財華社
FINET

Finet Group Limited

(Continued in Bermuda with limited liability)
(Stock Code: 08317)

- HONG KONG
- SHENZHEN
- BEIJING

MOVING FORWARD

ANNUAL REPORT 2018/2019

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.

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

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

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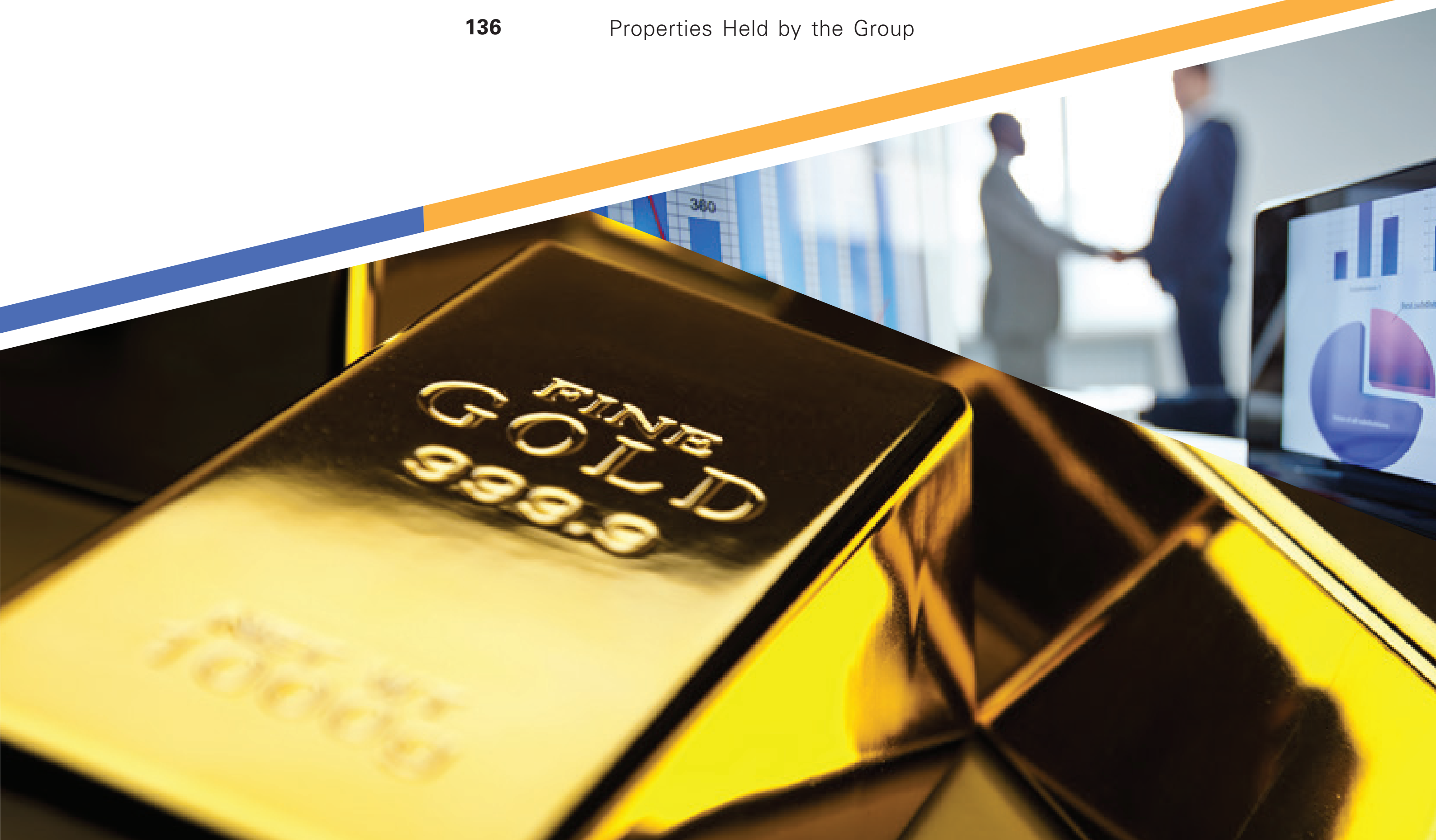

Corporate Profile

The Company was incorporated in the Cayman Islands. The Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda in June 2011. The shares of the Company are listed on GEM of the Stock Exchange (stock code: 08317). The major business segments of the Company together with its subsidiaries (the" Group") are principally engaged in (i) the provision of financial information; (ii) advertising, financial public relationship service (including media business); (iii) the securities and futures business that specializes in the provision of online securities and futures trading; (iv) money lending business; and (v) property investments.

The Group is headquartered in Hong Kong with offices in Beijing and Shenzhen.


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TOP 100 HONG KONG LISTED COMPANIES RESEARCH CENTRE
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Corporate Information

Board of Directors

Executive Directors

Ms. LO Yuk Yee
(Chairman and Chief Executive Officer)
Mr. LEE Yu Chung (appointed on 15 March 2019)
Mr. YIU Wing Hei (resigned on 5 October 2018)
Mr. CHOW Wing Chau (resigned on 15 March 2019)

Independent Non-executive Directors

Mr. WONG Wai Kin
Mr. SIU Siu Ling, Robert
Mr. LEUNG Chi Hung

Audit Committee

Mr. WONG Wai Kin *(Chairman)*
Mr. SIU Siu Ling, Robert
Mr. LEUNG Chi Hung

Remuneration Committee

Mr. SIU Siu Ling, Robert *(Chairman)*
Mr. WONG Wai Kin
Ms. LO Yuk Yee

Nomination Committee

Ms. LO Yuk Yee *(Chairman)*
Mr. WONG Wai Kin
Mr. SIU Siu Ling, Robert

Corporate Governance Committee

Mr. LEUNG Chi Hung *(Chairman)*
Mr. WONG Wai Kin
Mr. SIU Siu Ling, Robert

Company Secretary

Mr. Chow Tsz Lun, Aaron (appointed on 6 June 2019)
Ms. Wong Wai Ying (appointed on 13 February 2019 and resigned on 6 June 2019)
Mr. PO Eric (resigned on 13 February 2019)

Authorized Representatives

Ms. LO Yuk Yee
Mr. Lee Yu Chung (appointed on 6 June 2019)
Ms. Wong Wai Ying (appointed on 15 March 2019 and resigned on 6 June 2019)
Mr. CHOW Wing Chau (resigned on 15 March 2019)

Legal Advisors

Fan Wong & Tso

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business in Hong Kong

30/F, Fortis Tower
77–79 Gloucester Road, Wanchai
HK

Company Website

www.finet.hk

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited

Stock Code

08317

Investor Relations

Email: ir@finet.com.hk
Website: http://ir.finet.hk/

Financial Highlights

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Operating results		
Revenue	**19,637**	18,774
Loss attributable to owners of the Company	**(28,870)**	(35,814)
Profit/(Loss) attributable to non-controlling interests	**777**	(1,054)

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Financial position		
Total assets	**120,723**	145,787
Total liabilities	**52,381**	42,335
Net assets	**68,342**	103,452
Cash and cash equivalents	**12,749**	20,331

	Year ended 31 March	
	2019	2018
Loss per share for loss attributable to owners to the Company during the year		
Basic and diluted (HK dollar per share)	**(0.04)**	(0.06)

Statement from the Chairman

On behalf of the board of directors of Finet Group Limited ("the Group"), I am pleased to present to all our shareholders the operating result of the Group for the year ended March 31, 2019.

