ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED
亞太金融投資有限公司

(Formerly known as GreaterChina Professional Services Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8193)

Annual Report
2019

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.

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

This report, for which the directors of Asia-Pac Financial Investment Company Limited (the "Company" and the "Directors", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company's website at www.gca.com.hk.

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CORPORATE INFORMATION

as at 21 June 2019

BOARD OF DIRECTORS

Executive Directors

Mr. Ip Kwok Kwong *(Managing Director)*
Mr. Wu Di

Independent Non-executive Directors

Mr. Cheung Ka Chun
Mr. So Kwok Yun
Mr. Tang Wai Kee

BOARD COMMITTEES

Audit Committee

Mr. Cheung Ka Chun *(Chairman)*
Mr. So Kwok Yun
Mr. Tang Wai Kee

Remuneration Committee

Mr. So Kwok Yun *(Chairman)*
Mr. Ip Kwok Kwong
Mr. Cheung Ka Chun
Mr. Tang Wai Kee
Mr. Wu Di

Nomination Committee

Mr. Tang Wai Kee *(Chairman)*
Mr. Ip Kwok Kwong
Mr. Cheung Ka Chun
Mr. So Kwok Yun
Mr. Wu Di

COMPANY SECRETARY

Ms. Cheng Lucy

COMPLIANCE OFFICER

Mr. Ip Kwok Kwong

AUTHORISED REPRESENTATIVES

Ms. Cheng Lucy
Mr. Ip Kwok Kwong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

INDEPENDENT AUDITOR

World Link CPA Limited

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

Room 2703, 27th Floor
Shui On Centre
6–8 Harbour Road
Wanchai
Hong Kong

CORPORATE INFORMATION

as at 21 June 2019

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Will be relocated with effect from 11 July 2019
Level 54, Hopewell Centre
183 Queen's Road East
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

CORPORATE WEBSITE

www.gca.com.hk

STOCK CODE

8193

MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2019 (the "Year").

RESULTS

During the Year, the Group recorded a revenue of approximately HK$52.6 million, representing a decrease of approximately 11.3% as compared to that of last financial year. Loss attributable to owners of the Company was approximately HK$64.2 million, representing a decrease of approximately 63.7% as compared to that of last financial year. The decrease in loss attributable to owners of the Company was mainly due to the decrease in the total net loss on fair value loss on financial assets at fair value through profit or loss ("FVTPL") and gain on disposal of financial assets at FVTPL, which collectively amounted to approximately HK$8.8 million (2018: approximately HK$92.5 million).

BUSINESS OF THE GROUP

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal, (ii) corporate services and consultancy, (iii) media advertising, and (iv) financial services. Detailed discussion of the business and performance of each sector is set out in the section headed "Management Discussion and Analysis" of this annual report.

OUTLOOK

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the People's Republic of China (the "PRC"), Taiwan, Hong Kong and Macau (together, the"Greater China"). As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain high. In view of the Group's existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to the shareholders of the Company (the "Shareholders"), Directors and business partners for their continued support and trust. I would also like to thank all of our management and staff for their diligence and contributions to the Group.

Ip Kwok Kwong
Executive Director and Managing Director

Hong Kong, 21 June 2019

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Results of the Group

The Group's revenue for the Year was approximately HK$52.6 million (2018: approximately HK$59.3 million), representing a decrease of approximately 11.3% from that of 2018. The decrease in the Group's revenue during the Year was mainly attributable to the decrease in revenue arising from the asset advisory services and asset appraisal due to the timing effect from delivery of reports.

The Group's cost of sales mainly consists of direct labour cost, material cost and sub-contracting charges. During the Year, the Group's cost of sales was approximately HK$18.6 million (2018: approximately HK$22.2 million), representing a decrease of approximately 16.2% from that of 2018. The decrease in cost of sales was in line with the decrease in revenue during the Year.

The Group's other income mainly consists of sub-leasing income, gain on disposal of financial assets at FVTPL and sundry income. During the Year, the other income was approximately HK$7.6 million (2018: approximately HK$4.7 million), representing an increase of approximately 61.7% from that of 2018. Such increase was mainly due to the gain on disposal of financial assets at FVTPL during the Year.

The Group's administrative expenses for the Year were approximately HK$52.0 million (2018: approximately HK$63.6 million), representing a decrease of approximately 18.2% from those of 2018. The decrease during the Year was in line with the Group's decrease in revenue during the Year.

The Group's total net loss on fair value change on financial assets at FVTPL and gain on disposal of financial assets at FVTPL for the Year was approximately HK$8.8 million (2018: approximately HK$92.5 million). Details are set out in the section headed "Significant Investments Held".

The Group's finance costs for the Year were approximately HK$2.3 million (2018: approximately HK$7.0 million), representing a decrease of approximately 67.1% from those of 2018. The decrease was attributable to the absence of interest arising from the promissory notes that were early redeemed in October 2017 during the Year.

The loss attributable to owners of the Company for the Year was approximately HK$64.2 million (2018: approximately HK$176.7 million) representing a decrease of approximately 63.7%. The substantial decrease in the loss was mainly attributable to the net fair value loss on financial assets at FVTPL of approximately HK$13.0 million and the gain on disposal of financial assets at FVTPL of approximately HK$4.2 million during the Year.

Results of the segments

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involves provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Such services income is primarily success-based or project-based nature. Revenue from asset advisory services and asset appraisal during the Year decreased to approximately HK$33.8 million from approximately HK$41.9 million for the year ended 31 March 2018, representing a decrease of approximately 19.3%. This was primarily due to the timing effect from delivery of reports.

Corporate Services and Consultancy

The corporate services and consultancy segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration. Owing to its non-recurring nature, revenue generated from the provision of corporate services and consultancy during the Year was approximately HK$1.3 million (2018: HK$2.5 million).

The revenue from asset advisory services and asset appraisal, and corporate services and consultancy are primarily generated from mandates on a project-by-project basis, each of which may vary in scope, size and complexity of services to be rendered. In addition, the terms and conditions of each mandate, including its payment schedule, are negotiated and determined on a project-by-project basis. For asset appraisal, fees are payable by stage payment based on milestone agreed with clients. If the underlying project does not reach any particular milestone, the Group will not be entitled to the corresponding service fee. Fees charged by the Group in respect of its asset advisory services and corporate consultancy business to a large extent are success-based or performance-based. If a project cannot be carried through to completion, or there is no successful underlying transaction, or performance target cannot be attained, or where the project is put on hold by client, the Group will not be entitled to such portion of the fees even if a substantial amount of time and effort has been expended. As a result, the income and profitability of the Group may be unpredictable. Through the Group's continuous expansion of its operation, the client base and income source would be diversified and increase to minimise the risk of such uncertainties.

Media Advertising

Advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal-display network inside elevators or lift lobbies of the middle to high-end residential communities. This business segment brought approximately HK$4.1 million (2018: approximately HK$1.5 million) advertising income to the Group during the Year, representing an increase of approximately 173.3% as compared to that of the year ended 31 March 2018. The increase in the advertising income was mainly due to increase in advertising projects during the Year.

Financial Services

The financial services segment mainly represents the provision of services relating to the dealing in securities via a licensed corporation under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") and provision of money lending services.

The provision of services relating to the dealing in securities mainly involves provision of Type 1 (dealing on securities) regulated activities and services under the SFO while the money lending business mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations.

This business segment contributed approximately HK$13.4 million (2018: approximately HK$13.3 million) to the Group's revenue, representing a slight increase of approximately 0.8% as compared to that of the year ended 31 March 2018.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

During the Year, none of the financial assistance provided by the Group constituted "discloseable transaction" under Chapter 19 of the GEM Listing Rules, "connected transaction" under Chapter 20 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECT

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the Greater China. As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching are expected to remain high. In view of the Group's existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Despite the increase in revenue from media advertising, as there is keen competition in the media advertising industry in the PRC and demand of new advertising channels, the Group will constantly seek new customers.

The financial services segment is expected to remain stable in coming year. The Group will continue its effort to develop such business and enhance our competitiveness within the ever changing industry and economy. The Group will closely monitor its cash position, and will continue to seek investment and business opportunities, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the Shareholders.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's businesses is carried out in Hong Kong and the PRC and is denominated in Hong Kong dollars ("HK$"), Renminbi ("RMB"), and United States dollars. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had bank and cash balances of approximately HK$7.0 million (2018: approximately HK$17.7 million). Bank and cash balances were mainly denominated in HK$ and RMB. As at 31 March 2019, the Group had net current assets of approximately HK$158.0 million (2018: approximately HK$240.2 million). Current ratio as at 31 March 2019, as calculated based on dividing current assets by current liabilities, was 3.5 (2018: 5.8).

The Group's operations and investments are financed principally by revenue generated from business operations and available bank balances. As at 31 March 2019, the Group had total borrowings (comprising borrowings and promissory notes) of approximately HK$66.0 million (2018: approximately HK$57.7 million) and a net gearing ratio, which is defined as net debt (total borrowings net of cash and bank balances) over total equity of 0.23 (2018: 0.12) was resulted. The borrowings represented bank loan of approximately HK$1.7 million (2018: approximately HK$2.0 million), bank overdrafts of approximately HK$2.7 million (2018: HK$1.7 million) and as at 31 March 2019, the Group had other loan repayable within 1 year of HK$6.0 million (2018: nil). The bank loan were denominated in HK$ and carried an average annual interest rate of 2.5% (2018: denominated in HK$ and carried an average annual interest rate of 2.5%) and the bank overdrafts were denominated in HK$ and carried an variable annual interest rate of 4.6% (2018: denominated in HK$ and carried an variable annual interest rate of 4.5%), while the other loan repayable within 1 year as at 31 March 2019 was denominated in HK$ and the interest was charged at 36% per annum. The promissory notes were denominated in HK$ and interest-bearing 3% (2018: 3% to 7.6%) per annum. For details of promissory notes, please refer to note 33 to the consolidated financial statements in this annual report.

CAPITAL STRUCTURE

Details of the Company's share capital are set out in note 35 to the consolidated financial statements in this annual report.

CAPITAL COMMITMENT

As at 31 March 2019 and 2018, the Group did not have any significant capital commitments.

OPERATING LEASE COMMITMENTS

The Group's operating lease commitments were primarily related to the leases of its office premises, and amounted to approximately HK$17.6 million and HK$5.2 million as at 31 March 2019 and 2018, respectively.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2019, the Group's financial assets at FVTPL, with market value of approximately HK$45.9 million (2018: approximately HK$57.9 million), represented investment portfolio of 8 equity securities listed in Hong Kong (31 March 2018: investment portfolio of 6 equity securities listed in Hong Kong). Details of the financial assets at FVTPL were set out as follows:

	As at 31 March 2019				For the year ended 31 March 2019		As at 31 March 2018
Name of securities	Percentage of shareholding interest	Fair value/ carrying value HK$'000	Percentage to the financial assets at FVTPL	Percentage to the net assets	Realised gain HK$'000	Unrealised (loss)/gain HK$'000	Fair value/ carrying value HK$'000
WLS Holdings Limited ("WLS") (Stock code: 8021) *(Note 1)*	2.90%	17,472	38%	6.8%	–	(2,496)	19,968
China e-Wallet Payment Group Limited ("e-Wallet") (Stock code: 802) *(Note 2)*	2.19%	12,720	27.7%	5.0%	–	(11,280)	24,000
Takbo Group Holdings Limited ("Takbo") (Stock code: 8436) *(Note 3)*	0.49%	7,469	16.3%	2.9%	–	3,691	N/A
China 33 Media Group Limited ("China 33") (Stock code: 8087) *(Note 4)*	3.13%	5,400	11.8%	2.1%	–	(3,600)	9,000
China Kingstone Mining Holdings Limited ("Kingstone") (Stock code: 1380) *(Note 5)*	–	–	–	–	1,577	–	4,240
Other investments *(Notes 6 and 7)*		2,888	6.2%	1.1%	2,651	691	680
		45,949	100%	17.9%	4,228	(12,994)	57,888

Notes:

1. WLS is principally engaged in the provision of scaffolding and fitting-out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.

2. e-Wallet is principally engaged in the provision of biometric and radio frequency identification products and solution services, internet and mobile application and related services.

3. Takbo is principally engaged in (i) the design, development, manufacture and sale of beauty products, and (ii) the design, development and sale of beauty bags.

4. China 33 is principally engaged in printed media advertising, outdoor advertising and film and entertainment investment.

5. Kingstone is principally engaged in the production and sales of marble and marble related products in China.

6. The carrying value of each of these investments represented less than 1% of the net assets of the Group as at 31 March 2019.

7. The Group had less than 1% of the shareholding interest in each of these investments as at 31 March 2019.

During the Year, the Group recorded a realised gain of approximately HK$4.2 million (2018: loss of approximately HK$64.0 million) and a net unrealised loss of approximately HK$13.0 million (2018: unrealised loss of approximately HK$28.5 million). The overall fair value loss on the listed equity securities held was mainly due to the volatile stock market conditions during the Year.

The future performance of the equity securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held as at 31 March 2019.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no other material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plans for material investments and capital assets as of 31 March 2019.

CHARGES ON ASSETS

At 31 March 2019, the carrying amount of a motor vehicle held by the Group amounted to approximately HK$326,000 (2018: HK$461,000), which was pledged to bank to secure the finance leases granted to the Group.

At 31 March 2019, the carrying amount of deposits placed for life insurance policies held by the Group amounted to approximately HK$2,665,000 (2018: HK$2,588,000) was pledged to bank to secure the bank loan and overdrafts granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2019 and 2018, the Group did not have any significant contingent liabilities.

CHANGE OF COMPANY NAME AND SHARE CONSOLIDATION

An extraordinary general meeting (the "EGM") was held on 14 January 2019 in which the resolutions regarding (i) the proposed share consolidation involving the consolidation of every ten (10) issued and unissued existing shares of par value of HK$0.01 each in the share capital of the Company into one (1) consolidated share with a par value of HK$0.10 each (the "Share Consolidation"); and (ii) the proposed change of the English name of the Company from "GreaterChina Professional Services Limited" to "Asia-Pac Financial Investment Company Limited", and to adopt the Chinese name of "亞太金融投資有限公司" as the dual foreign name of the Company in place of the existing Chinese name "漢華專業服務有限公司" which has been used for identification purpose only (the "Change of Company Name") were passed by the shareholders of the Company. Both name changes became effective on 14 January 2019. The Share Consolidation became effective on 15 January 2019. Upon completion of the Share Consolidation, the authorised share capital of the Company was HK$100,000,000 divided into 1,000,000,000 Shares, of which 582,955,860 Shares are in issue and fully paid. Details of the Change of Company Name and Share Consolidation were disclosed in the Company's announcements dated 13 December 2018, 14 December 2018, 14 January 2019, 15 January 2019, 12 February 2019 and 19 February 2019 and the circular of the Company dated 20 December 2018.

EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 18 April 2019, the Group has granted a total of 58,295,000 share options under the share option scheme of the Company. The exercise price of the share options is HK$0.279 per share.

