**(2)**
At 31 March 2019	**11,950**

26 OPERATING LEASE COMMITMENTS – AS LESSEE

At the end of each reporting period, the Group had future aggregate minimum lease payments under non-cancellable operating lease in respect of an office premise as follows:

	2019	2018
	HK$'000	HK$'000
No later than one year	**257**	3,757
Later than one year and no later than five years	**–**	3,330
	257	7,087

27 RELATED PARTY TRANSACTIONS

As at 31 March 2019, the directors considered Mr. Wei and Essential Strategy, which is incorporated in BVI, as the ultimate controlling shareholder and immediate holding company of the Company respectively.

(a) Significant related party transactions

The Group had the following related party transaction during the year.

Name of party	**Nature of transaction**	**2019**	2018
		HK$'000	HK$'000
Mr. Wei Chun Pong, Benjamin *(Note)*	Employee benefits payable	**307**	307

Note: Mr. Wei Chun Pong, Benjamin is a close family member of Mr. Wei, the director of the Company. The above transaction was conducted in the normal course of business of the Company and charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.

(b) Key management compensation

Key management includes executive directors of the Company and the senior management of the Group.

Compensation of key management personnel of the Group, including directors' emoluments as disclosed in Note 7 to the consolidated financial statements, was as follows:

	2019	2018
	HK$'000	HK$'000
Salaries and allowances	**3,747**	3,222
Discretionary bonuses	**3,382**	1,616
Pension costs — defined contribution plans	**72**	72
Staff welfare and benefits	**8**	1
	7,209	4,911

28 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Current assets			
Investment in a subsidiary		**69,942**	*
Prepayments		**5,971**	2,020
Cash and cash equivalents		**50**	–
Total assets		**75,963**	2,020
EQUITY			
Equity attributable to owners of the Company			
Share capital		*	*
Accumulated loss		**(17,704)**	(6,785)
Other reserves	*28(b)*	**69,942**	–
Total equity		**52,238**	(6,785)
LIABILITIES			
Current liabilities			
Accruals		**4,689**	3,148
Amount due to a subsidiary		**19,036**	5,657
Total liabilities		**23,725**	8,805
Total equity and liabilities		**75,963**	2,020

* Less than HK$1,000

28 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

(b) Reserve movement of the Company

	Capital reserve *HK$'000*
At 1 April 2017, 31 March 2018 and 1 April 2018	–
Transaction with owners in their capacity as owners	
Capital Surplus *(Note)*	69,942
At 31 March 2019	69,942

Note: The capital reserve of the Company represents the aggregated net asset value of the subsidiaries acquired by the Company pursuant to the Reorganisation as described in Note 1.2(c).

29 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the year end, on 2 May 2019, pursuant to the capitalisation issue approved on 29 March 2019, the Company issued a total number of additional 299,999,900 shares to Essential Strategy and Expert Wisdom, credited as fully paid, by way of capitalisation of HK$2,999,999 standing to the credit of the Company's share premium account. On the same date, the Company issued a total of 100,000,000 shares by way of public offer and placing at a price of HK$0.53 each and successfully listed its share on GEM of the Stock Exchange of Hong Kong Limited. The net proceeds after deducting underwriting fee and related expense were approximately HK$17,500,000.

Financial Summary

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

RESULTS

	Year ended 31 March		
	2019	2018	2017
	HK$'000	HK$'000	HK$'000
Revenue	**44,242**	43,474	44,255
Profit before tax	**9,087**	9,493	16,113
Income tax expense	**(2,602)**	(3,067)	(2,750)
Profit for the year	**6,485**	6,426	13,363

ASSETS AND LIABILITIES

	As at 31 March		
	2019	2018	2017
	HK$'000	HK$'000	HK$'000
Non-current assets	**52,080**	47,543	13,030
Current assets	**19,717**	19,130	31,053
Non-current liabilities	**(326)**	(346)	(362)
Current liabilities	**(17,685)**	(19,026)	(2,846)
Net assets	**53,786**	47,301	40,875
Equity attributable to owners of the Company:			
Share capital	*	*	–
Retained earnings	**46,286**	39,801	40,875
Other reserves	**7,500**	7,500	–
Total equity	**53,786**	47,301	40,875

Note: The financial information for the years ended 31 March 2017 and 2018 were extracted from the Prospectus. Such financial information was prepared as if the current structure of the Group has been existence throughout these financial years and is presented on the basis as set out in the Prospectus of the Company.

No consolidated financial statements of the Group for the years ended 31 March 2015 and 2016 have been published.

* Less than HK$1,000

Definitions

In this report, unless the context otherwise requires, the following expressions have the following meaning:

"Articles"	the amended and restated articles of association of the Company, conditionally adopted on 29 March 2019 and effective on the Listing Date, as amended, supplemented or otherwise modified from time to time
"Auditor"	PricewaterhouseCoopers, the external auditor of the Company
"Audit Committee"	the audit committee of the Board
"AUTON"	a trading terminal targeted to be used by retail investors for trading both OTC-traded and stock exchange-traded financial instruments, one of the Group's internally-developed financial trading solutions
"Board"	the board of Directors of the Company
"Business Day(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Chairman"	the chairman of the Board, as appointed and designated from time to time
"Chief Executive Officer"	the chief executive officer of the Company, as appointed and designated from time to time
"Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Novacon Technology Group Limited (連成科技集團有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands on 7 February 2018
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"CG Code"	Corporate Governance Code and Corporate Governance Report set out in Appendix 15 of the GEM Listing Rules
"Director(s)"	the director(s) of the Company, as appointed from time to time
"GEM"	the GEM operated by the Stock Exchange
"GEM Listing Rules"	Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"GES EX"	a trading system targeted to be used by brokers for trading stock exchange-traded financial instruments, one of the Group's internally-developed financial trading solutions
"GES IX"	a fund management system targeted to be used by wealth management companies and their clients (such as fund subscribers) to administer their funds and manage their clients' investment portfolios, one of the Group's internally-developed financial trading solutions

Definitions

"GES TX"	a trading system targeted to be used by brokers, dealers, back office operators and accounting staff for trading OTC-traded financial instruments, one of the Group's internally-developed financial trading solutions
"Group"	the Company and its subsidiaries, or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing"	the listing of the Shares on GEM of the Stock Exchange on 2 May 2019
"Listing Date"	2 May 2019, the date on which the Shares were initially listed on GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"OTC-traded financial instruments"	over-the-counter-traded financial instruments, which are contracts that are traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary
"Prospectus"	the prospectus of the Company published on 15 April 2019 in connection with the Listing
"Remuneration Committee"	the remuneration committee of the Board
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	the United States dollars, the lawful currency of the United States of America
"%"	per cent