In 2018, the global economy has demonstrated a great economic growth and Hong Kong has been benefited positively from this. However, the global economy will be facing some uncertainties under the current depressing environment which is dominated by the current China — U.S. trade war factor. Under the current macroeconomic atmosphere the growth of media industry will be slow. The industry is full of severe competition and challenges.

Under this business environment, the Group still could make a moderate growth in revenue which is due to our sensitivity to the ever-changing business environment and our ability to adapt to the new demand in the media industry and our products improvements capabilities. As of the end of the financial year, the Group's debt ratio was only 11.6%* and the total assets net of current liabilities amounted to HK$94.38 Million. The overall financial position of the Group has remained at a healthy level.

Due to the fast growing financial ties between Mainland and Hong Kong, the rising numbers of those companies in China looking for the chance of listing in Hong Kong was seen. The demand for the financial public relationship and the Investors relationship services of those listed companies was also increased at the same time. This situation strengthen the growth in revenue of our Group's financial public relationship business and produced an increase in our revenue by 13% which contributed to 80% of our total revenue. With our competitive edge and strength arising from our integrated multiple platforms in our three vertical websites and two mobile App (Finet.hk, FinTV.hk, Fin.com.cn, FinTV APP, Finet Finance APP), we can achieve a further improvement in our market share in the media industry in China and Hong Kong, and further strengthen our Digital marketing business development.

The Group has developed our own digital marketing platform which is an intelligent one-stop platform for our self-developed advertising placement and financial services. This platform provides precise placement technology, big data analytics, and artificial intelligence capabilities for on/off line services and solutions for our clients. With the delivery of our professional services and quality content and innovation abilities we can provide very economical, speedy enable us to provide the greatest of economic, rapid and efficient services to our listed and pre-listed companies. With the introduction of digital marketing, we strengthen the bonding between our clients and the Group.

* Excluding loans from shareholder

The demand for on line advertising placements and financial services delivery has continued to increase, the Group will continue to focus its resources for capital investments on the area of software, hardware and information technologies. We will bring in a new impetus to our products and sales solutions. We will also timely and actively respond to the new national policies in China and we will improve our products through effective integration of our various media platforms and technologies, full information content, new technology applications and terminals on a unified and communal platform with the hope to create a most influential media platform in our mainstream media industry in both sides of the boarder.

In the review of the implementation of HKEX's new listing system in the last year, we found there were many companies coming from biotech industry, new economy and Unicorn companies listed in Hong Kong. These companies have a great demand for financial public relationship services, and this will bring to the Group a positive sign of new business.

The advent of the 5G era will promote the rapid development of new media and the market share of the Group will have significant improvement. In the future, our platform will demonstrate our utmost capabilities to provide instant and effective market information to our clients, individual, financial institutes, enterprises, and investors public through the alliances with major media partners and collaboration with different major financial social platforms.

This year marks the 21st anniversary of the establishment of the Group. Looking forward to the future, the global economy is full of uncertainties, industry competition is intensifying, the mergers and acquisitions in the industry are becoming more frequent. However, we are confident in the medium and long terms prosperity of global economy. I would like to take this opportunity to express my heartfelt gratitude to all of colleagues for their efforts. To further inspire the team's innovative vitality we will focus on cultivating professional talents, at the same time, we will actively carry our external cooperation, jointly develop with our outstanding members of our team to reach the goal of implementation of our corporate goals.

Lok Yuk Yee
Chairman

25 June 2019

Management Discussion and Analysis

During the year, the Group continued its Internet, Mobile and Media ("IMM") growth strategy, the Group further strengthened its hold on media business with focus on financial sector through the continuous development of the "FinTV" branding. Both the broadness and depth of programmes offered by FinTV has continued to multiply. FinTV brings investors and financial elites in greater China the latest professional report, through television, internet and mobile channels at the same time. The Group believes that the FinTV will be one of the major drivers for future growth in business. To broaden its revenue bases and to better utilize its resources, the Group continued to tap on the property investment with satisfactory results.

Media Business

The Group mainly conducted its media business through the establishment of Xian Dai TV Limited together with a number of subsidiaries ("Xian Dai"). In addition to the production and distribution of programmes through the branding "FinTV", Xian Dai also engaged in investor relationship business and creative advertising. For the purpose of segment reporting in this annual results, the results of the media business has been included in the "Financial information, advertising and investor relationship service business" segment.

Property Investment Business

The investment properties in the People's Republic of China (the "PRC") continued to provide stable income and result a positive contribution to the financial results of the Group.

Money Lending Business

The loan interest income from the money lending business decreased during the year mainly due to the keen market competition.

Financial Information, Advertising and Investor Relationship Service Business

Service income from provision of financial information service business was decreased during the year as the business segment continue to scale down.

On the other hand, the service income generated from advertising and investor relationship business continue to increase because of the continuous effort of our Group.

Securities and Future Business

Due to the keen competition within the market, the improvement in Group's securities and future business is still a challenging task in coming year.

Financial Review

Revenue of the Group for the year ended 31 March 2019 was approximately HK$19,637,000 (2018: approximately HK$18,774,000), which represented an increase of approximately 4.6% as compared to the previous financial year. The net increase was primarily attributable to: (i) a decrease in loan interest income of approximately HK$792,000 from money lending business; (ii) an increase in income from financial information services, advertising and investor relationship services of approximately HK$1,787,000; (iii) a increase in the income from securities and futures business of approximately HK$269,000; and (iv) an decrease in rental income from property investment business of approximately HK$401,000.

Other income and (other losses) of the Group for the year ended 31 March 2019 was approximately HK$(256,000) (2018: other income approximately HK$4,123,000). The decrease was mainly due to: (i) a decrease in income from sharing of administrative expenses of approximately HK$891,000; and (ii) increase in fair value loss on financial assets at fair value through profit or loss of approximately HK$2,429,000.

Cost of sales of the Group for the year ended 31 March 2019 was approximately HK$2,201,000 (2018: approximately HK$2,726,000), which represented a decrease of approximately 19.3% as compared to the previous financial year.

General and administrative expenses of the Group for the year ended 31 March 2019 were decreased by approximately HK$2,282,000 to approximately HK$44,241,000 (2018: approximately HK$46,523,000), representing a decrease of approximately 4.9% as compared to the previous financial year. The decrease was mainly due to (i) a decrease in the professional fee of approximately HK$662,000; (ii) decrease in the rental expenses of approximately HK$680,000 during the year; and (iii) decrease in the employee benefit expense of approximately HK$1,072,000.

Finance costs for the year ended 31 March 2019 were approximately HK$491,000 (2018: approximately HK$7,035,000), which represented the interest charged on bank loans for the investment properties in Hong Kong of approximately HK$491,000 (2018: approximately HK$645,000).

No Hong Kong taxation expenses for the year ended 31 March 2019 (2018: approximately HK$257,000). Approximately HK$158,000 was paid during the year ended 31 March 2019 (2018: approximately HK$145,000) for income tax on rental income for the investment properties of the Company in the PRC. The deferred tax expense of approximately HK$21,000 (2018: approximately HK$2,942,000) was mainly attributable to investment properties in Hong Kong during the year.

Profit attributable to non-controlling interests of approximately HK$777,000 in 2019 (2018: loss attributable to non-controlling interests approximately of HK$1,054,000) represented its share of profit or loss in the Group's media business.

The consolidated loss attributable to owners of the Company for the year ended 31 March 2019 was approximately HK$28,870,000 (2018: approximately HK$35,814,000).