Among the share options granted, a total of 11,659,000 share options were granted to two Directors, the details of which are as follows:

Name of Directors	Position held with the Company	Number of Share options granted
Ip Kwok Kwong	Executive Director and Managing Director	5,829,500
Wu Di	Executive Director	5,829,500
		11,659,000

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group employed 64 (31 March 2018: 64) employees. Total staff costs (including Directors' emoluments) were approximately HK$24.5 million (2018: approximately HK$30.1 million) for the Year. Employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance and individual's professional and working experience and by reference to the prevailing market practice and standards. The Company has adopted a share option scheme for the grant of share options to eligible participants. The Group also provides and arranges on-the-job training for the employee. The Group regards quality staff as one of the key factors to corporate success.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Ip Kwok Kwong, aged 58, is one of the founding directors of the Group and was appointed as an executive Director and the managing director of the Company (the "Managing Director") in December 2010. He is the compliance officer and an authorised representative of the Company. He is also a member of each of the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") of the Board, and a director of certain subsidiaries of the Company. Mr. Ip is responsible for overall management and development including frontline co-ordination with clients, organisations as well as formulation of development strategy of the Group. Professionally, Mr. Ip is a Chartered Valuation Surveyor, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong and a Registered Business Valuer of the Hong Kong Business Valuation Forum. Mr. Ip was appointed as a committee member of the People's Political Consultative Conference of Harbin, the PRC in the second half of 2011 after having received the Outstanding Entrepreneurship Award from the Enterprise Asia, a non-governmental organisation for entrepreneurship in mid-2011. He is now a vice president of Asia Pacific Professional Managers Association. Mr. Ip is the sole director of Brilliant One Holdings Limited, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Wu Di, aged 38, was appointed as a non-executive Director on 20 November 2014 and redesignated as an executive Director on 20 July 2015. He was appointed as a member of each of the Remuneration Committee and the Nomination Committee on 10 May 2017. Mr. Wu is a director of certain subsidiaries of the Company. He holds a bachelor's degree in business administration from the Dongbei University of Finance and Economics (東北財經大學) in the PRC. He has about 16 years of experience in strategic planning, corporate management and business development. He has worked for various corporations and held management positions.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Ka Chun, aged 37, was appointed as an independent non-executive Director, the chairman of the audit committee of the Board (the "Audit Committee") and a member of each of the Nomination Committee and the Remuneration Committee on 8 January 2018. He holds a Bachelor of Business (Accounting) degree from the Australian Catholic University and a Master of Science in Finance degree from the City University of Hong Kong. He was a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung worked with the Company as an assistant manager during the period from May 2012 to February 2014. Mr. Cheung has over ten years of experience in the field of finance and accounting and served managerial positions with the finance department of various companies listed in Hong Kong.

Mr. So Kwok Yun, aged 57, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of Audit Committee and the Nomination Committee on 15 December 2017. He obtained a Bachelor of Arts (Architectural Studies) degree and a Bachelor of Architecture degree from the University of Hong Kong in 1984 and 1986, respectively. He was admitted as a member of the Hong Kong Institute of Architects in 1988 and a member of the Royal Institute of British Architects in 1990. He is also currently registered as an Authorized Person under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong) and a Registered Architect in Hong Kong under the Architects Registration Ordinance (Chapter 408 of the laws of Hong Kong). Mr. So has over thirty years of experience in the field of architecture and project management. He has taken up managerial positions with various established architecture and property development companies and was involved in a number of major commercial and residential property projects in Hong Kong, China and overseas. In 2003, Mr. So founded his architecture designing business in Shanghai, China. He further established DPS Design (SH) Co., Ltd.* (世天建築諮詢(上海)有限公司) in 2010 and has been serving as the managing director since its establishment.

* *For identification purpose only*

Mr. Tang Wai Kee, aged 57, was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 28 September 2017. He obtained a Bachelor of Science degree majoring in biology from the Chinese University of Hong Kong in 1983 and a Master of Science degree in financial economics from the University of London in 1995. Mr. Tang has over ten years of experience in the field of securities, futures and asset management. He has served as a responsible officer and/or licensed representative in various licensed corporations carrying out regulated activities under the SFO. Mr. Tang is currently licensed to carry out Types 1, 4 and 9 regulated activities under Schedule 5 of the SFO. Mr. Tang is also an individual member of the Global Association of Risk Professionals, a permanent member of Hong Kong Stockbrokers Association Limited and an individual member of the Market Technician Association.

SENIOR MANAGEMENT

Mr. Un Kwok Kee, John, aged 52, joined the Group as its head of finance and administration in 2010. Mr. Un has over 30 years of experience in the financial accounting, company secretarial, initial public offering and auditing. Mr. Un holds a Master's degree in Business Administration from the University of Wales and is a fellow member of the Association of Chartered Certified Accountants in England and a member of Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board presents the corporate governance report for the Year.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value of the Company. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "CG Code").

During the Year, save as disclosed under the paragraphs headed "Chairman and Chief Executive Officer" of this corporate governance report, the Company complied with the code provisions as set out in the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealings in the securities of the Company by the Directors (the "Required Standard of Dealings"). Having made specific enquiry of all Directors by the Company, all the Directors confirmed that they had complied with the Required Standard of Dealings during the Year.

BOARD OF DIRECTORS

The Company is governed by the Board which is responsible for overseeing the overall strategy and development of the Company as well as monitoring the risk management and internal control policies and evaluating the financial performance of the Group. The Board sets the overall strategy and directions for the Group with a view to developing its business and enhancing the Shareholders' value.

The Board is also responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of the Directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements, etc.

During the Year, the Board reviewed the compliance with the CG Code, the disclosure in the corporate governance report and the effectiveness of the risk management and internal controls systems of the Group through the Audit Committee.

The Board meets regularly at least four times each year, and more frequently as the needs of the business demand, to formulate overall strategy and monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management for the day-to-day management of the Group's operation.

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For all other Board meetings, reasonable notices are given. The agenda together with all relevant meeting materials are sent to all Directors at least 3 days before each regular Board meetings and at agreed periods for other meetings to enable them to make informed decisions with adequate information. The Board and each Director also have direct and independent access to the management whenever necessary.

As at the date of this annual report, the Board comprises two executive Directors, namely Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di; and three independent non-executive Directors (the "INEDs"), namely Mr. Cheung Ka Chun, Mr. So Kwok Yun and Mr. Tang Wai Kee.

During the Year, the Board held 6 meetings.

The attendance records of each Director for the Board, Board committees and general meetings of the Company for the Year are as follows:

	Meetings attended/Meetings eligible to attend					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting ("AGM")	EGM
Directors						
Executive Directors						
Mr. Ip Kwok Kwong *(Managing Director)*	6/6	N/A	1/1	1/1	1/1	1/1
Mr. Wu Di	4/6	N/A	0/1	0/1	0/1	0/1
Non-executive Director						
Ms. Yang Yan *(resigned on 1 August 2018)*	0/1	N/A	N/A	N/A	0/0	0/0
INEDs						
Mr. Cheung Ka Chun	6/6	5/5	1/1	1/1	1/1	1/1
Mr. So Kwok Yun	5/6	4/5	1/1	1/1	0/1	0/1
Mr. Tang Wai Kee	5/6	5/5	1/1	1/1	0/1	0/1

As at the date of this annual report, an executive committee of the Board (the "Executive Committee") was formed comprising one executive Director, Mr. Ip Kwok Kwong. The Executive Committee is to enhance the day-to-day management and operation of the Group to be run effectively and has been delegated by the Board certain duties and authority relating to the areas in accounting operation of the Group and contracting with outsiders in the ordinary course of business of the Group.

The Company had three INEDs, at least one of whom is in possession of appropriate professional qualifications or accounting or related financial management expertise throughout the Year, in compliance with the GEM Listing Rules. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. Each INED who acted as INED as at 31 March 2019 and thereafter up to the date of this annual report has made an annual written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and accordingly the Company considers each of them to be independent in accordance with the terms of the guidelines as set out in Rule 5.09 of the GEM Listing Rules.

RELATIONSHIP

There was no relationship (including financial, business, family or other material relationship) among the Directors. The biographical details of each of the Directors as at the date of this annual report are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently does not have any officer who carries the title of the chairman of the Board (the "Chairman") or chief executive officer of the Company (the "CEO") but instead, the roles of both the Chairman and the CEO are performed by Mr. Ip Kwok Kwong, an executive Director and the Managing Director. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "Articles") provide that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her 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 AGM and shall then be eligible for re-election. In addition, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement at least once every three years. Each of the INEDs are appointed for a term of not more than three years and subject to retirement by rotation (at least once every three years) and re-election in accordance with the Articles.

DIRECTOR'S PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a comprehensive induction package (the "Package") designed to enhance his/her knowledge and understanding of the Group's culture and operations. The Package usually includes a briefing or an introduction to the Group's structure, businesses strategies, recent developments and governance practices.

To assist the Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. All the Directors, namely Mr. Ip Kwok Kwong, Mr. Wu Di, Ms. Yang Yan (resigned on 1 August 2018), Mr. Cheung Ka Chun, Mr. So Kwok Yun and Mr. Tang Wai Kee had participated in continuous professional development training such as attending external seminars organised by qualified professionals and reading materials to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors were requested to provide the Company with the records of the training they received. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

SENIOR MANAGEMENT'S REMUNERATION

The remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographies of Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration band (in HK$)	Number of individual
Nil to 1,000,000	1

REMUNERATION COMMITTEE

The Board established the Remuneration Committee in May 2011 with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Remuneration Committee comprises two executive Directors, namely Mr. Ip Kwok Kwong and Mr. Wu Di; and three INEDs, namely Mr. So Kwok Yun (chairman of the Remuneration Committee), Mr. Cheung Ka Chun and Mr. Tang Wai Kee.

The primary duties of the Remuneration Committee are formulating remuneration policies, making recommendations to the Board on the remuneration packages of the Directors and senior management of the Group. The Directors are remunerated by reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. The Remuneration Committee adopted the advisory model under the CG Code to make recommendations to the Board on the remuneration packages of individual Director and senior management of the Group.

During the Year, the Remuneration Committee held 1 meeting to (i) review the remuneration policy; and (ii) review and recommend to the Board on the remuneration packages of the Directors and senior management of the Group.

Details of emoluments of the Directors for the Year are set out in note 12 to the consolidated financial statements.

NOMINATION COMMITTEE

The Board established the Nomination Committee in May 2011 with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Nomination Committee comprises two executive Directors, namely Mr. Ip Kwok Kwong and Mr. Wu Di; and three INEDs, namely Mr. Tang Wai Kee (chairman of the Nomination Committee), Mr. So Kwok Yun and Mr. Cheung Ka Chun.

The primary duties of the Nomination Committee are reviewing the structure, size and composition of the Board, formulating relevant procedures for the nomination of Directors, identifying qualified individuals to become members of the Board and making recommendations to the Board on the appointment or re-appointment of Directors. As regards the nomination of Directors, the Board has adopted a nomination policy of the Company (the "Nomination Policy").

The Company has adopted a nomination policy with effect from 1 January 2019 which establishes written guidelines to Nomination Committee to select individuals to become Board members with reference to the formulated criteria and make recommendations to the Board in accordance with the nomination procedure. The Board is ultimately responsible for selection and appointment of new Directors. And the Company will review and reassess the nomination policy and its effectiveness on a regular basis or as required.

The Nomination Committee adopts various methods to identify director candidates, including recommendations from Board members, management and professional search firms. All director candidates, including incumbents and candidates nominated by shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its shareholders.

During the Year, the Nomination Committee held 1 meeting to (i) review the structure, size and composition of the Board; (ii) make recommendations to the Board on the re-appointment of retiring Directors; and (iii) assess the independence of the INEDs.

AUDIT COMMITTEE

The Board established the Audit Committee in May 2011 with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Audit Committee comprises three INEDs, namely Mr. Cheung Ka Chun (chairman of the Audit Committee), Mr. So Kwok Yun and Mr. Tang Wai Kee.

The primary duties of the Audit Committee are supervising the risk management and internal control policies and the financial reporting systems and procedures of the Company, reviewing the financial statements and reports of the Group, and reviewing the terms of engagement and the scope of audit work of the Company's independent auditor (the "Independent Auditor").

During the Year, the Audit Committee held 5 meetings to (i) review the accounting principles and practices adopt by the Group with the management and the Independent Auditor; (ii) discuss auditing, internal control and financial reporting matters; (iii) review the audited consolidated financial statements, including the audited consolidated results for the year ended 31 March 2018, the unaudited interim and quarterly reports, including interim and quarterly results; and (iv) the internal control of the Company.

The Group's risk management and internal control systems are reviewed regularly by management. With the view of enhancing the Group's risk management and internal control systems, during the Year, the Company had independent consultant to perform the internal audit function to review the Group's risk management and internal control systems and recommended actions to improve the risk management and internal controls of the Group.

Based on the review, the Audit Committee is of the view that the Group's risk management and internal control systems were generally effective and adequate and in compliance with the requirements of the CG Code C.2.1 for the Year in all material respects.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board will review such objectives from time to time to ensure their appropriateness and the progress made towards achieving those objectives. The Company will also take into consideration its own specific needs from time to time in determining the optimum composition of the Board.

As at the date of this annual report, the Board comprises Directors with diverse backgrounds and/or extensive expertise in the Group's businesses. The Board also has a balanced composition of executive Directors and INEDs so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group. In preparing the consolidated financial statements, appropriate accounting policies and standards are selected and applied consistently. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR AND ITS REMUNERATION

The statement of the Independent Auditor about their reporting responsibilities on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" of this annual report.

The fees paid or payable to the Independent Auditor in respect of the Year amounted to approximately HK$650,000 for audit services and HK$150,000 for non-audit services. Non-audit services include services in relation to review the Group's internal control and environmental, social and governance (the "ESG") report.

COMPANY SECRETARY

Ms. Cheng Lucy ("Ms. Cheng") was appointed as the company secretary of the Company (the "Company Secretary") with effect from 9 November 2018 in place of Mr. Kwok Sui Man who resigned on the same day.

Ms. Cheng has been nominated by Boardroom Corporate Services (HK) Limited ("Boardroom") under an engagement letter made between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting is Mr. Ip Kwok Kwong, an executive Director and the Managing Director, in relation to corporate secretarial matters. Ms. Cheng had received no less than 15 hours of relevant professional training for the Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and conducted an annual review of the effectiveness of such systems through the Audit Committee. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfilment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and Shareholders' interests.

The Group has formulated a risk management policy and adopted a three-tier risk management approach to identify, assess and manage different types of risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provide technical support, develops new system and oversees portfolio management. It ensures risks are within acceptable range and that the first line of defence is effective. As the final line of defence, the independent consultant, as an Internal Audit Function, assists the Audit Committee to review the first and second lines of defence.

The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board.

Through the Audit Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems for the Year, covering the material financial, operational and compliance controls, which are considered effective and adequate.

The Audit Committee has reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions on an annual basis.

DIVIDEND POLICY

The Company has adopted a dividend policy, a summary of which is disclosed as below.

Any amount of dividends of the Company will be at the discretion of the Directors and will depend on, among other things, the Company's trading results, cash flows and financial condition as well as operating and capital requirements. Any declaration and payment as well as the amount of dividends will be subject to the Company's constitutional documents and the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, including the approval of Shareholders.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;

- the Group has strictly prohibited unauthorized use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorized to communicate with parties outside the Group.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM is held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an EGM.

Pursuant to the Articles, the Shareholders, holding at the date of deposit of the written requisition to the Board or the Company Secretary not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, may require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out above.

The written requisition should be signed by the requisitionists and deposited at the head office of the Company (presently at Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong), specifying the Shareholders' contact details and the business or the resolution intended to be transacted or put forward at the general meeting.

For including a resolution to propose a person for election as a Director at general meeting, Shareholders are requested to follow the provisions of the Articles. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office of the Company (presently at Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong) provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for lodgment of such notices shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for Shareholders to propose a person for election as a Director are posted on the Company's website.

Shareholders should direct questions about their shareholdings, the change of their corresponding address or dividend instructions, etc. to the Company's Hong Kong branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by post to the Company's head office mentioned above or by email to info@gca.com.hk for the attention of Mr. Ip Kwok Kwong, the Managing Director.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.gca.com.hk) provides an effective communication platform to the public and the Shareholders.

CONSTITUTIONAL DOCUMENTS

During the Year, there had been no significant change in the Company's constitutional documents.

REPORT OF THE DIRECTORS

The Directors present the annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of the Company's subsidiaries are set out in note 44 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Company and the Group as at 31 March 2019 are set out in the consolidated financial statements on pages 37 to 114 of this annual report.

The Board has resolved not to recommend the payment of a final dividend for the Year (2018: Nil).

BUSINESS REVIEW AND PERFORMANCE

The fair review of the business of the Group for the Year and the potential future development of the Group's business and the performance analysis using key financial performance indicators are set out in the "Managing Director's Statement", "Management Discussion and Analysis", "Report of the Directors", "Consolidated Financial Statements" and "Financial Summary" of this annual report. Description of the principal risks and uncertainties facing the Group can be found throughout this annual report.

There are significant nor important event affecting the Group that has occurred since the end of the Year as disclosed in note 45 to the consolidated financial statements.

ENVIRONMENTAL POLICY

The Group emphasises the importance of energy conservation and environmental protection as part of its corporate culture and encourages its employees to minimise the use of paper by promoting digitalisation of documents and better use of used paper. The Group has also participated in a carbon reduction program by replacing all traditional fluorescent lamps with energy-saving lamps within the working area.

In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time. The ESG report will be published as a separate report within three months after the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong and the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong and the PRC during the Year.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as valuable assets of the Group and the Group has been motivating the employees by providing reasonable remuneration package and implementing an annual appraisal system to provide opportunities for career development within the Group. In addition, the Group also offers other employee benefits, such as the medical and dental insurance, and training sponsorship, etc.

The Group provides good quality services to the customers and maintains effective communication with them. The Group treasures the long-term relationships developed with the customers and suppliers. During the Year, there was no material dispute or argument between the Group and its business partners.

The Company has made substantial efforts to fulfill its corporate social responsibilities by promoting sustainable growth within the Group and in the society. The Group is committed to providing a safe, healthy and enriching working environment for its employees. The Group hosted various after-work activities or sporting events for its employees during the Year to promote the importance of work-life balance. The Group has attached importance to the promotion of anti-corruption and integrity promotion system. The Group emphasises a code of conduct which forms part of the staff manual. Employees are required to act with integrity and to report any suspected bribery and money laundering cases. Whistle-blowing procedures are in place, which allows direct reporting to the chairman of the Audit Committee. In addition, employees are required to declare any conflict of interests when performing their duties.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 115 of this annual report.

SHARE CAPITAL

Details of the Company's share capital are set out in note 35 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

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

During the Year, the Company did not redeem any of its Shares listed on GEM, nor did the Company or any or its subsidiaries purchase or sell any of such Shares.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity on page 41 respectively.

DISTRIBUTABLE RESERVES

At 31 March 2019, the Company's reserve available for distribution to owners of the Company comprising share premium net of accumulated losses amounted to approximately HK$180.7 million (2018: approximately HK$243.2 million) calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

RELATED PARTY TRANSACTIONS

Related party transactions of the Group during the Year are disclosed in note 43 to the consolidated financial statements. They did not constitute "connected transactions" or "continuing connected transactions", as defined in Chapter 20 of the GEM Listing Rules, which are required to comply with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, both the aggregate percentage of sales to the Group's five largest customers and the aggregate percentage of purchases from the Group's five largest suppliers were less than 20% of total sales and purchases of the Group respectively.

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

REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five individuals with the highest emoluments are set out in note 12 to the consolidated financial statements.

EMOLUMENT POLICY

The Remuneration Committee was established for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

DIRECTORS

The Directors during the Year and up to the date of this annual report are:

Executive Directors

Mr. Ip Kwok Kwong *(Managing Director)*
Mr. Wu Di

Non-executive Director

Ms. Yang Yan (resigned on 1 August 2018)

INEDs

Mr. Cheung Ka Chun
Mr. So Kwok Yun
Mr. Tang Wai Kee

REPORT OF THE DIRECTORS

Pursuant to Articles 84(1) and (2) of the Articles, Mr. Wu Di and Mr. Tang Wai Kee will retire from office by rotation at the forthcoming AGM. All the above retiring Directors, being eligible, have offered themselves for re-election thereat.

The Company has received written confirmations of independence from each of the INEDs (who acted as INED as at 31 March 2019 and thereafter up to the date of this annual report) pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this annual report, the Company still considers the INEDs to be independent.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out on pages 11 and 12 of this annual report.

CHANGE IN INFORMATION OF DIRECTOR

The change in Director's information during the Year and up to the date of this annual report, as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, are set out below:

Name of Director	Details of Change
Ms. Yang Yan	• Resigned as a non-executive Director on 1 August 2018

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company for a term of three years and subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

Each of the INEDs has entered into a letter of appointment with the Company for a term of one year to three years and subject to retirement by rotation and re-election pursuant to the Articles.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 43 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or the Director's connected entity had a material interest, whether directly or indirectly, which subsisted at the end of the Year or at any time during the Year.

As at 31 March 2019 or during the Year, no contract of significance in relation to business of the Group (whether for the provision of services to the Group or not) had been entered into between the Company, or any of its subsidiary companies, and a controlling shareholder of the Company (within the meaning of the GEM Listing Rules) or any of its subsidiaries.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (within the meaning in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

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

As at 31 March 2019, 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 or its associated corporations (within the meaning of Part XV of the SFO) which would have: (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 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) 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:

(a) Long positions in the Shares

Name of Director	Capacity/nature of interest	Number of issued Shares held	Approximate percentage to the issued Share *(Note 1)*
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporations/ Corporate interest	31,085,000 *(Note 2)*	5.33%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 March 2019 (i.e. 582,955,860 Shares).

2. 31,085,000 Shares were held by Brilliant One Holdings Limited ("Brilliant One") which was wholly owned by GC Holdings Limited ("GC Holdings"). GC Holdings was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporations	Capacity/nature of interest	Number of issued shares held	Percentage of interest in associated corporations
Mr. Ip *(Note)*	Brilliant One	Interest in a controlled corporation/ Corporate interest	200	100%
Mr. Ip *(Note)*	GC Holdings	Beneficial owner/Personal interest	1	100%

Note: The Company was owned as to approximately 5.33% by Brilliant One. Brilliant One was wholly owned by GC Holdings. GC Holdings was wholly owned by Mr. Ip.

Save as disclosed above, as at 31 March 2019, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have: (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 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) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2019, the following corporations (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to section 336 of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity/nature of interests	Number of issued Shares held	Approximate percentage to the issued Share *(Note 1)*
Brilliant One *(Notes 2)*	Beneficial owner/Personal interest	31,085,000	5.33%
GC Holdings *(Note 2)*	Interest in a controlled corporation/ Corporate interest	31,085,000	5.33%
Laberie Holdings Limited ("Laberie") *(Note 3)*	Beneficial owner/Personal interest	140,000,000	24.02%
SEEC Media Group Limited ("SEEC Media") *(Note 3)*	Interest in a controlled corporation/ Corporate interest	140,000,000	24.02%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 March 2019 (i.e. 582,955,860 Shares).

2. Brilliant One was wholly owned by GC Holdings which was wholly owned by Mr. Ip, an executive Director and the Managing Director. Therefore, under the SFO, GC Holdings was deemed to be interested in all the shares held by Brilliant One.

3. Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the shares held by Laberie.

Save as disclosed above, as at 31 March 2019, the Company had not been notified by any parties (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Required Standard of Dealings. The Company had made a specific enquiry with each of the Directors and all of them confirmed that they had complied with the Required Standard of Dealings during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best of the Directors' knowledge, none of the Directors or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or is likely to complete, either directly or indirectly with the business of the Group during the Year and up to the date of this annual report.

CORPORATE GOVERNANCE

Details of the principal corporate governance policies and practices adopted by the Company are set out in the Corporate Governance Report on pages 13 to 21 of this annual report.

The compliance officer of the Company is Mr. Ip Kwok Kwong whose biographical details are set out on page 11 of this annual report. The Company Secretary is Ms. Cheng Lucy, an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of Shares.

SHARE OPTION SCHEME

To attract and retain the eligible persons, provide an additional incentive to them and promote the success of the business of the Group, the Company conditionally approved and adopted a share option scheme (the "Scheme") by a resolution in writing on 18 May 2011 whereby the Board was authorised to grant options (the "Options") to subscribe for the Shares to the eligible participants as defined in the Scheme, including the Directors and employees. The Scheme is valid for a period of ten years commencing from the adoption date as defined in the Scheme, i.e. 18 May 2011.

A summary of the movements of the outstanding Options under the Scheme during the Year is as follows:

	Number of underlying Shares comprised in Options											
Eligible participants	Outstanding as at 1 April 2018	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Outstanding before Share consolidation	Outstanding as at 31 March 2019 (Note 1)	Exercise price per Share HK$	Adjusted exercise price per Share HK$	Note(s)	Date of grant	Exercisable period
Director												
Mr. Wu Di	8,575,000	–	–	(8,575,000)	–	–	**–**	0.367	N/A	N/A	27.8.2015	27.8.2015–26.8.2018 (both dates inclusive)
Employees and consultants	356,700	–	–	(98,400)	–	258,300	**25,830**	0.20	1.626	2 and 3	6.1.2012	a) One-third of the Options comprising 258,300 Shares is exercisable from 30.1.2012 to 17.5.2021, one-third of the Options is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-third of the Options is exercisable from 1.1.2014 to 17.5.2021. b) One-half of the Options comprising 98,400 Shares is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-half of the Options is exercisable from 1.1.2014 to 17.5.2021.
	147,600	–	–	(73,800)	–	73,800	**7,380**	0.20	1.626	2 and 3	6.1.2012	1.7.2012 – 17.5.2021 (both dates inclusive)
	73,800	–	–	–	–	73,800	**7,380**	0.20	1.626	2 and 3	6.1.2012	30.1.2012 – 17.5.2021 (both dates inclusive)
	553,500	–	–	–	–	553,500	**55,350**	0.20	1.626	2 and 3	6.1.2012	One-third of the Options is exercisable from 1.7.2013 to 17.5.2021, one-third of the Options is exercisable from 1.1.2014 to 17.5.2021 and the remaining one-third of the Options is exercisable from 1.1.2015 to 17.5.2021.
	8,575,000	–	–	(8,575,000)	–	–	**–**	0.367	N/A	N/A	27.8.2015	27.8.2015 - 26.8.2018 (both dates inclusive)
	485,750,000	–	–	–	–	485,750,000	**48,575,000**	0.0726	0.726	3	10.11.2017	10.11.2017 - 9.11.2020 (both dates inclusive)
	504,031,600	–	–	(17,322,200)	–	486,709,400	**48,670,940**					

Notes:

1. These was no grant, exercise, lapse, cancellation of Options after Share Consolidation and till 31 March 2019.

2. Pursuant to the Company's announcement dated 27 August 2014, the exercise price and the number of underlying shares comprised in the outstanding Options have been adjusted as a result of the completion of an open offer of shares with effect from 28 August 2014.

3. Pursuant to the Company's announcement date 15 January 2019, the exercise price and the number of underlying shares comprised in the outstanding Options have been adjusted as a result of the completion of share consolidation with effect from 15 January 2019.

As at the date of this report, there were a total of 586 Shares available for issue under the Scheme, which represented less than 0.01% of the issued share capital of the Company. The Company intents to refresh the Scheme limit at forthcoming AGM.

An offer for the grant of Options must be accepted within twenty-one days inclusive of the day on which such offer is made. The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK$1.00. The Option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option and it shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. The subscription price of a Share in respect of any particular Option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the Option; and (iii) the nominal value of a Share on the offer date of the Option.

The total number of Shares issued and to be issued upon exercise of the Options granted to each grantee (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an eligible participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in a general meeting.

Where any grant of Options to a substantial shareholder (as defined in the GEM Listing Rules) of the Company or any of his/her close associates or an INED would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, such further grant of Options must be approved by the Shareholders in a general meeting.

The maximum number of Shares in respect of which the Options may be granted at any time under the Scheme together with the Options which may be granted under any other share option schemes for the time being of the Group shall not exceed such number of Shares as equals 10% of the issued share capital of the Company at the date of approval of the Scheme. The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time. An Option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine, which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Details of the Scheme are set out in note 38 to the consolidated financial statements.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "SHARE OPTION SCHEME" above, at no time during the Year was the Company, its subsidiaries, fellow subsidiaries and holding company or its other associated corporations a party to any arrangement to enable the Directors or chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

EQUITY-LINKED AGREEMENT

Save for the share options granted during the Year, details of which are set out under the section headed "SHARE OPTION SCHEME" in this report, the Company has not entered into any equity-linked agreement during the Year or subsisted at the end of the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, there has been a sufficient public float of the issued Shares as required under the GEM Listing Rules (i.e. at 25% of the issued Shares in public hands) throughout the Year and as at the date of this report.

REVIEW BY AUDIT COMMITTEE

As at the date of this annual report, the Audit Committee comprises three members, namely Mr. Cheung Ka Chun, Mr. So Kwok Yun and Mr. Tang Wai Kee, all being INEDs. Mr. Cheung Ka Chun is the chairman of the Audit Committee. The Audit Committee has reviewed with the management the audited consolidated financial statements of the Company for the Year.

INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited has resigned as the Independent Auditor with effect from 18 February 2019. World Link CPA Limited has been appointed as the Independent Auditor with effect from 20 February 2019 to fill the casual vacancy following the resignation of ZHONGHUI ANDA CPA Limited.

The consolidated financial statements for the year ended 31 March 2019 have been audited by World Link CPA Limited.

World Link CPA Limited shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of World Link CPA Limited as Independent Auditor will be proposed at the forthcoming AGM.