Liquidity, Financial Resources and Capital Structure

	As at 31 March		
	2019	2018	change
	HK$'000	HK$'000	
Net current assets	**4,373**	22,072	(80.2%)
Total assets	**120,723**	145,787	(17.2%)
Total liabilities	**52,381**	42,335	23.7%
Total equity	**68,342**	103,452	(33.9%)
Cash and cash equivalents	**12,749**	20,331	(37.3%)
Debts to equity ratio	**0.8x**	0.4x	100%
Gearing ratio	**0.43x**	0.16x	168.8%

As at 31 March 2019, the total assets of the Group decreased by approximately HK$25,064,000 to approximately HK$120,723,000 as compared to approximately HK$145,787,000 as at the end of the previous financial year, representing a decrease of approximately 17.2%.

As at 31 March 2019, the total liabilities of the Group increased by approximately HK$10,046,000 to approximately HK$52,381,000 as compared to approximately HK$42,335,000 as at the end of the previous financial year, representing a increase of approximately 23.7%.

As at 31 March 2019, the total equity of the Group decreased by approximately HK$35,110,000 to approximately HK$68,342,000 as compared to approximately HK$103,452,000 as at the end of the previous financial year, representing a decrease of approximately 33.9%.

Convertible bonds

On 23 December 2015, 6 May 2016 and 12 May 2016, the Company issued convertible bonds, comprised Convertible Bond Batch 1 (the "CB 1"), Convertible Bond Batch 2 (the "CB 2"), Convertible Bond Batch 3 (the "CB 3") and Convertible Bond Batch 4 (the "CB 4"), with an aggregate principal amount of HK$69,696,000 to the subscriber, Maxx Capital International Limited ("Maxx Capital"), which is beneficially owned by Ms. LO, the chairman and the executive director of the Company. The convertible bonds carried an interest at 3% per annum payable on annual basis and have a term of 2 years. The convertibles bonds carried the rights to convert into conversion share at a price of HK$0.396 each during the period commencing from the date of issue of convertible bonds and ending on the day which falls on the second anniversary of the date of issue of convertible bonds.

On 13 July 2017, the Company early redeemed the CB 1. The fair value of the liability component on the date of redemption was approximately HK$16,581,000 and resulted in a loss of approximately HK$32,000 from the redemption of the CB 1.

On 14 December 2017, Maxx Capital has fully exercised the rests of its conversion rights attached to the CB 2, CB 3 and CB 4 with an aggregate principal amount of HK$52,272,000 into 137,557,894 new ordinary shares of the Company at HK$0.38 each.

Update on use of proceeds from the subscription of convertible bonds

Reference is made to the circular (the "Circular") issued by the Company dated 14 October 2015 relating to the subscription of convertible bonds. It was disclosed in the section headed "Use of Proceeds" in the Circular that the Company intended to utilize the proceeds from the issuance of the convertible bonds in two stages during the period from October 2015 to September 2017, with the First Stage from October 2015 to September 2016 and the Second Stage from October 2016 to September 2017, in the following manner:

(i) Invest in and develop of Internet finance platform in China, it is expected that approximately 16.2% of the aggregate proceeds raised from the subscription, subject to 5% variation, shall be allocated:

    (a) to develop mobile and Internet applications; and

    (b) to enhance and maintain the database of financial data, news, videos and the content management system.

    Investment in the said Internet finance platform shall be divided into two stages, investments in the First Stage and the Second Stage shall be approximately 8.9% and 7.3% of the aggregate proceeds raised from the subscription respectively, subject to the said 5% variation.

(ii) Invest in and develop of the big data platform, it is expected that approximately 22.4% of the aggregate proceeds raised from the subscription, subject to 5% variation, shall be allocated:

(a) to develop hardware and software for the big data platform in private clouds; and

(b) to maintain the said big data platform.

Investment in big data platform shall be divided into two stages, investments in the First Stage and the Second Stage shall be approximately 8.6% and 13.8% of the aggregate proceeds raised from the Subscription respectively, subject to the said 5% variation.

The said investment and development of big data platform is expected to commence in the First Stage.

(iii) Expand operations in Beijing and Shenzhen, it is expected that approximately 29.1% of the aggregate proceeds raised from the Subscription, subject to 5% variation, shall be allocated:

(a) to renovate and expand Beijing office; and

(b) to increase the number of staff

Expansion in PRC operations is divided into two stages, investments in the First Stage and the Second Stage shall be approximately 13.4% and 15.7% of aggregate proceeds raised from the subscription respectively, subject the said 5% variation.

(iv) Expand marketing force for promotion of mobile Internet platform in the PRC, it is expected that approximately 17.9% of the aggregate proceeds raised from the subscription, subject to 5% variation, shall be allocated:

(a) to promote the said mobile applications.

Expansion in marketing force is divided into two stages, investment in the First Stage and the Second Stage shall be approximately 7.1% and 10.8% of aggregate proceeds raised from the subscription respectively, subject to said 5% variance.

The said expansion of marketing force is expected to commence in the First Stage.

(v) Strengthen general working capital, it is expected that approximately 14.4% of the aggregate proceeds raised from the subscription, subject to 5% variation, shall be allocated as general working capital.

All of the convertible bonds had been issued to the subscriber, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company which is ultimately controlled by Ms. LO, by four tranches which took place on 23 December 2015, 6 May 2016 and 12 May 2016, raising an aggregate net proceeds of approximately HK$69.6 million. Further information regarding the completion of the subscription of the convertible bonds was published in the announcements of the Company dated 23 December 2015, 6 May 2016 and 12 May 2016 respectively.

In July 2017, the Company early redeemed the first batch of convertible bond (total value of approximately HK$17.4 million). Therefore, the total intended net proceeds was reduced to HK$52.2 million.

The use of the abovementioned net proceeds up to the date of this report are illustrated in the table below:

	Intended net proceeds (approximate)	Intended use of such net proceeds	Actual use of such net proceeds (nature and amount utilised)
(i)	HK$8.5 million, being approximately 16.2% of the total net proceeds, subject to 5% variation	Invest in and develop of Internet finance platform in China, including (a) the development of mobile and Internet applications; and (b) the enhancement and maintenance of the database of financial data, news, videos and the content management system.	Approximately RMB570,000 (equivalent to approximately HK$662,000) was used for the development cost of FinTV Apps for mobile application of our Internet TV. Approximately RMB715,000 (equivalent to approximately HK$846,000) was used for the development cost of Finet Apps for mobile application of Finet website. Approximately HK$4,639,000 was used for the payments of salary and mandatory provident fund for staff to enhance and maintain the database editing of news, productions of video and provisions of contents in Internet finance platform. Approximately HK$4,232,000 was used for the payments of rental and government rent and rates for our studio for content production. The net proceed was fully utilised for the intended use.

	Intended net proceeds (approximate)	Intended use of such net proceeds	Actual use of such net proceeds (nature and amount utilised)
(ii)	HK$11.7 million, being approximately 22.4% of the aggregate net proceeds, subject to 5% variation	Invest in and develop of the big data platform, including (a) the development of hardware and software for the big data platform in private clouds; and (b) the maintenance of the said big data platform.	Approximately RMB3,031,000 (equivalent to approximately HK$3,550,000) was used for the payment of salary for the data centre team in Shenzhen to maintain the big data platform. Approximately HK$171,000 was used for development of hardware and software for the big data platform in private clouds. Approximately HK$1,201,000 was used for purchasing of computers and office equipment for the data centre team in Shenzhen. Approximately HK$7,797,000 was used for the salary payments of IT and supporting staff in Hong Kong for operation of big data platform. The net proceed was fully utilized for the intended use.
(iii)	HK$15.2 million, being approximately 29.1% of the aggregate net proceeds, subject to 5% variation	Expand operations in Beijing and Shenzhen, including (a) the renovation and expansion of Beijing office; and (b) the increasing of the number of staff	Approximately RMB284,000 (equivalent to approximately HK$330,000) was used for the renovation of Beijing office. Approximately RMB146,000 (equivalent to approximately HK$171,000) was used for purchasing of the furniture for both Beijing and Shenzhen offices. Approximately RMB419,000 (equivalent to approximately HK$491,000) was used for purchasing computers and office equipment for both Beijing and Shenzhen offices.