On behalf of the Board
Ip Kwok Kwong
Executive Director and Managing Director

Hong Kong, 21 June 2019

World Link CPA Limited
華普天健(香港)會計師事務所有限公司

TO THE SHAREHOLDERS OF
ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED
(FORMERLY KNOWN AS GREATERCHINA PROFESSIONAL SERVICES LIMITED)
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Asia-Pac Financial Investment Company Limited and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 113, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 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 (the "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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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. The key audit matters we identified are:

1) Impairment and recoverability of the Group's loan receivables

2) Impairment of goodwill

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
(1) Impairment and recoverability of the Group's loan receivables	
Refer to the summary of significant accounting policies in note 4, critical judgements and key estimates in note 5 and the disclosures of loan receivables in note 22 to the consolidated financial statements. The Group tested the amount of loan receivables for impairment annually in accordance with expected credit loss ("ECL") model under HKFRS 9. The measurement of ECL requires the application of significant judgement and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models (for exposures assessed individually or collectively), such as the expected future cash flows and forward-looking macroeconomic factors. Due to the significant amount of loan receivables (with carrying amount representing 48% of total assets) and the corresponding uncertainty inherent in such estimates, we considered this as a key audit matter.	Our procedures in relation to this matter included: Evaluating the design, implementation and operating effectiveness of key internal controls over credit control, debt collection and estimate of ECL; Assessing the reasonableness of the Group's ECL models by examining the model input used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information including the economic variables and assumptions used in each of the economic scenarios and their probability weightings and assessing whether there was an indication of management bias when recognising loss allowances; Reviewed settlements after the financial year end relating to the loan receivables as at 31 March 2019; and We also assessed the disclosures made in the consolidated financial statements in relation to the Group's credit risk explosure.

Key Audit Matter	How our audit addressed the Key Audit Matter
(2) Impairment of goodwill	
Refer to the summary of significant accounting policies in note 4, critical judgements and key estimates in note 5 and the disclosures of goodwill in note 19 to the consolidated financial statements. The Group is required to annually test the amount of goodwill for impairment. This annual impairment test is significant to our audit because the balance of goodwill of HK$83,146,000 as at 31 March 2019 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.	Our procedures in relation to this matter included: Assessing the identification of the related cash generating units; Assessing the arithmetical accuracy of the value-in-use and fair value less costs of disposal calculations; Comparing the actual cash flows with the cash flow projections; Assessing the reasonableness of the key assumptions used in the value-in-use calculation (including revenue growth, profit margins, terminal growth rates and discount rates); Assessing the reasonableness of the key assumptions used in the fair value less costs of disposal calculation (including book value multiple, marketability discount and control premium); and Checking input data to supporting evidence. We consider that the Group's impairment test for goodwill is supported by the available evidence.

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all the information included in the Company's 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 the 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 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 assists the directors in discharging their responsibilities 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

- 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, 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.

World Link CPA Limited
Certified Public Accountants
Lo Ka Ki
Audit Engagement Director
Practising Certificate Number: P06633

5/F., Far East Consortium Building,
121 Des Voeux Road Central, Hong Kong

Hong Kong, 21 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Loan interest income		**12,211**	10,535
Other revenue		**40,436**	48,765
Total revenue	7 & 8	**52,647**	59,300
Cost of sales		**(18,577)**	(22,179)
Gross profit		**34,070**	37,121
Other income	9	**7,564**	4,657
Administrative expenses		**(52,011)**	(63,580)
Fair value change on financial assets at fair value through profit or loss ("FVTPL")		**(12,994)**	(92,514)
Loan receivables written off		**–**	(532)
Impairment losses on loan receivables	22	**(1,910)**	–
Impairment losses on trade receivables	23	**(1,297)**	(2,045)
Loss from operation		**(26,578)**	(116,893)
Finance costs	10	**(2,309)**	(6,963)
Share of results of associates and a joint venture	21	**48**	(166)
Fair value change on a derivative financial asset		**–**	(300)
Other receivables written off		**–**	(3,053)
Impairment losses on goodwill	19	**(38,552)**	(42,923)
Impairment losses on amounts due from related companies		**–**	(4,714)
Loss on disposal of an associate		**–**	(613)
Loss on early redemption of promissory notes	33	**–**	(1,763)
Loss before tax	11	**(67,391)**	(177,388)
Income tax credit	13	**2,440**	1,170
Loss for the year		**(64,951)**	(176,218)
Other comprehensive income for the year, net of tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(1,097)**	2,010
Loss and total comprehensive income for the year		**(66,048)**	(174,208)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(64,178)**	(176,700)
Non-controlling interests		**(773)**	482
		(64,951)	(176,218)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(65,075)**	(175,094)
Non-controlling interests		**(973)**	886
		(66,048)	(174,208)
			(Restated)
Loss per share (HK cents)	16		
Basic		**(11.01)**	(34.48)
Diluted		**(11.01)**	(34.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	17	**1,274**	1,734
Intangible assets	18	**12,800**	12,800
Goodwill	19	**83,146**	121,698
Deposits placed for life insurance policies	20	**2,665**	2,588
Investments in associates and a joint venture	21	**1,021**	973
Loan receivables	22	**53,818**	–
Other deposit		**200**	200
Deferred tax assets	34	**1,320**	1,320
		156,244	141,313
Current assets			
Trade receivables	23	**10,915**	18,457
Prepayments, deposits and other receivables	24	**29,792**	29,562
Loan receivables	22	**128,328**	166,853
Financial assets at FVTPL	25	**45,949**	57,888
Bank balances and cash	26	**6,983**	17,653
Tax recoverable		**70**	–
		222,037	290,413
Current liabilities			
Trade payables	27	**10,200**	16,340
Accruals and other payables	28	**35,475**	26,499
Amount due to a director	29	**1,069**	1,744
Amount due to a related party	29	**4,714**	–
Contract liabilities	30	**2,015**	–
Bank and other borrowings	31	**10,406**	3,729
Finance lease payables	32	**127**	122
Tax payables		**60**	1,810
		64,066	50,244
Net current assets		**157,971**	240,169
Total assets less current liabilities		**314,215**	381,482

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current liabilities			
Promissory notes	33	**55,620**	54,000
Finance lease payables	32	**186**	313
Deferred tax liabilities	34	**2,112**	2,112
		57,918	56,425
NET ASSETS		**256,297**	325,057
Capital and reserves			
Share capital	35	**58,296**	58,296
Reserves	36	**189,537**	256,784
Equity attributable to owners of the Company		**247,833**	315,080
Non-controlling interests		**8,464**	9,977
TOTAL EQUITY		**256,297**	325,057

Approved and authorised for issue by the Board of Directors on 21 June 2019.

Ip Kwok Kwong
Director

Wu Di
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Attributable to the owners of the Company								
	Share capital	Share premium (note 36(b)(i))	Capital reserve (note 36(b)(ii))	Foreign currency translation reserve (note 36(b)(iii))	Share options reserve (note 36(b)(iv))	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2017	48,580	542,908	5,359	(1,365)	4,048	(168,849)	430,681	9,091	439,772
Issue of shares on placement (note 35)	9,716	38,864	–	–	–	–	48,580	–	48,580
Recognition of share-based payments (note 38)	–	–	–	–	10,913	–	10,913	–	10,913
Lapse of share options (note 38)	–	–	–	–	(1,416)	1,416	–	–	–
Loss and total comprehensive income for the year	–	–	–	1,606	–	(176,700)	(175,094)	886	(174,208)
Changes in equity for the year	9,716	38,864	–	1,606	9,497	(175,284)	(115,601)	886	(114,715)
At 31 March 2018 and 1 April 2018	58,296	581,772	5,359	241	13,545	(344,133)	315,080	9,977	325,057
Effect on initial application of HKFRS 15	**–**	**–**	**–**	**–**	**–**	**(2,172)**	**(2,172)**	**(540)**	**(2,712)**
Lapse of share options (note 38)	**–**	**–**	**–**	**–**	**(2,546)**	**2,546**	**–**	**–**	**–**
Loss and total comprehensive income for the year	**–**	**–**	**–**	**(897)**	**–**	**(64,178)**	**(65,075)**	**(973)**	**(66,048)**
Changes in equity for the year	**–**	**–**	**–**	**(897)**	**(2,546)**	**(63,804)**	**(67,247)**	**(1,513)**	**(68,760)**
At 31 March 2019	**58,296**	**581,772**	**5,359**	**(656)**	**10,999**	**(407,937)**	**247,833**	**8,464**	**256,297**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Cash flows from operating activities			
Loss before tax		**(67,391)**	(177,388)
Adjustments for:			
Bank interest income		**(4)**	(15)
Interest income on life insurance policies		**(108)**	(54)
Depreciation		**632**	851
Equity-settled share-based payments		**–**	10,913
Share of results of associates and a joint venture		**(48)**	166
Other payables written back		**(220)**	(581)
Premium charged on life insurance policies		**31**	591
Impairment losses on goodwill		**38,552**	42,923
Impairment losses on trade receivables		**1,297**	2,045
Impairment losses on loan receivables		**1,910**	–
Impairment losses from amounts due from related companies		**–**	4,714
Loan receivables written off		**–**	532
Other receivables written off		**–**	3,053
Loss on early redemption of promissory notes		**–**	1,763
Fair value change on a derivative financial asset		**–**	300
Fair value change on financial assets at FVTPL		**12,994**	92,514
Loss on disposal of an associate		**–**	613
Finance costs		**2,309**	6,963
Operating loss before working capital changes		**(10,046)**	(10,097)
Increase in trade and loan receivables		**(10,958)**	(16,318)
Increase in prepayments, deposits and other receivables		**(1,142)**	(14,031)
Decrease in amounts due from related parties		**–**	5,410
Increase in financial assets at FVTPL		**(1,055)**	(7,204)
Decrease in bank balances and cash from client trust accounts		**7,986**	2,970
Decrease in trade payables		**(6,140)**	(17,282)
Decrease in contract liabilities		**(697)**	–
Increase in accruals and other payables		**9,196**	6,180
(Decrease)/increase in amount due to a director		**(675)**	1,742
Increase in amount due to a related party		**4,714**	–
Cash used in operations		**(8,817)**	(48,630)
Income tax refund/(paid)		**620**	(2,093)
Finance costs paid		**(689)**	(341)
Net cash used in operating activities		**(8,886)**	(51,064)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Cash flows from investing activities			
Proceeds from disposal of an associate		–	2,400
Dividend received from an associate		–	2,450
Bank interest received		4	15
Payment of deposits placed for life insurance policies		–	(3,125)
Purchase of property, plant and equipment		(82)	(156)
Net cash (used in)/generated from investing activities		(78)	1,584
Cash flows from financing activities			
Net proceeds from shares issued on placement		–	48,580
Redemption of promissory notes		–	(70,267)
Proceeds from new borrowings		9,427	2,025
Repayment of bank borrowings		(3,729)	(3,532)
Repayment on finance leases		(122)	(118)
Net cash generated from/(used in) financing activities		5,576	(23,312)
Net decrease in cash and cash equivalents		(3,388)	(72,792)
Cash and cash equivalents at beginning of year		4,611	75,366
Net effect of foreign exchange rate changes		(275)	2,037
Cash and cash equivalents at end of year		948	4,611
Analysis of cash and cash equivalents			
Bank balances and cash	26	3,631	6,315
Bank overdrafts	31	(2,683)	(1,704)
		948	4,611

1. GENERAL INFORMATION

Asia-Pac Financial Investment Company Limited (the "Company") was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 31 May 2011.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries are set out in note 44 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 March 2019, Laberie Holdings Limited, a company incorporated in the British Virgin Islands ("BVI"), is the immediate parent of the Company; SEEC Media Group Limited, a company incorporated in the Cayman Islands, is the ultimate parent of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which in collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are discussed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 April 2018. Except for the Group has early adopted HKFRS 9 (2014) "Financial Instruments" since the year ended 31 March 2016, the following development is relevant to the Group's consolidated financial statements:

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

Under HKFRS 15, an entity is required to identify the performance obligations in the contract, determine the transaction price of the contract, allocate the transaction price to the performance obligations in the contract based on each performance obligation's standalone price, and recognise revenue when the performance obligations are satisfied.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment (net of tax effect) to the opening balance of equity at 1 April 2018. The amount by each line item of consolidated statement of profit or loss and other comprehensive income affected in the reporting period by the application of HKFRS 15 as compared to HKAS 18 that was previously in effect before the adoption of HKFRS 15 is as follows:

	Results without the application of HKFRS 15 as at 31 March 2018	Effect on initial application of HKFRS 15	Results under HKFRS 15 as at 1 April 2018
	HK$'000	HK$'000	HK$'000
Contract assets	–	1,492	1,492
Contract liabilities	–	(4,204)	(4,204)
Net current liabilities	–	(2,712)	(2,712)
Equity attributable to owners of the Company			
Owners of the Company	(315,080)	(2,172)	(317,252)
Non-controlling interests	(9,977)	(540)	(10,517)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

		Effective for accounting periods beginning on or after
HKFRS 16	Leases	1 January 2019
HK(IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to HKFRSs	Annual Improvement to HKFRS Standards 2015–2017 Cycle	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 September 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that quarterly financial report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or finance leases.

HKFRS 16 is effective for annual periods beginning on or after 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

3. ADOPTION OF NEW AND REVISED HKFRSS (Continued)

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

HKFRS 16 Leases (Continued)

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office property leases are currently classified as operating leases and where applicable the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 39 to the consolidated financial statements, the Group's future minimum lease payments under non-cancellable operating leases for its offices premises amounted to approximately HK$17,607,000 as at 31 March 2019. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. revaluation of investments and share-based payments that are measured at fair values).

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each 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 are presented in Hong Kong Dollars ("HK$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's 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 are translated at average exchange rates for the period (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 exchange rates on the transaction dates); and

— All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group has assessed the type of each of its joint arrangements and determined them to all be joint ventures.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Joint arrangements (Continued)

The Group's share of a joint venture's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's entire carrying amount of that joint venture (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Property, plant and equipment

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

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 are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	4 to 5 years
Furniture and equipment	5 years
Office equipment	4 to 5 years
Motor vehicle	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trading rights

Trading rights are classified as intangible assets. Trading rights have an indefinite useful life and are carried at cost less accumulated impairment losses. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the trading rights is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is account for on a prospective basis.

(g) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 4(w) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Policy prior to 1 April 2018

In the corresponding period, contract balances were recorded net of progress billing and allowance of bad debts. Progress billings not yet paid by the customer were included under "trade receivables". Amounts received before the related work was performed were presented as "other payables" under "accruals and other payables". These balances have been reclassified as on 1 April 2018 as shown in note 3 to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Recognition and derecognition of financial instruments

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is 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 legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

Debt investments

— amortised cost — if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

— FVTOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

— FVTPL — if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(j) Trade and other receivables

Trade and other receivables are recognised when the Group has unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade and other receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents. Cash and cash equivalents are assessed for ECL.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under HKFRSs. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. 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.