Intended net proceeds (approximate)	Intended use of such net proceeds	Actual use of such net proceeds (nature and amount utilised)
		Approximately RMB5,059,000 (equivalent to approximately HK$5,867,000) and RMB2,600,000 (equivalent to approximately HK$3,072,000) were used for the payments of salary and social insurance for staff in Shenzhen and Beijing offices respectively. Approximately RMB1,888,000 (equivalent to approximately HK$2,214,000) and RMB1,531,000 (equivalent to approximately HK$1,797,000) were used for the rental payment for Shenzhen and Beijing offices respectively. Approximately RMB487,000 (equivalent to approximately HK$579,000) was used for the general operating costs for Shenzhen and Beijing offices. Approximately HK$2,245,000 was used for the salary payments of IT and supporting staff in Hong Kong for overall operation and management of Beijing and Shenzhen office. The net proceed was fully utilized for the intended use.

	Intended net proceeds (approximate)	Intended use of such net proceeds	Actual use of such net proceeds (nature and amount utilised)
(iv)	HK$9.3 million, being approximately 17.9% of the aggregate net proceeds, subject to 5% variation	Expand marketing force for promotion of mobile Internet platform in the PRC by promoting the said mobile applications	Approximately HK$3,082,000 was used for the salary payments of marketing staff. Approximately HK$6,218,000 of the proceeds were unused as the management of the Company considers that they have not come across a suitable timing for the launch of marketing campaign. The said unused proceeds will be paid for the same purpose when opportunity arise.
(v)	HK$7.5 million, being approximately 14.4% of the aggregate net proceeds, subject to 5% variation	As general working capital	Approximately HK$10,383,000 was used for the rental payment for Hong Kong office. Approximately HK$4,874,000 was used for the operating cost for Hong Kong office. The net proceed was fully utilized for the intended use.

Gearing Ratio

As at 31 March 2019, the Group's gearing ratio was approximately 43% (2018: 16%), based on total borrowings of approximately HK$14,436,000 and the loans from shareholder of approximately HK$14,725,000 (2018: total borrowings of approximately HK$16,846,000) and total equity of the Group of approximately HK$68,342,000 (2018: HK$103,452,000).

Significant Investments Held

As at 31 March 2019, the Group held financial assets at fair value through profit or loss of approximately HK$1,278,000 (2018: approximately HK$5,813,000) representing highly liquid equity securities listed in the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The equity investment as of 31 March 2019 consists of (i) 1,000,000 shares (2018: 12,500,000 shares) of equity securities of Daisho Microline Holdings Limited (SEHK: 567) which were acquired through placement during the year ended 31 March 2017, (ii) 91,200 shares (At 31 March 2018: Nil) of equity securities of Xiaomi Corporation (SEHK: 1810). During the year ended 31 March 2019, the Group has disposed 11,500,000 shares of Daisho Microline Holdings Limited and record a realized loss on disposal of financial assets at fair value through profit or loss of approximately HK$2,415,000 (2018: A realized gain of approximately HK$75,000 from disposal of equity securities of another investee) and recognized a realized gain on disposal of financial assets at fair value through profit or loss of HKD31,000 (2018: HK$ Nil) by disposal of 4,700 equity shares (2018: Nil) of Tencent Holdings Limited. As at 31 March 2019, the investment represented approximately 0.17% (2018: approximately 2.17%) and 0.0003% of shareholding in Daisho Microline Holdings Limited and Xiaomi Corporation respectively. As at 31 March 2019, the Group had an unrealized loss on financial assets at fair value through profit or loss (equity investment in Daisho Microline Holdings Limited and Xiaomi corporation) of approximately HK$656,000 for the year ended 31 March 2019 (2018: An unrealized loss of approximately HK$687,000).

Set out below is a breakdown of the significant investments of the Group as at 31 March 2019 and 2018:

	2019 HK$'000	2018 HK$'000
Current assets		
Financial assets at fair value through profit or loss		
— Daisho Microline Holdings Limited (SEHK: 0567)	**240**	5,813
— Xiaomi Corporation (SEHK: 1810)	**1,038**	—

As at 31 March 2019

	Number of shares held as at 31 March 2019	Percentage of shareholding as at 31 March 2019	Fair value as at 31 March 2018 HK$'000	Investment cost during the year ended 31 March 2019 HK$'000	Investment cost of disposal of shares during the year ended 31 March 2019 HK$'000	Realized gain/(loss) for the year ended 31 March 2019 HK$'000	Unrealized loss for the year ended 31 March 2019 HK$'000	Net gain/(loss) for the year ended 31 March 2019 HK$'000	Fair value as at 31 March 2019 HK$'000	Percentage to the Group's total assets as at 31 March 2019
Daisho Microline Holdings Limited (SEHK: 0567)	1,000,000	0.17%	5,813	–	(2,933)	(2,415)	(225)	(2,640)	240	0.20%
Tencent Holdings Limited (SEHK: 0700)	–	–	–	1,458	(1,489)	31	–	31	–	–
Xiaomi Corporation (SEHK: 1810)	91,200	0.0003%	–	1,469	–	–	(431)	(431)	1,038	0.86%

As at 31 March 2018

	Number of shares held as at 31 March 2018	Percentage of shareholding as at 31 March 2018	Fair value as at 31 March 2017 HK$'000	Investment cost of disposal of shares during the year ended 31 March 2018 HK$'000	Realized gain for the year ended 31 March 2018 HK$'000	Unrealized loss for the year ended 31 March 2018 HK$'000	Net loss for the year ended 31 March 2018 HK$'000	Fair value as at 31 March 2018 HK$'000	Percentage to the Group's total assets as at 31 March 2018
Daisho Microline Holdings Limited (SEHK: 0567)	12,500,000	2.17%	10,400	(3,900)	75	(687)	(612)	5,813	3.91%

Performance and Prospects of the Financial Assets at Fair Value through Profit or Loss

Daisho Microline Holdings Limited

Daisho Microline Holdings Limited ("Daisho Microline") and its subsidiaries (together, the "Daisho Microline Group") are principally engaged in investment holding, the manufacturing and trading of printed circuit boards ("PCB") and the trading of petroleum and energy products.

Pursuant to the interim report of Daisho Microline for the period ended 31 September 2018, the Daisho Microline Group's total revenue for the period ended 31 September 2018 was approximately HK$348 million, representing an increase of 94% as compared with approximately HK$179 million for the last period. The increase was resulted from the Daisho Microline Group engaging in the trading of petroleum and energy products and related business commenced since June 2017. The Daisho Microline Group's net loss for the period ended 31 September 2018 was approximately HK$17 million.

In the third quarter of the current year, the Group started the relocation of its PCB production activities to a newly furnished PCB plant from its industrial complex (the "Property") in the Huizhou, PRC, which had been disposed of pursuant to the agreement entered into between Daisho Microline Limited and Juko Industrial Limited, wholly-owned subsidiaries of the Company, with an independent third party in August 2018. The relocation of the PCB production activities had nevertheless caused some disruptions in the Group's production activities, which in turn led to the substantial increase in production costs. Even though the one-off relocation costs had brought about the adverse impact on the gross profit margin, the implementation of the new design of the production line in the new PCB plant and the replacement of certain obsolete machines will greatly improve the production efficiency by reducing the labour and production costs.