(n) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Equity instruments

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

(p) Operating leases

The Group as leasee

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

(r) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

For all financial instruments measured at amortised cost and interest-bearing financial instruments, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset is adjusted if the Group revises its estimates of receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in the carrying amount is recorded as interest income.

Once the value of a financial asset or a group of similar financial assets had been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Revenue from asset appraisal services, corporate services and financial services are recognised when the performance obligations of the underlying contract are satisfied.

Securities brokerage service income, such as the arrangement of the acquisition of shares or other securities, is recognised on completion of the underlying transaction.

Advertising services is recognised when the related advertisements are telecasted or displayed.

Sub-leasing income is recognised on a straight-line basis over the lease term.

Interest income from financial services and financial assets is recognised on a time-proportion basis using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

Services income from financial services is recognised when the services are rendered.

Management fee income is recognised when the services have been provided.

Policy prior to 1 April 2018

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably, and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the provision of asset appraisal services, corporate services and consultancy services is recognised when the services are rendered and the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the Group. Revenue from progressively billed asset appraisal services is recognised by reference to the percentage of completion of the transaction. Revenue from appraisal services which are billed one-off are only recognised when it is probable that the customers are willing to settle the billing, which generally coincide with the reports issue dates. Revenue from the provision of corporate services and consultancy with specified period is generally recognised on a straight-line basis over the period of services. Revenue from success-based corporate services and consultancy is recognised when the agreed services as set out in the agreements are rendered.

Revenue from the provision of asset advisory services is recognised when the revenue can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the Group, i.e. fixed fee revenue is recognised when the relevant reports incidental to the transactions, such as due diligence investigation, viability study and evaluation of the target investment, is issued, and success-based revenue is recognised when the customers receives or pays the considerations of the underlying transactions.

Revenue from advertising services is recognised when the related advertisements are telecasted or displayed.

Interest income from financial services and financial assets is recognised on a time-proportion basis using the effective interest method.

Services income from financial services is recognised when the services are rendered.

Sub-leasing income is recognised on a straight-line basis over the lease term.

Management fee income is recognised when the services have been provided.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits

i) *Employee leave entitlements*

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value-in-use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value-in-use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(w) Impairment of financial assets

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, loan receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and other receivables and loan receivables, and measures the lifetime ECL for portfolios of trade and other receivables and loan receivables that share similar economic risk characteristics. The ECL on these assets are estimated using an analysis of assets by risk level of customers and apply a probability-weighted estimate of the credit losses within the relevant risk type. The probability-weighted estimates of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL ("12m ECL"), unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring since initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of financial assets (Continued)

Impairment under ECL model (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk for a particular financial instrument;

— existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor;

— significant increases in credit risk on other financial instruments of the same debtor; and

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrate otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default (i.e. no default history); (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial instrument to have low credit risk when it has internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

— when there is a breach of financial covenants by the counterparty; or

— information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

— significant financial difficulty of the issuer or the counterparty;

— a breach of contract, such as a default or past due event;

— the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

— it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

— The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and loan receivables, when the amounts are past due over one year, whichever is earlier. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised directly in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of each reporting period.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

Where lifetime ECL is measured to cater for cases where evidence of significant increase in credit risk at the individual instrument level may not yet be available. The financial instruments are grouped on the following basis:

— Nature of financial instruments;

— Past-due status;

— Nature, size and industry of debtors; and

— External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (A);

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Company or to a parent of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision-marker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Significant increase in credit risk

As explained in note 4(w), ECL are measured as an allowance equal to 12m ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Key sources of estimation uncertainty

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

(a) *Income taxes*

The Group is subject to Hong Kong Profits Tax and Enterprise Income Tax ("EIT") of the People's Republic of China (the "PRC"). Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write off or write-down technically obsolete or non-strategic assets that have been abandoned.

As at 31 March 2019, the carrying amount of property, plant and equipment was approximately HK$1,274,000 (2018: approximately HK$1,734,000).

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) *Impairment of trade and loan receivables*

The management of the Group estimates the amount of impairment loss for ECL on trade and loan receivables based on the credit risk of trade and loan receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 March 2019, the carrying amount of trade and loan receivables was approximately HK$193,061,000 (2018: approximately HK$185,310,000).

(d) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value-in-use and fair value less costs of disposal of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Calculation of fair value by market approach requires valuation technique which used prices and other relevant information generated by market transactions involving identical and comparable group of assets and liabilities or business, a suitable book value multiple and marketability discount rate. The carrying amount of goodwill at the end of the reporting period was approximately HK$83,146,000 (2018: HK$121,698,000) and impairment losses of approximately HK$38,552,000 (2018: HK$42,923,000) was recognised during the year. Details of the impairment loss calculation are provided in note 19 to the consolidated financial statements.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, interest rate risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors review and agree policies for managing each of these risks and they are summarised below.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of the business transactions, assets and liabilities of the Group's entities are principally denominated in their respective functional currencies.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Price risk

As set out in note 25 to the consolidated financial statements, the Group's listed investments were designated at financial assets at FVTPL are measured at fair value at the end of each reporting period. Therefore, the Group's investments in listed equity securities are exposed to equity securities price risk. The management manages this exposure by monitoring the change of market prices of the equity securities from time to time, and by maintaining a portfolio of investments with different risk profiles.

At 31 March 2019, if the price per share of the investments increases/decreases by 10%, loss after tax for the year would have been decreased/increased by approximately HK$3,836,000 (2018: loss after tax would have been decreased/increased by approximately HK$4,834,000), arising as a result of the fair value loss of the investments.

(c) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 March 2019 and 2018 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its deposits paid for life insurance policies, trade receivables, loan receivables, other receivables, financial assets at FVTPL and bank balances and cash. In order to minimise credit risk, the directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the directors review the recoverable amount of each individual debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. The credit risk on bank balances and cash is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

— internal credit rating;

— external credit rating (if available);

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;

— actual or expected significant changes in the operating results of the customer;

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

— significant increases in credit risk on other financial instruments of the same customer;

— significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and

— significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers.

A significant increase in credit risk is presumed if a customer is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

82% (2018: 80%) of loan receivables as at 31 March 2019 are secured by listed shares. The Group closely monitors the value of the listed shares throughout the loan period.

Deposits paid for life insurance policies with carrying amount of approximately HK$2,665,000 (2018: HK$2,588,000) were the deposits placed into financial institution. However, having considered the strong financial background of the financial institution, the directors of the Company believes that there is no significant credit risk.

The Group has no significant concentration of credit risk as at 31 March 2019 and 2018.

(d) Interest rate risk

The Group's loan receivables, bank borrowings, other borrowings and promissory notes bear interests at fixed interest rates and therefore are not subject to interest rate risks.

The Group's exposure to interest rate risk arises from its bank deposits, deposits placed for life insurance policies and bank overdrafts. These deposits and overdrafts bear interests at floating rates varied with the then prevailing market condition.

The sensitivity analysis below had been determined based on the exposure to interest rates for floating rate deposits and bank overdrafts at the reporting dates and the stipulated changes taking place at the beginning of the year and held constant throughout the year. The analysis was prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk (Continued)

If interest rates on floating rate deposits and overdrafts had been 50 basis points higher/lower and all other variables were held constant, the loss after tax for the year ended 31 March 2019 would increased/decreased by approximately HK$15,000 (2018: decreased/increased by approximately HK$738,000).

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

(e) 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 as follows:

Specifically, for bank borrowings which contain 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 period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

At 31 March 2019	On demand or 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	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Financial liabilities subject to a repayment on demand clause:						
Bank and other borrowings	10,406	–	–	–	10,406	10,406
Amount due to a director	1,069	–	–	–	1,069	1,069
Amount due to a related party	4,714	–	–	–	4,714	4,714
Financial liabilities not subject to a repayment on demand clause:						
Trade payables	10,200	–	–	–	10,200	10,200
Accruals and other payables	35,475	–	–	–	35,475	35,475
Promissory notes	–	58,860	–	–	58,860	55,620
	61,864	58,860	–	–	120,724	117,484

6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity risk (Continued)

At 31 March 2018	On demand or 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	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Financial liabilities subject to a repayment on demand clause:						
Bank and other borrowings	3,729	–	–	–	3,729	3,729
Amount due to a director	1,744	–	–	–	1,744	1,744
Financial liabilities not subject to a repayment on demand clause:						
Trade payables	16,340	–	–	–	16,340	16,340
Accruals and other payables	26,499	–	–	–	26,499	26,499
Promissory notes	–	–	58,860	–	58,860	54,000
	48,312	–	58,860	–	107,172	102,312

The table that follows summarises the maturity analysis of bank and other borrowings with a repayment on demand clause based on agreed scheduled repayments. The amounts include interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. 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 and other borrowings will be repaid in accordance with the scheduled repayment dates.

At 31 March 2019	**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**	**Total undiscounted cash flows HK$'000**	**Total carrying amount HK$'000**
Bank and other borrowings	**10,115**	**352**	**1,055**	**87**	**11,609**	**10,406**

At 31 March 2018	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	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Bank and other borrowings	2,054	350	1,051	439	3,894	3,729

6. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments at 31 March

	2019 HK$'000	2018 HK$'000
Financial assets:		
Financial assets at FVTPL		
— Listed securities in Hong Kong	**45,949**	57,888
Financial assets at amortised cost (including cash and cash equivalents)	**230,557**	233,092
Financial liabilities:		
Financial liabilities at amortised costs	**117,484**	102,312

(g) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair values (Continued)

Disclosures of level fair value hierarchy at 31 March:

	2019			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total 2019 HK$'000**
Recurring fair value measurements:				
Financial assets at FVTPL				
— Listed securities in Hong Kong	**45,949**	**–**	**–**	**45,949**

	2018			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2018 HK$'000
Recurring fair value measurements:				
Financial assets at FVTPL				
— Listed securities in Hong Kong	57,888	–	–	57,888

7. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has four reportable operating segments as follows:

i) Asset advisory services and asset appraisal

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services.

ii) Corporate services and consultancy

Provision of company secretarial services, human resources management, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services.

iii) Media advertising

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal displays network inside elevators or lobbies of middle to high-end residential community.

iv) Financial services

Provision of (i) financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations; and (ii) securities broking and trading of securities.

7. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include corporate income and expenses, fair value change on financial assets at FVTPL, share of results of associates and a joint venture and finance costs. Segment assets do not include financial assets at FVTPL, and unallocated corporate assets. Segment liabilities do not include obligations under finance lease, amount due to a director, amount due to a related party and unallocated corporate liabilities. Segment non-current assets do not include corporate property, plant and equipment, goodwill, investments in associates and a joint venture.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technical requirements and marketing strategies.

(i) Information about reportable segment profits or losses, assets and liabilities:

	Asset advisory services and asset appraisal		Corporate services and consultancy		Media advertising		Financial services		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Years ended 31 March										
Revenue from external customers	**33,844**	41,907	**1,263**	2,534	**4,140**	1,547	**13,400**	13,312	**52,647**	59,300
Segment profit/(loss)	**(4,072)**	6,784	**(3,353)**	(9,510)	**(517)**	(2,830)	**(2,627)**	6,353	**(10,569)**	797
As at 31 March										
Segment assets	**24,267**	18,228	**1,382**	337	**51,304**	61,978	**241,836**	286,202	**318,789**	366,745
Segment liabilities	**23,616**	11,459	**9,931**	10,522	**602**	21,735	**72,943**	55,588	**107,092**	99,304
Amounts included in the measurement of segment profit/(loss) or segment assets:										
Bank interest income	**–**	–	**–**	–	**–**	4	**4**	4	**4**	8
Depreciation	**467**	480	**17**	48	**112**	212	**36**	111	**632**	851
Staff costs	**16,025**	20,575	**3,877**	4,340	**715**	814	**3,050**	3,242	**23,667**	28,971
Impairment losses on trade receivables	**1,297**	2,014	**–**	31	**–**	–	**–**	–	**1,297**	2,045
Impairment losses on loan receivables	**–**	–	**–**	–	**–**	–	**1,910**	–	**1,910**	–
Loan receivables written off	**–**	–	**–**	–	**–**	–	**–**	532	**–**	532
Other receivables written off	**–**	643	**–**	2,410	**–**	–	**–**	–	**–**	3,053
Goodwill	**–**	–	**–**	–	**32,817**	42,033	**50,329**	79,665	**83,146**	121,698
Investment in associates and a joint venture	**1,021**	973	**–**	–	**–**	–	**–**	–	**1,021**	973
Additions to segment non-current assets	**65**	142	**–**	–	**–**	–	**17**	14	**82**	156

7. SEGMENT INFORMATION (Continued)

(i) Information about reportable segment profits or losses, assets and liabilities: (Continued)

Reconciliations of reportable segment profits or losses, assets and liabilities are as follows:

	2019 HK$'000	2018 HK$'000
Profit or loss		
Total profit/(loss) of reportable segments	**(10,569)**	797
Unallocated amounts:		
Share-based payment transactions	**–**	(10,913)
Fair value change on financial assets at FVTPL	**(12,994)**	(92,514)
Loss on disposal of an associate	**–**	(613)
Impairment losses on goodwill	**(38,552)**	(42,923)
Impairment losses on amounts due from related companies	**–**	(4,714)
Share of results of associates and a joint venture	**48**	(166)
Loss arising from fair value change on a derivative financial asset	**–**	(300)
Other unallocated corporate expenses	**(575)**	(17,909)
Finance costs	**(2,309)**	(6,963)
Consolidated loss after tax	**(64,951)**	(176,218)

	2019 HK$'000	2018 HK$'000
Segment assets		
Total assets of reportable segments	**318,789**	366,745
Unallocated corporate assets	**13,543**	7,093
Financial assets at FVTPL	**45,949**	57,888
Consolidated total assets	**378,281**	431,726

	2019 HK$'000	2018 HK$'000
Segment liabilities		
Total liabilities of reportable segments	**107,092**	99,304
Unallocated corporate liabilities	**8,796**	5,186
Finance lease payables	**313**	435
Amount due to a related party	**4,714**	–
Amount due to a director	**1,069**	1,744
Consolidated total liabilities	**121,984**	106,669

7. SEGMENT INFORMATION (Continued)

(i) Information about reportable segment profits or losses, assets and liabilities: (Continued)

	2019 HK$'000	2018 HK$'000
Bank interest income		
Total interest income of reportable segments	**4**	8
Unallocated corporate interest income	**–**	7
Consolidated bank interest income	**4**	15

	2019 HK$'000	2018 HK$'000
Depreciation		
Total depreciation of reportable segments	**632**	851
Unallocated depreciation of corporate assets	**–**	–
Consolidated depreciation	**632**	851

	2019 HK$'000	2018 HK$'000
Staff costs		
Total staff costs of reportable segments	**23,667**	28,971
Unallocated corporate staff costs	**799**	1,091
Consolidated staff costs	**24,466**	30,062

(ii) Geographical information

	Revenue from external customers		Non-current assets	
	2019 HK$'000	2018 HK$'000	2019 HK$'000	2018 HK$'000
Hong Kong	**48,507**	57,192	**109,850**	97,440
The PRC except Hong Kong	**4,140**	2,108	**45,074**	42,553
	52,647	59,300	**154,924**	139,993

7. SEGMENT INFORMATION (Continued)

(ii) Geographical information (Continued)

In presenting the geographical information, revenue is based on the locations of the customers and information about the non-current assets, except deferred tax assets, classified in accordance with geographical location of the assets at the end of the reporting period.

There was no revenue from customers contributing 10% or more of total revenue for the years ended 31 March 2019 and 2018.

8. REVENUE

The Group's revenue is as follows:

	2019 HK$'000	2018 HK$'000
Asset advisory and asset appraisal services	**33,844**	41,907
Corporate services and consultancy services	**1,263**	2,534
Media advertising services	**4,140**	1,547
Financial services	**13,400**	13,312
	52,647	59,300

Timing for revenue recognition	**2019 HK$'000**	2018 HK$'000
Services transferred at a point of time	**17,540**	14,859
Services transferred over time	**35,107**	44,441
	52,647	59,300

The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11.

9. OTHER INCOME

	2019 HK$'000	2018 HK$'000
Bank interest income	4	15
Interest income from deposits placed for life insurance policies	108	54
Reimbursement of out-of-pocket expenses	–	536
Sub-leasing income	2,550	2,187
Management fee income	–	443
Services fee income	–	500
Gain on disposal of financial assets at FVTPL	4,228	–
Other payables written back	220	581
Sundry income	454	341
	7,564	4,657

10. FINANCE COSTS

	2019 HK$'000	2018 HK$'000
Finance lease charges	12	16
Interest on bank and other borrowings	677	247
Interest on promissory notes	1,620	6,622
Others	–	78
	2,309	6,963

11. LOSS BEFORE TAX

The Group's loss before tax is stated after charging the following:

	2019 HK$'000	2018 HK$'000
Auditor's remuneration	**650**	780
Staff costs including directors' remunerations		
Salaries, bonus and allowances	**23,695**	29,115
Retirement benefit costs	**771**	947
	24,466	30,062
Depreciation	**632**	851
Equity-settled share-based payments	**–**	10,913
Impairment losses on goodwill	**38,552**	42,923
Impairment losses on trade receivables	**1,297**	2,045
Impairment losses on loan receivables	**1,910**	–
Impairment losses on amounts due from related companies	**–**	4,714
Loss on early redemption of promissory notes	**–**	1,763
Fair value change on financial assets at FVTPL	**12,994**	92,514
Minimum lease payments under operating leases		
— Land and buildings	**7,388**	9,454
— Photocopier machines	**140**	225
	7,528	9,679

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of directors' emoluments are as follows:

For the year ended 31 March 2019

	Fees HK$'000	Salaries and allowances HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors						
Mr. Ip Kwok Kwong	–	3,311	–	–	19	3,330
Mr. Wu Di	–	312	–	–	–	312
Non-executive director						
Ms. Yang Yan[1]	–	–	–	–	–	–
Independent non-executive directors						
Mr. Tang Wai Kee[2]	144	–	–	–	1	145
Mr. So Kwok Yun[3]	144	–	–	–	1	145
Mr. Cheung Ka Chun[4]	144	–	–	–	1	145
	432	3,623	–	–	22	4,077

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Details of directors' emoluments are as follows: (Continued)

For the year ended 31 March 2018

	Fees HK$'000	Salaries and allowances HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors						
Mr. Ip Kwok Kwong	–	4,346	–	–	18	4,364
Mr. Yip Chung Wai, David[5]	–	31	–	–	2	33
Mr. Wu Di	–	312	–	–	–	312
Non-executive directors						
Ms. Yang Yan[1]	220	–	–	–	–	220
Ms. Ma Lin[6]	123	–	–	–	–	123
Independent non-executive directors						
Mr. Tang Wai Kee[2]	73	–	–	–	–	73
Mr. So Chung Shing[7]	48	–	–	–	–	48
Mr. So Kwok Yun[3]	43	–	–	–	–	43
Mr. Chu Siu Lun, Ivan[8]	69	–	–	–	–	69
Mr. Cheung Ka Chun[4]	33	–	–	–	–	33
Mr. Tso Ping Cheong, Brian[9]	90	–	–	–	–	90
	699	4,689	–	–	20	5,408

Notes:

1. Ms. Yang Yan was appointed as non-executive director on 7 November 2017 and resigned on 1 August 2018.

2. Mr. Tang Wai Kee was appointed as independent non-executive director on 28 September 2017.

3. Mr. So Kwok Yun was appointed as independent non-executive director on 15 December 2017.

4. Mr. Cheung Ka Chun was appointed as independent non-executive director on 8 January 2018.

5. Mr. Yip Chung Wai, David resigned as executive director on 9 May 2017.

6. Ms. Ma Lin resigned as non-executive director on 7 November 2017.

7. Mr. So Chung Shing resigned as independent non-executive director on 28 September 2017.

8. Mr. Chu Siu Lun, Ivan resigned as independent non-executive director on 15 December 2017.

9. Mr. Tso Ping Cheong, Brian resigned as independent non-executive director on 8 January 2018.

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2018: one) director whose emoluments were disclosed above. The emoluments of the remaining four (2018: four) individuals during the year are as follows:

	2019 HK$'000	2018 HK$'000
Basic salaries and allowances	**3,051**	5,296
Retirement benefits scheme contributions	**174**	54
	3,225	5,350

The emoluments of the four (2018: four) individuals with highest emoluments are within the following bands:

	Number of individuals	
	2019	2018
Nil to HK$1,000,000	**4**	1
HK$1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**–**	1
	4	4

During both years ended 31 March 2018 and 2019, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Senior management's emoluments

Senior management represents the executive directors. The emoluments paid or payable to senior management during the year have been set out in the analysis presented above.

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

Save for disclosed in note 43 to the consolidated financial statements, no significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

13. INCOME TAX CREDIT

	2019 **HK$'000**	2018 HK$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	–	473
(Over)/under-provision in prior years	**(2,440)**	195
	(2,440)	668
Current tax — EIT in the PRC		
Provision for the year	–	86
Over-provision in prior years	–	(604)
	–	(518)
Deferred taxation (note 34)	–	(1,320)
	(2,440)	(1,170)

The tax rate applicable to the Group's Hong Kong subsidiaries were 16.5% during the year ended 31 March 2019 (2018: 16.5%).

No provision for Hong Kong Profits Tax is required as the Group's Hong Kong subsidiaries did not have assessable profit or have sufficient tax losses bought forward to offset against taxable profits during the year ended 31 March 2019 (2018: Nil).

EIT in the PRC is provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

13. INCOME TAX CREDIT (Continued)

The reconciliation between the income tax credit and the loss before tax is as follows:

	2019 HK$'000	2018 HK$'000
Loss before tax	**(67,391)**	(177,388)
Tax at the domestic income tax rate of 16.5% (2018: 16.5%)	**(11,120)**	(29,269)
Tax effect of share of results of associates and a joint venture	**8**	27
Tax effect of non-deductible expenses	**10,316**	30,403
Tax effect of non-taxable income	**(530)**	(2,445)
Tax effect of temporary differences not recognised	**38**	18
Tax effect of tax loss not recognised	**1,356**	674
Tax effect of tax losses utilised	**(24)**	–
Tax effect of utilisation of tax losses not previously recognised	**–**	(95)
Over-provision in prior years	**(2,440)**	(409)
Effect of different tax rates of subsidiaries	**(44)**	(331)
Others	**–**	257
	(2,440)	(1,170)

14. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages, subject to a cap of monthly relevant income of HK$30,000 and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

15. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2019 (2018: Nil).

16. LOSS PER SHARE

Basic loss per share

The calculation of basic loss (2018: loss) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$64,178,000 (2018: loss of approximately HK$176,700,000) and the weighted average number of ordinary shares of 582,955,860 (2018: restated: 512,415,764 ordinary shares). For the purpose of calculation of basic and diluted loss per share for the years ended 31 March 2019 and 2018, the share consolidation of the Company being effective on 14 January 2019 (note 35(a)) was deemed to be effective throughout the period from 1 April 2017 to 31 March 2019. Accordingly, the weighted average number of ordinary shares of the Company in issue during the year ended 31 March 2018 were adjusted to reflect the share consolidation.

Diluted loss per share

Diluted loss per share attributable to owners of the Company for the years ended 31 March 2019 and 2018 are the same as the respective basic loss per share because all potential dilutive ordinary shares would decrease the loss per share, therefore, is anti-dilutive.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture and equipment HK$'000	Office equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost					
At 1 April 2017	1,894	1,713	2,821	1,739	8,167
Additions	28	9	119	–	156
Written-off	–	–	–	(647)	(647)
Exchange realignment	12	165	17	45	239
At 31 March 2018 and 1 April 2018	1,934	1,887	2,957	1,137	7,915
Additions	–	8	74	–	82
Exchange realignment	(6)	48	19	(24)	37
At 31 March 2019	1,928	1,943	3,050	1,113	8,034
Accumulated depreciation					
At 1 April 2017	1,306	1,066	2,447	981	5,800
Charge for the year	182	218	219	232	851
Written-off	–	–	–	(647)	(647)
Exchange realignment	1	130	12	34	177
At 31 March 2018 and 1 April 2018	1,489	1,414	2,678	600	6,181
Charge for the year	144	128	153	207	632
Exchange realignment	(2)	(9)	(22)	(20)	(53)
At 31 March 2019	1,631	1,533	2,809	787	6,760
Carrying amount					
At 31 March 2019	297	410	241	326	1,274
At 31 March 2018	445	473	279	537	1,734

At 31 March 2019, the carrying amount of a motor vehicle held by the Group under finance leases amounted to approximately HK$326,000 (2018: approximately HK$461,000), and was pledged to bank to secure the finance leases granted to the Group.

18. INTANGIBLE ASSETS

	HK$'000
Cost	
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	12,800
Accumulated amortisation and impairment losses	
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	–
Carrying amount	
At 31 March 2019	12,800
At 31 March 2018	12,800

The trading rights are held by a subsidiary being acquired by the subsidiary of the Company during the year ended 31 March 2017. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights was considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until their useful life are determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired during the year.

The Group reviews the recoverable amount of the trading rights. No impairment loss has been recognised during the years ended 31 March 2019 and 2018. The recoverable amount of the relevant assets has been determined based on fair value less costs of disposal ("FVLCD"), key assumptions used in the FVLCD included the book value multiple of 1.08 (2018: earnings multiple of 8.91), marketability discount of 16.11% (2018: 16.11%) and control premium of 30% (2018: 25%) (level 3 fair value measurements).

19. GOODWILL

	Media advertising activities (Note 1) HK$'000	Money lending activities (Note 2) HK$'000	Securities broking activities (Note 3) HK$'000	Total HK$'000
Cost				
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	84,956	26,755	66,610	178,321
Impairment				
At 1 April 2017	–	–	(13,700)	(13,700)
Impairment during the year	(42,923)	–	–	(42,923)
At 31 March 2018 and 1 April 2018	(42,923)	–	(13,700)	(56,623)
Impairment during the year	(9,216)	–	(29,336)	(38,552)
	(52,139)	–	(43,036)	(95,175)
At 31 March 2019	32,817	26,755	23,574	83,146
At 31 March 2018	42,033	26,755	52,910	121,698

Notes:

1. The recoverable amount of the CGU is determined on the basis of its value-in-use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate and budgeted gross margin and revenue during the period. The Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and risk specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development. The cash flow forecasts was derived from the most recent financial budgets approved by the management for the next three years with the residual period using the growth rate of 3% (2018: 3%). This rate does not exceed the average long-term growth rate for the relevant market. The rate used to discount the forecast cash flows from the Group's media advertising activities is 20.0% (2018: 20.2%) and provision for impairment of approximately HK$9,216,000 (2018: HK$42,923,000) was recorded in consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019.

2. The recoverable amount of the CGU is determined on the basis of its value-in-use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and risk specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

   The cash flow forecasts were derived from the most recent financial budgets approved by the management for the next five years with the residual period using the growth rate of 3% (2018: 3%). This rate does not exceed the average long-term growth rate for the relevant market. The rate used to discount the forecast cash flows from the Group's money lending activities is 13% (2018 12.7%).

3. The recoverable amount of the CGU has been determined based on FVLCD. In determining the FVLCD of the CGU, management has adopted the market approach (level 3 fair value measurements), which have adopted book value multiple (2018: earnings multiple) in the valuation. Several companies with business scopes and operations similar to those of IAM Group Inc. were adopted as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria:

   — the comparable companies selected are principally engaged in provision of securities broking activities in Hong Kong;

   — the companies have sufficient listing and operating histories; and

   — the financial information of the companies is available to the public.

   Key assumptions used in the FVLCD calculation of the CGU for 31 March 2019 included the book value multiple of 1.08 (2018: earnings multiple of 8.91) marketability discount of 16.11% (2018:16.11%) and control premium of 30% (2018: 25%).

20. DEPOSITS PLACED FOR LIFE INSURANCE POLICIES

	2019 **HK$'000**	2018 HK$'000
Deposits placed for life insurance policies	**2,665**	2,588

In June 2017, an indirectly owned subsidiary of the Company (the "Subsidiary") entered into a life insurance policy (the "Policy") with an insurance company to insure its chief operating officer. Under the Policy, the beneficiary and policy holder are the Subsidiary and the total insured sum is US$1,288,342 (approximately HK$10,112,000). At inception of the Policy, the Subsidiary was required to pay an upfront deposit of US$400,000 (approximately HK$3,125,000) including a premium charge amounted to US$24,000 (approximately HK$188,000). The Subsidiary can terminate the Policy at any time and receive cash refund based on the cash value of the Policy at the date of withdrawal, which is determined by the upfront payment of US$400,000 plus accumulated interest earned and minus the premium charge at inception, and the accumulated insurance and policy expense charge ("Cash Value"). The insurance company paid the Subsidiary an interest of 3.55% per annum on the outstanding Cash Value of the policy for the first year. Commencing on the second year, the interest will be a variable return with minimum guaranteed interest rate of 2% per annum by the insurance company on an annual basis.

At the end of the reporting period, the carrying amount of deposit placed for a life insurance policies which has been pledged as security for the bank borrowing, is approximately HK$2,665,000 (2018: HK$2,588,000).

21. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

	2019 **HK$'000**	2018 HK$'000
Investments in associates (note a)		
Unlisted investments	**–**	–
Investment in a joint venture (note b)		
Unlisted investments	**1,021**	973
At 31 March	**1,021**	973

21. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (Continued)

(a) Investments in associates

Details of the Group's associates at 31 March 2019 and 2018 are as follows:

Name	Place of Establishment	Registered and paid up capital	Percentage of ownership/ voting power/ profit sharing		Principal activities
			2019	2018	
北京漢華信誠資產顧問有限公司*	The PRC	US$60,000	**50%**	50%	Inactive
Greater China London Limited	United Kingdom	GBP112,500	**20%**	20%	Inactive

* The business license has been suspended since 18 July 2008.