Xiaomi Corporation

Xiaomi Corporation ("Xiaomi Corporation") and its subsidiaries (the "Xiaomi Corporation Group") are principally engaged in investment holding, sales of smartphones and smart hardware.

Pursuant to the annual report of Xiaomi Corporation for the year ended 31 December 2018, the Xiaomi Corporation Group's total revenue for the year ended 31 December 2018 was approximately RMB174,915 million (2017: RMB114,625). The increase in revenue was resulted from the Xiaomi Corporation Group more revenue contributed from the sales of smartphones. The Xiaomi Corporation Group's net profit for the year ended 31 December 2018 was approximately HK$13,477 million.

Going forward, the Xiaomi Corporation Group will continue to i) invest in innovation, quality control and supply chain management; ii) promote multi-brand strategy and iii) explore the global markets and replicate the success in other key markets such as India.

Material Acquisition and Disposal of Subsidiaries

During the year ended 31 March 2019, the Group did not have significant investments or material acquisitions or disposals.

During the year ended 31 March 2018, the Group have the following acquisition of a subsidiary.

Acquisition of a subsidiary

On 24 August 2017, the Group completed the acquisition of entire interests in Maxon Management Limited (the "Acquisition") at a net consideration, HK$36,233,000. The principal asset held by Maxon Management Limited was a commercial property located in Hong Kong, which has been leased to the Company for its securities and futures business since January 2017. The Acquisition constituted a major and connected transaction of the Company under the GEM Listing Rules and approved by the independent shareholders of the Company by way of poll at the special general meeting on 24 August 2017. The Acquisition was completed on the same date. Following the completion of the Acquisition, Maxon Management Limited became an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Group.

For details, please refer to the Company's announcements dated 24 April 2017, 11 May 2017, 21 June 2017, 13 July 2017, 21 July 2017, 7 August 2017 and 24 August 2017.

Charges of Assets

As at 31 March 2019, the Group's property, plant and equipment with an aggregate carrying value of approximately HK$52,200,000 (2018: approximately HK$53,280,000) was pledged as security for the borrowing facilities of the Group.

Exposure to Fluctuation in Exchange Rates

The Group holds investment properties which denominated in RMB. The Group is therefore exposed to currency risks, as the value of the assets will fluctuate due to change in exchange rates.

Staff

The Group had 105 (2018: 128) full-time employees (including directors) in Hong Kong and the PRC as at 31 March 2019.

During the year, the Group incurred total staff costs (including Directors' emoluments) of approximately HK$26,635,000 (2018: approximately HK$27,707,000).

Employees' remuneration are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, commission, discretionary bonus or other incentives are offered to employees to reward their performance and contributions.

The emoluments of the Directors are decided by their individual performance, their responsibilities and the current market rate.

The Company has adopted a share option scheme under which the Company may grant options to Directors and eligible employees to subscribe the shares of the Company.

Dividend

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

Event After the Reporting Period

On 17 April 2019, the Company granted 17,160,000 share options to eligible participants under the share option scheme adopted on 4 September 2014. The share options granted shall vest in the grantees in accordance with the timetable, each with an exercise period commencing from the relevant share option vesting date and ending on 3 September 2024. For details, please refer the announcement dated 17 April 2019.

Disclosure Under Chapter 17 of the GEM Listing Rules

The Directors confirmed that they were not aware of any circumstances which would give rise to disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

Prospect

We will continue to allocate our resources in FinTV as we aim to strengthen our leading position in providing financial news services.

We have high recognition in both Hong Kong and PRC market. Also, FinTV has high penetration power and reputation.

With our experienced production team, FinTV is able to generate high quality program for our audience.

We will strengthen our sales and marketing team in coming year to boost the advertising income of FinTV. Moreover, FinTV is expected to provide strong support to our investor relationship business.

Investor relationship business is expected to become our profitable stream ("IR business") of the Group in the coming years. IR business will both cover the listed companies and pre-IPO assignments. The services that we have been providing include the followings: (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; (5) news distribution for the listed companies and pre-IPO assignments.

Our outstanding FinTV production team will continue to support the growth and expansion of our IR business.

The Group has successfully hosted the TOP 100 HK awards Ceremony events this year in Shenzhen, China. This major event has created a strong foundation for us to develop the event management business. On the other hand, the Group has earned a lot of reputation and recognition in China by running TOP 100 HK awards Ceremony events.

Meanwhile, Finet Securities Limited ("Finet Securities"), our securities arm, continue to expand our services including discretionary portfolio management, investment advisory and management of private funds. Finet Securities is expected to generate satisfactory management fee and performance fee income from fund management business in near future.

Board of Directors and Senior Management

Executive Directors

Ms. LO Yuk Yee ("Ms. LO")

Ms. LO, aged 59, is an experienced investor in cutting-edge technology and venture capital in the past 25 years, her experience covers a broad range of industries crossing biotechnology, internet business, and finance field in the PRC, United States of America and Hong Kong. Ms. LO also worked in the banking, insurance and finance fields before she became an entrepreneur.

She was the chief executive officer and chairman of a listed company in Hong Kong between 2002 and 2006. Ms. LO is a director of Maxx Capital International Limited and Pablos International Limited, which have an interest in the share capital of the Company that are required to be disclosed under the provision in Division 2 and 3 of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO"). Ms. LO joined our Group on 28 October 2010.

Mr. LEE Yu Chung ("Mr. LEE")

Mr. LEE, aged 59, the Head of IT of the Company, has over 29 years of experience in areas of IT Management, Enterprise Level Project Management, Business Reengineering, IT Consulting and Solutions Selling. He graduated with Bachelor of Computer Science degree from Queen Mary College, University of London. He holds a Master degree in Business Administration from Asia International Open University (Macau) (renamed as City University of Macau) by distance learning. Mr. LEE joined our Group in July 2011 as Head of IT of the Company and subsequent appointed as the Head of Internal Audit for the period from June 2016 to February 2019.

Mr. CHOW Wing Chau, Rico ("Mr. CHOW")

Mr. CHOW, aged 53, has more than 23 years of experience in financial control, company secretary, enterprise risk management and fund raising activities. Since 1995, Mr. CHOW has held various senior finance and management positions with private companies and public companies.

Currently, he is director of private companies in Hong Kong and the PRC, focusing on internal control, business development and other financial aspects. His industrial experience includes consulting, education, e-business, information technology, and mining etc. He graduated with Bachelor of Economics degree from Macquarie University in Australia, and Executive Diploma of ERM. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. CHOW joined our Group on 26 August 2010.

Mr. YIU Wing Hei ("Mr. YIU")

Mr. YIU, aged 39, is the Investment Director of General Nice Resources (Hong Kong) Limited ("GNR") and the Investment Consultant of Abterra Limited ("Abterra"), a company listed in the Singapore Exchange Securities Trading Limited. Mr. YIU graduated from the University of Hong Kong with a Bachelor degree, majoring in Economics and Finance. He has been investing in various industries and has accumulated enormous successful business experience. Mr. YIU is also experienced in securities trading, asset management and financial investment.

Currently Mr. YIU focuses on development and trading of mineral resources like coal, iron and non-ferrous metals. He has been keen in developing minerals projects in South East Asian countries such as Indonesia and Philippines with over 5 years solid experience. His experience and expertise in financial investments have brought a number of high quality mineral resource projects to GNR and Abterra, at the same time resolving their financial needs. Mr. YIU joined our Group on 26 August 2010.