(b) Investment in a joint venture

Details of the Group's joint venture at 31 March 2019 and 2018 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			2019	2018	
Greater China ESG Advisory Limited	Hong Kong	HK$2	**50%**	50%	Provision of environmental, social and governance consulting service

The following tables show information of a joint venture that is material to the Group. This joint venture is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the joint venture.

21. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (Continued)

(b) Investment in a joint venture (Continued)

Name	Greater China ESG Advisory Limited
Principal place of business/country of incorporation	Hong Kong/Hong Kong
Principal activities	Provision of environmental, social and governance consulting service

	2019	2018
% of ownership interests	**50%**	50%
	HK$'000	HK$'000
At 31 March:		
Current assets	**3,152**	1,946
Current liabilities	**(1,110)**	–
Net assets	**2,042**	1,946
Group's share of net assets and carrying amount of interests	**1,021**	973
Year ended 31 March		
Revenue	**3,440**	3,501
Profit and total comprehensive income for the year	**96**	1,742

22. LOAN RECEIVABLES

	2019 HK$'000	2018 HK$'000
Loan receivables	**187,856**	170,653
Impairment losses recognised	**(5,710)**	(3,800)
	182,146	166,853
Less: current portion	**(128,328)**	(166,853)
Non-current portion	**53,818**	–

The Group's loan receivables arose from the money lending business.

As at 31 March 2019, loan receivables are denominated in Hong Kong dollar ("HK$") and carried at fixed effective interest rate ranging from 4.5% to 18% (2018: 4.5% to 18%) per annum and with the terms ranging from 90 days to 3 years (2018: 90 days to 1.5 year).

22. LOAN RECEIVABLES (Continued)

As at the end of the reporting period, the aging analysis of loan receivables (net of impairment losses), based on loans draw down date, is as follows:

	2019 HK$'000	2018 HK$'000
31 to 90 days	**6,549**	37,800
91 to 180 days	**8,838**	57,379
181 to 365 days	**3,800**	52,000
Over 365 days	**162,959**	19,674
	182,146	166,853

The movements in impairment losses on loan receivables are as follows:

	2019 HK$'000	2018 HK$'000
At April 1	**3,800**	3,800
Impairment losses recognised	**1,910**	–
At March 31	**5,710**	3,800

The Group applies the simplified approach under HKFRS 9 to provide for ECL using the lifetime expected loss provision for all loan receivables. To measure the ECL, loan receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporate forward looking information and value of collateral.

	Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
At 31 March 2019						
Weighted average expected loss rate	**2%**	**3%**	**–**	**–**	**5%***	
Receivable amount (HK$'000)	**93,716**	**15,723**	**–**	**–**	**78,417**	**187,856**
Loss allowance (HK$'000)	**(1,504)**	**(406)**	**–**	**–**	**(3,800)**	**(5,710)**

* Note: Loan receivables past due over 12 months are secured by listed shares. The Group closely monitors the value of the listed shares throughout the loan period.

22. LOAN RECEIVABLES (Continued)

	Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
At 31 March 2018						
Weighted average expected loss rate	–	–	–	–	67%	
Receivable amount (HK$'000)	147,179	–	17,766	54	5,654	170,653
Loss allowance (HK$'000)	–	–	–	–	(3,800)	(3,800)

23. TRADE RECEIVABLES

	2019 HK$'000	2018 HK$'000
Trade receivables	**56,823**	63,068
Less: Impairment losses	**(45,908)**	(44,611)
	10,915	18,457

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 14 to 365 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the senior management.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2019 HK$'000	2018 HK$'000
0–30 days	**4,873**	10,910
31–90 days	**2,914**	3,474
91–180 days	**999**	2,376
181–365 days	**1,072**	1,551
Over 365 days	**1,057**	146
	10,915	18,457

The aging analysis of the past due trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2019 HK$'000	2018 HK$'000
Less than 60 days past due	**1,072**	1,551
Over 60 days past due	**1,057**	146
	2,129	1,697

23. TRADE RECEIVABLES (Continued)

The movements in impairment losses on trade receivables are as follows:

	2019 HK$'000	2018 HK$'000
At 1 April	**44,611**	42,566
Impairment losses recognised	**1,297**	2,045
At 31 March	**45,908**	44,611

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
At 31 March 2019						
Weighted average expected loss rate	**2%**	**5%**	**12%**	**32%**	**98%**	
Receivable amount (HK$'000)	**4,963**	**3,071**	**1,133**	**1,569**	**46,087**	**56,823**
Loss allowance (HK$'000)	**(90)**	**(157)**	**(134)**	**(497)**	**(45,030)**	**(45,908)**
At 31 March 2018						
Weighted average expected loss rate	–	–	–	–	100%	
Receivable amount (HK$'000)	10,092	5,285	2,187	768	44,736	63,068
Loss allowance (HK$'000)	–	–	–	–	(44,611)	(44,611)

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2019 HK$'000	2018 HK$'000
Prepayments	**2,144**	2,221
Deposits	**4,318**	4,174
Other receivables	**23,330**	23,167
	29,792	29,562

Neither of the above assets is past due nor impaired. The financial assets included in the above balances relate to receivables for which were no recent history of default.

25. FINANCIAL ASSETS AT FVTPL

	2019 HK$'000	2018 HK$'000
Equity securities listed in Hong Kong, at fair value	**45,949**	57,888

At 31 March 2019, the fair value of the listed equity securities, amounting to approximately HK$45,949,000 (2018: approximately HK$57,888,000), was determined based on the quoted market bid prices of the corresponding listed equity securities.

26. BANK BALANCES AND CASH

	2019 HK$'000	2018 HK$'000
Cash on hand	**15**	90
Cash at bank		
— General accounts	**3,616**	6,225
— Trust accounts	**3,352**	11,338
	6,983	17,653

At 31 March 2019, the bank balances and cash of the Group denominated in Renminbi ("RMB") amounted to approximately HK$338,000 (2018: approximately HK$806,000). The RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

27. TRADE PAYABLES

The aging analysis of trade payables, based on invoice date is as follows:

	2019 HK$'000	2018 HK$'000
0-90 days	**10,200**	15,967
91-180 days	**–**	347
Over 365 days	**–**	26
	10,200	16,340

28. ACCRUALS AND OTHER PAYABLES

	2019	2018
	HK$'000	HK$'000
Accruals	**24,379**	19,361
Other payables	**11,096**	7,138
	35,475	26,499

29. AMOUNTS DUE TO A RELATED PARTY/A DIRECTOR

The amounts due are unsecured, interest-free and repayable on demand.

30. CONTRACT LIABILITIES

	2019	2018
	HK$'000	HK$'000
Billings in advance of performance obligation		
— Appraisal service	**2,015**	–

Upon initial application of HKFRS 15 on 1 April 2018, contract liabilities represent balances due to customers under appraisal contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

The movements in contract liabilities are as follows:

	HK$'000
Balance at 31 March 2018	**–**
Effect on initial application of HKFRS 15	**2,712**
Balance at 1 April 2018	**2,712**
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities	**(5,907)**
Increase in contract liabilities as a result of billing in advance of appraisal activities	**5,210**
Balance at 31 March 2019	**2,015**

31. BANK AND OTHER BORROWINGS

	2019 HK$'000	2018 HK$'000
Bank loan	**1,723**	2,025
Bank overdrafts — on demand	**2,683**	1,704
Other loan repayable within 1 year	**6,000**	–
	10,406	3,729

At the end of reporting period, the bank loan of the Group is denominated in HK$ and contain a repayment on demand clause which repayable within 5 years.

The carrying amount of the Group's bank loan was denominated in HK$ and the fixed interest rate at 31 March 2019 was 2.5% per annum (2018: average fixed interest rate was 2.5% per annum and denominated in HK$), and the carrying amount of the Group's bank overdrafts was denominated in HK$ and the variable interest rate at 31 March 2019 was 4.6% per annum (2018: variable interest rate was 4.5% per annum and denominated in HK$) which were pledged by the deposits placed for life insurance policies at 31 March 2019.

During the year ended 31 March 2019, the Group has obtained other loan which was denominated in HK$, bear interest at 36% per annum and secured by personal guarantee of a director, Mr. Ip Kwok Kwong.

32. FINANCE LEASE PAYABLES

	Minimum lease payments		Present value of minimum lease payments	
	2019 HK$'000	2018 HK$'000	**2019 HK$'000**	2018 HK$'000
Within one year	**134**	134	**127**	122
In the second to fifth years, inclusive	**191**	325	**186**	313
Total minimum finance lease payments	**325**	459	**313**	435
Less: Future finance charges	**(12)**	(24)		
Total net finance lease payables	**313**	435		
Less: Portion classified as current liabilities	**(127)**	(122)		
Non-current portion	**186**	313		

The Group leased a motor vehicle under a finance lease. The lease term is 5 years (2018: 5 years). At 31 March 2019, the effective borrowing rate was 3.21% (2018: 3.21%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicle at nominal prices.

The Group's finance lease payables are secured by charge over the leased asset.

33. PROMISSORY NOTES

	Promissory notes 1 (Note 1) HK$'000	Promissory notes 2 (Note 2) HK$'000	Promissory notes 3 (Note 3) HK$'000	Total HK$'000
At 1 April 2017	20,600	33,936	65,000	119,536
Interest on promissory notes	600	2,518	3,504	6,622
Redemption of promissory notes	–	–	(70,267)	(70,267)
Loss on early redemption of promissory notes	–	–	1,763	1,763
Accrued coupon interest	(1,200)	(2,454)	–	(3,654)
At 31 March 2018 and 1 April 2018	20,000	34,000	–	54,000
Interest on promissory notes	600	1,020	–	1,620
At 31 March 2019	20,600	35,020	–	55,620
Analysed as:				
Non-current liabilities	20,600	35,020	–	55,620

Notes:

1. On 13 November 2014, the Company issued a series of promissory notes with total principal amounts of HK$110,000,000 to an independent third party (the "Vendor") as part of the consideration for an acquisition (the "Acquisition") of 80% equity interest in Golden Vault Limited by the Group. The promissory notes were interest-bearing at 3% per annum. The maturity date is the day falling on the tenth business day from the date of receipt by the Group of the 2016 Auditors' certificate.

   Pursuant to the terms of the Acquisition, the Vendor have irrevocably and unconditionally warranted and guaranteed to the subsidiary of the Company the profits after taxation of Golden Vault Limited calculated in accordance with HKFRSs for the years ending 31 December 2015 and 2016 will not be less than RMB6,000,000 (the "2015 Guaranteed Profit") and RMB6,200,000 (the "2016 Guaranteed Profit"). In the event the 2015 Guaranteed Profit or 2016 Guaranteed Profit is not fulfilled, the Vendor shall compensate the Group an amount calculated according to the agreement by way of setting off against the outstanding amount of the promissory note or in cash.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory notes at the date of issue was approximately HK$92,388,000. The effective interest rate of the promissory notes were 10.96% per annum.

   On 23 October 2015, an aggregate principal amount of HK$90,000,000 with accrued interest thereon were early redeemed by the Company, and settled by the net proceeds from the placing and the subscription of the Company's shares. A loss on early redemption of the promissory note of approximately HK$9,026,000 was recognised in the consolidated profit or loss.

   On 26 March 2018, the Company renewed the promissory notes with the promissory notes holder. The promissory notes are interest-bearing at 3% per annum. The maturity date is the date falling three years from 26 March 2018.

2. On 22 October 2015, the Company issued promissory notes (the "Promissory notes 2") in an aggregate principal amount of HK$34,000,000 for the acquisition of additional 19% of the entire issued share capital of Boxin from an independent third party. The Promissory notes 2 were interest-bearing at 3% per annum.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory note at the date of issue was approximately HK$29,209,000. The effective interest rate of the promissory note was 10.60% per annum. The Promissory notes 2 were extended for three years on 3 November 2017 (the original due date of the Promissory note 2) to 3 November 2020.

3. On 31 March 2017, the Company issued promissory notes (the "Promissory notes 3") in an aggregate principal amount of HK$67,350,000. The promissory notes 3 were interest-bearing at 7.6%. The maturity date was falling on the next business day from the second anniversary of the issue date.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory note at the date of issue was approximately HK$65,000,000. The effective interest rate of the promissory note was 9.17% per annum.

   On 25 October 2017, an aggregate principal amount of HK$67,350,000 with accrued interest thereon were early redeemed by the Company. A loss on early redemption of the promissory note of approximately HK$1,763,000 was recognised in the consolidated profit or loss.

34. DEFERRED TAXATION

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2019 **HK$'000**	2018 HK$'000
Deferred tax assets	**1,320**	1,320
Deferred tax liabilities	**(2,112)**	(2,112)
	(792)	(792)

The deferred tax liabilities is related to trading rights acquired for the year ended 31 March 2017.

	Trading rights HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 April 2017	(2,112)	–	(2,112)
Credit to profit or loss for the year	–	1,320	1,320
At 31 March 2018, 1 April 2018 and 31 March 2019	(2,112)	1,320	(792)

At 31 March 2019, the Group has unused tax losses of approximately HK$100,631,000 (2018: approximately HK$99,274,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$3,906,000 (2018: HK$3,746,000) that will expire as follows:

	2019 **HK$'000**	2018 HK$'000
Year 2019	**–**	719
Year 2020	**65**	65
Year 2021	**475**	475
Year 2022	**1,364**	1,364
Year 2023	**1,123**	1,123
Year 2024	**879**	–
	3,906	3,746

Other tax losses may be carried forward indefinitely.

Temporary differences arising in connection with interests in subsidiaries, associates and a joint venture are insignificant.

35. SHARE CAPITAL

	Number of ordinary shares '000		
	at HK$0.01 per share	at HK$0.1 per share	HK$'000
Authorised			
As at 1 April 2017, 31 March 2018 and 1 April 2018	10,000,000	–	100,000
Effects of share consolidation (note a)	(10,000,000)	1,000,000	–
At 31 March 2019	–	1,000,000	100,000
Issued			
At 1 April 2017	4,857,969	–	48,580
Placement of shares (note b)	971,590	–	9,716
As at 31 March 2018 and 1 April 2018	5,829,559	–	58,296
Effects of share consolidation (note a)	(5,829,559)	582,956	–
At 31 March 2019	–	582,956	58,296

Notes:

(a) Pursuant to ordinary resolution passed by shareholders at extraordinary meeting of the Company on 14 January 2019, the Company effected the consolidation of the issued and unissued ordinary shares of the Company on the basis that every 10 ordinary shares of HK$0.01 each will be consolidated into one ordinary share of HK$0.1 each.

Details of the consolidation of ordinary shares are set out in the Company announcements date 14 December 2018, 20 December 2018 and 14 January 2019.

(b) On 28 November 2017, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent has conditionally agreed to place, on a best effort basis, to not less than six placees, for up to 971,590,000 placing shares at the placing price of HK$0.05 per placing share. The placing of new shares was completed on 22 December 2017. The gross proceeds from the share placing was approximately HK$48,580,000, a placing commission of approximately HK$1,457,000 was paid to Infast Brokerage Limited, an indirect subsidiary of the Company.