Independent non-executive Directors

Mr. WONG Wai Kin ("Mr. W.K. WONG")

Mr. W.K. WONG, aged 61, is a practising certified public accountant and a proprietor of a public accounting firm in Hong Kong. Mr. W.K. WONG holds a Diploma in Accounting and is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. W.K. WONG has over 33 years of professional and commercial experience in accounting, auditing, taxation and corporate finance. Mr. W.K. WONG joined our Group on 13 September 2010.

Mr. SIU Siu Ling, Robert ("Mr. SIU")

Mr. SIU Siu Ling, Robert ("Mr. Siu"), aged 67, has been appointed as independent non-executive Director of the Company with effect from 13 September 2010. He is a sole proprietor of the firm, Messrs. Robert Siu & Co., Solicitors. He is an independent non-executive director of Future World Financial Holdings Limited (formerly known as Central Wealth Financial Group Limited) (stock code: 0572), a company listed on the Main Board of the Stock Exchange, and independent non-executive director of Kaisun Energy Group Limited (stock code: 8203) is listed on the Growth Enterprise Market of the Stock Exchange. Mr. Siu was a director of MBMI Resources Inc. during the period from November 2012 to March 2015, a company listed on the Toronto Stock Exchange. Mr. Siu holds a bachelor's degree in laws from University of London in the United Kingdom and a postgraduate certificate in laws from The University of Hong Kong and a master degree in laws from University of Greenwich. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. His legal practice is mainly in the field of commercial and corporate finance.

Mr. LEUNG Chi Hung ("Mr. C.H. LEUNG")

Mr. C.H. LEUNG, aged 63, has commenced his accountancy professional training since 1976 and is a member of certain international accountancy bodies. Mr. C.H. LEUNG is also a Certified Public Accountant (Practising) in Hong Kong and a director of Philip Leung & Co. Limited, Certified Public Accountants (Practising). He is an independent non-executive director of WT Group Holdings Limited (stock code: 8422) from 1 December 2017 onwards. He is an independent non-executive director of Daido Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 544). Mr. C.H. LEUNG also became an independent non-executive director of eForce Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 943), on 13 December 2013. Mr. C.H. LEUNG is also an independent non-executive director of REF Holdings (stock code: 1631). He was an independent non-executive director of China Investment Development Limited (formerly known as Temujin International Investments Limited), a company listed on the Main Board of the Stock Exchange (stock code: 204) from 30 April 2009 to 11 April 2011. He was an independent non-executive director of Sino Credit Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 628) from 17 April 2002 to 1 June 2010. Mr. C.H. LEUNG joined our Group on 23 February 2011.

Senior Management's Profile

Mr. CHOW Tsz Lun Aaron

Mr. Chow, aged 36, is currently the Financial Controller and Company Secretary of the Company. Mr. Chow has over 12 years of experience in auditing, accounting and financial management. Mr. Chow is a member of the Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Hong Kong Institute of Chartered Secretaries as well as the Institute of Chartered Secretaries and Administrators. Mr. Chow holds a Bachelor of Arts (Major in Accounting and minor in Corporate Finance) from the Hong Kong Polytechnic University and a Master of Corporate Governance from The Hong Kong Polytechnic University. Mr. Chow held several senior accounting positions in a number of companies listed on The Stock Exchange of Hong Kong. Mr. Chow joined our Group in March 2019.

Corporate Governance Report

Corporate Governance Practice

The Board is committed to maintaining a high standard of corporate governance. The corporate governance principles of the Company emphasize a quality board, sound internal control, transparency and accountability to all shareholders.

The Board has reviewed the Company's corporate governance practices and is of the opinion that the Company has met the provisions set out in the Corporate Governance Code ("CG Code"), contained in Appendix 15 to the GEM Listing Rules during the year ended 31 March 2019, except for the following deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be the same individual. Ms. LO Yuk Yee was the chairman of the Company since 25 January 2011. Mr. LUM Chor Wah, Richard was appointed as an executive Director and chief executive officer of the Company on 30 September 2010 until 28 June 2011. Thereafter, the post of chief executive officer was vacant and its roles and responsibilities were shared amongst the members of the Board. The Board is presently identifying a suitable candidate to be appointed as the chief executive officer and will make an announcement upon the appointment.

The Company has not arranged insurance cover in respect of legal action against its directors as the Board considers that the Board adopts prudent management policy. The needs for insurance policy will be reviewed from time to time.

Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2019. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the year ended 31 March 2019.

The Board

The composition of the Board during the year ended 31 March 2019 and as at the date of this report and the biographical details of the Directors as at the date of this report are set out in the section headed "Report of the Directors" and the section headed "Board of Directors and Senior Management" of this annual report respectively.

During the year ended 31 March 2019, the Board held four physical meetings and the attendance of the Directors are as follows:

Name of directors	Number of attendance	% of attendance
Executive Directors		
Ms. LO Yuk Yee	4/4	100%
Mr. CHOW Wing Chau (resigned on 15 Mar 2019)	3/3	100%
Mr. YIU Wing Hei (resigned on 5 Oct 2018)	1/1	100%
Mr. LEE Yu Chung (appointed on 15 Mar 2019)	1/1	100%
Independent non-executive Directors		
Mr. WONG Wai Kin	4/4	100%
Mr. SIU Siu Ling, Robert	4/4	100%
Mr. LEUNG Chi Hung	4/4	100%

In addition to physical meetings, the Board also approved matters by resolutions in writing from all the Directors.

The Board is responsible for the overall management of the Company in accordance with the bye-laws of the Company ("Bye-Laws") and is entitled to delegate its powers in respect of daily management to any executive Directors, committees of the Board and the management team. The Board is primarily responsible for approving and monitoring the Company's major corporate matters, the evaluation of the performance of the Company and oversight of the management.

To the knowledge of the Directors, the Board members have no financial, business, family or other material/ relevant relationships with each other.

Independent non-executive Directors and Retirement by Rotation

Pursuant to Rule 5.08 of the GEM Listing Rules, the Company has at least three independent non-executive Directors with at least one of them having appropriate professional or accounting or related financial management expertise. The Company has received the annual confirmation of independence from all the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent. Each of the independent non-executive Directors is appointed for a term of one year.

Each Director is subject to retirement and rotation requirement under the Bye-Laws.

Audit Committee

The Board established an Audit Committee with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules. During the year ended 31 March 2019, the audit committee comprised of three members who are independent non-executive Directors, namely, Mr. WONG Wai Kin, Mr. SIU Siu Ling, Robert and Mr. LEUNG Chi Hung (with Mr. WONG Wai Kin as the chairman thereof).

The principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Company.

The Audit Committee met four times during the year ended 31 March 2019 and the attendance of the members are as follows:

Name of committee members	Number of attendance	% of attendance
Mr. WONG Wai Kin	4/4	100%
Mr. SIU Siu Ling, Robert	4/4	100%
Mr. LEUNG Chi Hung	4/4	100%

During the year ended 31 March 2019, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, interim and annual financial reports and financial statements as well as audit matters of the Company, discussing with executive Directors, management and the auditors of the Company, and making recommendations to the Board.

The audited consolidated financial statements of the Group for the year ended 31 March 2019 have been reviewed by the Audit Committee.

The consolidated financial statements for the year ended 31 March 2019 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting of the Company. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be reappointed as the auditors of the Company at the forthcoming annual general meeting of the Company.

Remuneration Committee

During the year ended 31 March 2019, the Remuneration Committee of the Company comprised of the executive Director, Ms. LO Yuk Yee and two independent non-executive Directors, namely, Mr. WONG Wai Kin and Mr. SIU Siu Ling, Robert (with Mr. SIU Siu Ling, Robert as the chairman thereof). The principal responsibilities of the Remuneration Committee include the formulation of the Company's remuneration policy, the approval or recommendation to the Board on remuneration packages for the Directors and the senior management, and the review and approval of performance-based remuneration by reference to corporate goals and objectives.

According to the terms of reference, the Remuneration Committee should meet at least once a year. The Remuneration Committee met one time during the year ended 31 March 2019 in which the Remuneration Committee reviewed the remuneration policy of the Company and the performance of the executive Directors and the attendance of the members are as follows:

Name of committee members	Number of attendance	% of attendance
Mr. SIU Siu Ling, Robert	1/1	100%
Ms. LO Yuk Yee	1/1	100%
Mr. WONG Wai Kin	1/1	100%

Nomination Committee

During the year ended 31 March 2019, the Nomination Committee comprised of the executive Director, Ms. LO Yuk Yee and two independent non-executive Directors, namely Mr. SIU Siu Ling, Robert and Mr. WONG Wai Kin (with Ms. LO Yuk Yee as the chairman thereof). The principal responsibilities of the Nomination Committee include, amongst other things, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The Nomination Committee is mainly responsible for looking for suitable candidates to join the Board when there are vacancies or when it is necessary to hire additional Directors. The members of the Nomination Committee will propose the appointment of the candidates concerned to each member of the Board, and all members of the Nomination Committee will review the qualifications of the candidates concerned and decide whether they are suitable to join the Company and the terms of their appointment based on their caliber, experience and background.

According to the terms of reference, the Nomination Committee should meet at least once a year. The Nomination Committee met one time during the year ended 31 March 2019 and the attendance of the members are as follows:

Name of committee members	Number of attendance	% of attendance
Ms. LO Yuk Yee	1/1	100%
Mr. WONG Wai Kin	1/1	100%
Mr. SIU Siu Ling, Robert	1/1	100%

Corporate Governance Committee

During the year ended 31 March 2019, the Corporate Governance Committee comprised of three independent non-executive Directors, namely Mr. LEUNG Chi Hung, Mr. SIU Siu Ling, Robert and Mr. WONG Wai Kin (with Mr. LEUNG Chi Hung as the chairman thereof).

The Corporate Governance Committee is responsible for performing the corporate governance duties including:

(a) to develop and review the Company's policies and practices on corporate governance and making recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company and its subsidiaries;

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

(d) to develop, review and monitor the code of conduct and compliance management (if any) applicable to employees and directors of the Company and its subsidiaries; and

(e) to review the Company's compliance with the CG Code and disclosure on the Corporate Governance Report.

According to the terms of reference, the Corporate Governance Committee should meet at least once a year. The Corporate Governance Committee met one time during the year ended 31 March 2019 and the attendance of the members are as follows:

Name of committee members	Number of attendance	% of attendance
Mr. LEUNG Chi Hung	1/1	100%
Mr. WONG Wai Kin	1/1	100%
Mr. SIU Siu Ling, Robert	1/1	100%

Board Diversity Policy

The Company has adopted the Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted the Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct business activities and development of the Company. Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/she has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in other continuous professional development programmes for directors. All Directors are committed to comply with the CG Code on Directors' training for the year ended 31 March 2019.

The company secretary of the Company (the "Company Secretary") maintains records of training attended by the Directors. The Directors participated in continuous professional development by reading materials on the following topics to develop and refresh their knowledge and skills during the year ended 31 March 2019:

Directors	Corporate Regulation Newsletters	FAQ on GEM Listing Rules
Executive Directors		
Ms. LO Yuk Yee	√	√
Mr. Lee Yu Chung	√	√
Independent Non-Executive Directors		
Mr. SIU Siu Ling, Robert	√	√
Mr. WONG Wai Kin	√	√
Mr. LEUNG Chi Hung	√	√

Auditors' Remuneration

In line with the sound practice that the independence of external auditors should not be impaired by other non-audit assignments, the Group ensures that assignments other than statutory audits undertaken by external auditors should not have an adverse impact on their independence. For the year ended 31 March 2019, the auditors of the Company received approximately HK$625,000 for audit service and Nil for non-audit services.

Directors' Responsibility for the Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 March 2019.

Company Secretary

Mr. Chow Tsz Lun, Aaron ("Mr. CHOW") was appointed as the company secretary. In his capacity acting as the company secretary of the Company, Mr. Chow is responsible for company secretarial works. Mr. CHOW has taken not less than 15 hours of relevant professional training and in compliance with Rule 5.15 of the GEM Listing Rules.

Risk Management and Internal Control

The Board is responsible for evaluating and determining the nature and extent of the risks and it is willing to take in achieving the Group's strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems and reviewing their effectiveness. The Board is also responsible for overseeing the design, implementation and monitoring of the risk management and internal control systems. The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operating systems or in achievement of the Group's business objectives.

The Board, through the Audit Committee, conducts a review of the effectiveness of the Group's risk management and internal control systems. It covers all material controls, including financial, operational and compliance controls, on an annual basis. It also considers the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting and financial reporting function.

Under the enterprise risk management framework, policies and procedures are in place to identify, assess, manage, control and report risks. Such risks include strategic, credit, operational (administrative, system, human resources, reputation), market, liquidity, legal and regulatory risks. Exposure to these risks is continuously monitored by the Board through the Audit Committee.

The internal control system includes a defined management structure with specified limits of authority. The Board has clearly defined the authorities and key responsibilities of each division to ensure adequate checks and balances. The internal control system has been designed to safeguard the Group's assets against authorized use of disposition, to ensure the maintenance of proper accounting records for producing reliable financial information, and to ensure compliance with applicable laws, regulations and industry standard.

To assist the Board in its monitoring control function, an internal audit function ("Internal Audit") provide an independent appraisal and assurance of its internal governance process, effectiveness of the risk management framework, methodology, together with the control activities in the Group's business operations.

To ensure the independence of the Internal Audit, the internal audit function reports directly to the Audit Committee on audit matters.

Internal Audit performs its independent reviews of different financial, business and functional operations and activities using a risk based approach to focus on areas of major risks as identified by a comprehensive risk analysis. Division or department heads and the management concerned will be notified of all control deficiencies for rectification within a set time frame.

During the year under review, the Board has reviewed the effectiveness of the internal control system of the Group and there were no major issue identified by the Audit Committee and Internal Audit. The Board is of the view that the enterprise risk management and internal control systems in place for the year and up to the date of issuance of the annual report is effective and adequate.

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Bye-Laws, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene a special general meeting by sending a written requisition to the Board or the company secretary. The objects of the meeting must be stated in the written requisition.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board directly to its principal place of business in Hong Kong by post or email to ir@finet.com.hk. The Company will respond to all enquiries on a timely and proper basis.

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

An up-to-date version of the Bye-Laws is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Bye-Laws for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.finet.hk) immediately after the relevant general meetings.

Investor Relations and Communication

The Company has established and maintained different communication channels with its shareholders. The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including annual reports and public announcements. Briefing and meetings with institutional investors and analysts are conducted regularly. The Company also maintains its website (ir.finet.hk) to provide an alternative communication channel for the public and its shareholders. All corporate communication and Company's latest updates are available on the Company's website for public's information.

During the year, there has been no significant change in the Company's constitutional documents.