The Group manages its capital to maintain an optimal capital structure so as to maximise the return to its shareholders, to protect the interests of its shareholders, safeguard the Group's ability to continue as a going concern and to be able to serve its debts when they are due. In order to maintain and/or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain various forms of debt/equity financing available in the market at an appropriate cost when necessary.

Management reviews the capital structure on a quarterly basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged during the year ended 31 March 2019.

The only externally imposed capital requirement of the Group to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares.

36. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve of the Group represents (i) the original investment costs in the Greater China Appraisal Limited and GCA Holdings Limited incurred by the Group, (ii) the non-controlling interests in the retained profits of Greater China Appraisal Limited and GCA Holdings Limited acquired by GCA Professional Services Group Limited upon a group reorganisation in 2010, and (iii) the difference of the cost of 999 ordinary shares issued in exchange for the entire shareholdings of Fidelia Investments Limited and New Valiant Limited and the nominal value of issued and paid up shares of the subsidiaries existed immediately before the Group Reorganisation.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(b) to the consolidated financial statements.

(iv) Share options reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity settled share-based payments in note 4(z) to the consolidated financial statements.

37. BANKING FACILITIES

At 31 March 2019, the Group had obtained banking facilities in respect of bank loan and overdrafts of approximately HK$2,248,000 and HK$3,500,000 (2018: HK$2,248,000 and HK$2,300,000 respectively) respectively, which were secured by deposits placed for life insurance policies as disclosed in note 20 to the consolidated financial statements.

At 31 March 2019, the Group had banking facilities in respect of corporate credit card of approximately HK$500,000 (2018: approximately HK$500,000).

38. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time employees, officers, directors of the Company and the Company's subsidiaries. The Scheme was adopted by a resolution of the Company on 18 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years commencing from the adoption date as defined in the scheme.

The maximum number of shares in respect of which options may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Group shall not exceed such number of shares as equals 10% of the issued share capital of the Company at the date of approval of the Scheme. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting. Unless approved by the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue.

Each grant of options to any of the directors, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors (excluding the independent non-executive director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial shareholder of the Company or an independent non-executive director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the shares in issue; and

(ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million,

such further grant of options must be approved by shareholders of the Company.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by each grantee. An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Scheme.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

38. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the specific categories of options are as follows:

Share option lot A

Grantee	Date of grant	Exercisable period	Exercise price	Number of share options outstanding
Option B1	6 January 2012	From 30 January 2012 to 17 May 2021	HK$1.626	25,830
Option F	6 January 2012	From 1 July 2012 to 17 May 2021	HK$1.626	7,380
Option H	6 January 2012	From 30 January 2012 to 17 May 2021	HK$1.626	7,380
Option J2	6 January 2012	From 1 January 2014 to 17 May 2021	HK$1.626	18,450
Option J3	6 January 2012	From 1 January 2015 to 17 May 2021	HK$1.626	36,900
				95,940

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

	2019		2018	
	Number of share options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**1,131,600**	**0.1626**	1,131,600	0.1626
Lapse during the year	**(172,200)**	**0.1626**	–	–
Adjustment on share consolidation (note 35(a))	**(863,460)**	**1.626**	–	–
Outstanding at the end of the year	**95,940**	**1.626**	1,131,600	0.1626
Exercisable options at the end of the year	**95,940**	**1.626**	1,131,600	0.1626

The options of share option lot A outstanding at 31 March 2019 were adjusted from HK$0.1626 per ordinary share to HK$1.626 per ordinary share with effect from 15 January 2019 as a result of the share consolidation as set out in note 35(a) to the consolidated financial statements, and have a weighted average remaining contractual life of 2.13 years (2018: 3.13 years).

38. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share option lot B

Grantee	Date of grant	Exercisable period	Exercise price	Number of share options outstanding
Directors	27 August 2015	From 27 August 2015 to 26 August 2018	HK$0.367	–
Employees	27 August 2015	From 27 August 2015 to 26 August 2018	HK$0.367	–
				–

	2019 Number of share options	2019 Weighted average exercise price HK$	2018 Number of share options	2018 Weighted average exercise price HK$
Outstanding at the beginning of the year	**17,150,000**	**0.367**	17,150,000	0.367
Lapse during the year	**(17,150,000)**	**0.367**	–	–
Outstanding at the end of the year	**–**	**–**	17,150,000	0.367
Exercisable option at the end of the year	**–**	**–**	17,150,000	0.367

Share option lot C

Grantee	Date of grant	Exercisable period	Exercise price	Number of share options outstanding
Consultants	10 November 2017	From 10 November 2017 to 9 November 2020	HK$0.726	48,575,000

	2019 Number of share options	2019 Weighted average exercise price HK$	2018 Number of share options	2018 Weighted average exercise price HK$
Outstanding at the beginning of the year	**485,750,000**	**0.0726**	–	–
Share options grant during the year	**–**	**–**	485,750,000	0.0726
Adjustment on share consolidation (note 35(a))	**(437,175,000)**	**0.726**	–	–
Outstanding at the end of the year	**48,575,000**	**0.726**	–	0.0726
Exercisable option at the end of the year	**48,575,000**	**0.726**	485,750,000	0.0726

The fair value of the share options granted under the Share Option Scheme and such fair value was approximately HK$10,913,000.

38. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share option lot C (Continued)

The fair value of share options is determined at the date of grant using Binominal Option Pricing Model by an independent valuer and the following assumptions were used to calculate the fair value of share options:

Closing share price at date of grant	HK$0.068
Exercise price	HK$0.0726
Volatility	180.00%
Expected dividend yield	0.00%
Expected Exercise Multiple	140.00%
Risk free rate	1.27%

The options of share option lot C outstanding at 31 March 2019 were adjusted from HK$0.0726 per ordinary share to HK$0.726 per ordinary share with effect from 15 January 2019 as a result of the share consolidation as set out in note 35(a) to the consolidated financial statements, and have remaining contractual life of 1.6 years (2018: 2.6 years).

39. LEASE COMMITMENTS

As at 31 March 2019, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of offices rent as follows:

	2019 **HK$'000**	2018 HK$'000
Within one year	**7,736**	5,065
In the second to fifth years inclusive	**9,871**	170
	17,607	5,235

Operating lease payments represent rentals payable by the Group for certain of its offices rent. Leases are negotiated for terms of three years (2018: three years) and rentals are fixed over the lease terms and do not include contingent rentals.

As at 31 March 2019, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of office rent as follows:

	2019 **HK$'000**	2018 HK$'000
Within one year	**360**	1,460
In the second to fifth years inclusive	**450**	–
	810	1,460

40. CAPITAL COMMITMENTS

As at 31 March 2019, the Group did not have any significant capital commitments (2018: Nil).

41. CONTINGENT LIABILITIES

As at 31 March 2019, the Group had no material contingent liabilities (2018: Nil).

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

	Bank and other borrowings HK$'000	**Finance Leases payables HK$'000**	**Promissory notes HK$'000**	**Total liabilities from financing activities HK$'000**
At 1 April 2018	**3,729**	**435**	**54,000**	**58,164**
Changes in cash flows	**5,698**	**(122)**	**–**	**5,576**
Cash inflow by addition of bank overdrafts	**979**	**–**	**–**	**979**
Non-cash changes				
— Interest on promissory notes	**–**	**–**	**1,620**	**1,620**
At 31 March 2019	**10,406**	**313**	**55,620**	**66,339**

	Bank and other borrowings HK$'000	Finance Leases payables HK$'000	Promissory notes HK$'000	Total liabilities from financing activities HK$'000
At 1 April 2017	3,466	553	119,536	123,555
Changes in cash flows	(1,507)	(118)	(70,267)	(71,892)
Cash inflow by addition of bank overdrafts	1,704	–	–	1,704
Non-cash changes				
— Interest on promissory notes	–	–	6,622	6,622
— Accrued coupon interest	–	–	(3,654)	(3,654)
— Loss on early redemption of promissory notes	–	–	1,763	1,763
— exchange differences	66	–	–	66
At 31 March 2018	3,729	435	54,000	58,164

43. RELATED PARTY TRANSACTIONS

(a) Related party transaction

In addition to those related party transactions and balances disclosed elsewhere to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

Corporate services and consultancy income from related companies	Name of directors and related parties having beneficial interest in the transaction	2019 HK$'000	2018 HK$'000
— Greater China Capital Limited ("GCCL")	Mr. Ip Kwok Kwong	**396**	396
— Greater China ESG Advisory Limited	Mr. Ip Kwok Kwong	**117**	443

Note: Mr. Ip Kwok Kwong, a director of the Company is a director of the GCCL.

(b) Personal guarantee

Save for disclosed in note 31 to the consolidated financial statements, the Group's other loan was secured by the personal guarantee of Mr. Ip Kwok Kwong, a director of the Company.

(c) Key management compensation

Key management mainly represents the Company's directors. Their remunerations have been disclosed in note 12 to the consolidated financial statements.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) Particulars of the subsidiaries as at 31 March 2019 were as follows:

Name	Place of incorporation/ principal place of operation	Particular of paid-up capital/ registered capital	Percentage of ownership Held by the Company		Principal activities
			Direct	Indirect	
Zhong Nan Investment Limited	BVI/Hong Kong	US$1	100%	–	Investment holding
Greater China Appraisal Limited	Hong Kong	HK$1,600,000	–	80.1%	Provision of asset appraisal services
Greater China Consultants Limited	BVI/Hong Kong	US$1	–	100%	Provision of corporate and consultancy services
Greater China Corporate Consultancy & Services Limited	Hong Kong	HK$2	–	100%	Provision of corporate and consultancy services
Linkson Investment Limited	Hong Kong	HK$2	–	100%	Sub-leasing of office
漢華正立資本管理咨詢（北京）有限公司*	The PRC	HK$2,000,000	–	100%	Provision of consultancy services
Creative Market Holdings Limited	BVI/Hong Kong	US$1	–	100%	Investment Holding
Greater China Asset Services Limited	Hong Kong	HK$1	–	100%	Provision of asset appraisal services, corporate consultancy services and property agency services
上海熱潮多媒體廣告有限公司*	The PRC	HK$620,000	–	80%	Provision of media advertising services
常熟金視廣告傳媒有限公司*	The PRC	RMB500,000	–	80%	Provision of media advertising services
張家港金凱廣告傳媒有限公司*	The PRC	RMB500,000	–	80%	Provision of media advertising services
Alright Venture Limited	BVI/Hong Kong	US$150	–	100%	Investment holding
Colbert Finance Limited	Hong Kong	HK$3,000,000	–	100%	Provision of financial credit services
Infast Brokerage Limited	Hong Kong	HK$52,000,000	–	95%	Provision of securities broking, placing and underwriting services and trading of securities

The above list contains the particulars of subsidiaries of the Company which principally affected the results, assets or liabilities of the Group.

* Registered as limited liability enterprise under the PRC law.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI")

The following table shows information of the subsidiaries that has NCI material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Greater China Appraisal Limited		Golden Vault Limited	
	2019	2018	**2019**	2018
Principal place of business/country of incorporation	**Hong Kong/Hong Kong**		**Hong Kong/BVI**	
% of ownership interests	**19.9%**	19.9%	**20%**	20%
	HK$'000	HK$'000	**HK$'000**	HK$'000
At 31 March:				
Non-current assets	**3,391**	3,707	**492**	513
Current assets	**33,899**	38,000	**17,995**	19,432
Current liabilities	**(18,024)**	(16,787)	**(619)**	(548)
Non-current liabilities	**(186)**	(313)	**–**	–
Net assets	**19,080**	24,607	**17,868**	19,397
Carrying amount of NCI	**3,797**	4,897	**3,574**	3,879
Year ended 31 March				
Revenue	**30,717**	41,023	**4,140**	1,547
Profit/(loss) for the year	**(5,527)**	2,170	**(517)**	(2,318)
Profit allocated to NCI	**(1,100)**	432	**(103)**	(464)
Total comprehensive income/(expense) for the year	**(5,527)**	2,170	**(495)**	(300)
Net cash (used in)/generated from operating activities	**(3,999)**	(300)	**465**	165
Net cash (used in)/generated from investing activities	**(66)**	(3,267)	**1**	4
Net cash generated from/(used in) financing activities	**3,994**	1,818	**–**	(1,538)
Net (decrease)/increase in cash and cash equivalents	**(71)**	(1,749)	**466**	(1,369)

(c) Significant restriction

As at 31 March 2019, the bank balances and cash of the Company's subsidiaries in the PRC denominated in RMB amounted to approximately HK$333,000 (2018: approximately HK$609,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

45. EVENT AFTER THE REPORTING PERIOD

Issuance of share options

On 18 April 2019, the Company granted a total of 58,295,000 share option to certain eligible participants including two executive directors of the Company. The exercise price of the share options is HK$0.279 per share with exercisable period from 18 April 2019 to 17 April 2022.

Details of the above are set out in the Company's announcements dated 18 April 2019.

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2019 HK$'000	2018 HK$'000
Non-current assets		
Interests in subsidiaries	**–**	–
Current assets		
Other receivables	**197**	186
Amounts due from subsidiaries	**333,596**	395,487
Bank balances and cash	**281**	1,846
	334,074	397,519
Current liabilities		
Other payables	**8,623**	8,563
Amounts due to subsidiaries	**19,875**	19,876
	28,498	28,439
Net current assets	**305,576**	369,080
Non-current liabilities		
Promissory notes	**55,620**	54,000
NET ASSETS	**249,956**	315,080
Capital and reserves		
Share capital	**58,296**	58,296
Reserves	**191,660**	256,784
TOTAL EQUITY	**249,956**	315,080

Approved and authorised for issue by the Board of Directors on 21 June 2019.

Director *Director*

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movements in Company's reserves

	Share premium (Note 36(b)) HK$'000	Share options reserve (Note 36(b)) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2017	542,908	4,048	(164,855)	382,101
Loss and total comprehensive expenses for the year	–	–	(175,094)	(175,094)
Issue of shares on placement	38,864	–	–	38,864
Recognition of share-based payment	–	10,913	–	10,913
Lapse of share options	–	(1,416)	1,416	–
	38,864	9,497	(173,678)	(125,317)
At 31 March 2018 and 1 April 2018	581,772	13,545	(338,533)	256,784
Loss and total comprehensive expenses for the year	–	–	(65,124)	(65,124)
Lapse of share options	–	(2,546)	2,546	–
	–	(2,546)	(62,578)	(65,124)
At 31 March 2019	581,772	10,999	(401,111)	191,660

47. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 21 June 2019.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below.

RESULTS

	Year ended 31 March				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Loss for the year attributable to owners of the Company	**(64,178)**	(176,700)	(124,323)	(3,473)	(127,602)

ASSETS AND LIABILITIES

	Year ended 31 March				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total Assets	**378,281**	431,726	620,039	645,170	261,710
Total Liabilities	**(121,984)**	(106,669)	(180,267)	(82,469)	(121,621)
	256,297	325,057	439,772	562,701	140,089