Policy relating to shareholders

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

Report of the Directors

The Directors present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2019.

Principal Activities

The Company is an investment holding company. The principal activities and other particulars of its subsidiaries are set out to Note 19 to the consolidated financial statements.

Business Review

The business review of the Group for the year ended 31 March 2019 is set out in the section headed Management Discussion and Analysis on pages 8 to 19 of this annual report.

Principal Properties

Please refer to Note 15 and 16 of the consolidated financial statements for principal properties of the Group.

Properties Include

No	Property
1	Investment Property 12A03 and 12A04, Anlian Plaza, Junction of Jintian Road and Fuzhong San Road, Futian District, Shenzhen City, Guangdong Province, the People's Republic of China
2	Property, Plant and Equipment-Land and Buildings Commercial Property occupied by the Group as office Unit C, 11/F, Bank of East Asia Harbour View Center, Hong Kong

Principal Risks and Uncertainties facing by the Group

FinTV is facing intensive competition from traditional TV and other internet TV, there are so many platforms providing different kinds of program from all over the world.

In order to deal with this challenge, FinTV will continue to improve our mobile apps (e.g. in terms of quality, numbers of program offered etc.) so that we can attract more audience to view our program.

FinTV also realize the quality of financial news is critical to our success. Therefore, we continue to recruit experienced news writer and anchor to join our Group.

Our financial services business, brokerage business and fund management business will be adversely affected by the downturn of the financial market. The performance of financial market can be influenced by different economic and political factors. Besides, the coming of financial crisis is difficult to predict. All the factors mentioned above will create risks and uncertainties for our financial services business, brokerage business and fund management business. The Company will strengthen the risk management by recruiting the right candidate or consulting the risk management expert.

Compliance with the relevant laws and Regulations

During the year, as far as the Board is aware, the Group has complied with the relevant laws and regulations.

The Group will seek for professional legal opinion from its external legal advisors when necessary to ensure that the Group's transactions and business are in conformity with all applicable laws and regulations.

Auditors' letter on Disclosed Continuing Connected Transactions

Please refer to the Connected Transactions and Continuing Connected Transactions in the Report of Directors.

The Group's relationships with its employees, customers, and suppliers

The Company maintains good relationships with its employees, customers and suppliers.

The Directors recognize that employees, customers and suppliers are the keys of sustainable development of the Group. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of skills. The Group also stays connected with its customers and suppliers and has ongoing communication with them to obtain their feedback and suggestions.

Results and Appropriations

Details of the Group's results for the year ended 31 March 2019 are set out in the consolidated income statements on page 51.

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

Group Financial Summary

A summary of the published annual results and assets and liabilities of the Group for the last five financial years is set out in the section headed "Five Year Financial Summary" of this annual report.

Distribution Reserves

The Company had reserves of approximately HK$39,931,000 (2018: HK$84,581,000) available for dividend distribution to shareholders as at 31 March 2019.

Share Capital

Details of movements in share capital of the Company are set out in Note 31 to the accompanying consolidated financial statements.

Purchase, Sale or Redemption of Listed Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year ended 31 March 2019.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Bye-Laws or the laws in Bermuda.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 19 to the accompanying consolidated financial statements.

Borrowing and Interest Capitalized

Particulars of borrowing of the Group as at 31 March 2019 are set out in Note 28 to the accompanying consolidated financial statements. No interest was capitalized by the Group during the year (2018: Nil).

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float required under the GEM Listing Rules.

Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management are set out in the section headed "Board of Directors and Senior Management" of this annual report.

Permitted Indemnity Provision

Pursuant to the Articles, the Directors and other officers, for the time being acting in relation to the affairs of the Company, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

Directors

The Directors who held office during the year ended 31 March 2019 were:

Executive Directors

Ms. LO Yuk Yee	
Mr. LEE Yu Chung	(appointed on 15 March 2019)
Mr. CHOW Wing Chau	(resigned on 15 March 2019)
Mr. YIU Wing Hei	(resigned on 5 October 2018)

Independent Non-executive Directors

Mr. WONG Wai Kin
Mr. SIU Siu Ling, Robert
Mr. LEUNG Chi Hung

Detailed information of the Directors standing for re-election will be set out in the circular in relation to the forthcoming annual general meeting of the Company to be dispatched to the shareholders of the Company.

Emoluments of the Directors and the Five Highest Paid Individuals

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in Note 13 and Note 14 to the accompanying consolidated financial statements respectively.

Directors' Service Agreements

Each of the independent non-executive Directors is appointed for a term of one year.

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

Interest in Shares and Underlying Shares

Directors' and chief executive's interests and short positions in the shares and underlying shares

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 any of its associated corporations (within the meaning of Part XV of the SFO, as recorded in the register required to be kept under section 352 of the SFO) or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company and its associated corporations

		Number of shares and capacity in which the shares were held		Number of underlying shares and capacity in which the shares were held			
Name of Director	**Name of Group member/ associated corporations**	**Beneficial owner**	**Interest of controlled corporation**	**Beneficial owner**	**Interest of controlled corporation**	**Total number of shares**	**% of shares in issue** *(Note 2)*
Executive Directors:							
Ms. LO Yuk Yee ("Ms. LO")	The Company	43,458,058 (L)	391,597,678 (L)	—	—	—	65.27%
Ms. LO	Maxx Capital International Limited ("Maxx Capital") *(Note 1)*	—	2 shares of US$1 each	—	—	2 shares of US$1 each	100%
Ms. LO	Pablos International Limited ("Pablos") *(Note 1)*	1,000 shares of US$1 each	—	—	—	1,000 shares of US$1 each	100%

(L) denotes long positions

Notes:

1. 343,997,678 ordinary shares of HK$0.01 each were held by Maxx Capital International Limited ("Maxx Capital") which was wholly-owned by Pablos International Limited ("Pablos"), and Pablos was wholly owned by Ms. LO Yuk Yee, ("Ms. LO"). Accordingly, Ms. LO were deemed by virtue of the SFO to be interested in 435,055,736 ordinary shares of HK$0.01 each.

2. As at 31 March 2019, the Company had 666,538,774 ordinary shares of HK$0.01 each in issue.

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executive of the Company nor their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

Substantial shareholders' interest and short position in the shares of the Company

As at 31 March 2019, so far as the Directors are aware, persons other than Directors or chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Long Positions in the Shares

Long Positions in the Shares and Underlying Shares of the Company

Name of Shareholders	Capacity	Number of Shares held	Number of Underlying Shares held	Total Number of Shares	Approximate percentage of existing shareholding *(Note 2)*
Substantial shareholders					
Ms. LO *(Note 1)*	Beneficial Owner	43,458,058 (L)	—	435,055,736 (L)	65.27%
	Interest of Controlled Corporation	391,597,678 (L)			
Pablos *(Note 1)*	Interest of Controlled Corporation	343,997,678 (L)	—	343,997,678 (L)	51.61%
Maxx Capital *(Note 1)*	Beneficial Owner	343,997,678 (L)	—	343,997,678 (L)	51.61%
Broadgain International Limited	Beneficial Owner	43,800,000 (L)	—	43,800,000 (L)	6.57%
WANG Yuan	Beneficial Owner	39,000,000 (L)	—	39,000,000 (L)	5.85%

(L) denotes long positions

Notes:

1. 343,997,678 ordinary shares of HK$0.01 each were held by Maxx Capital, which was wholly-owned by Pablos and Pablos was wholly-owned by Ms. LO, a director of the Company. Ms. LO is a director of each of Maxx Capital and Pablos.

2. As at 31 March 2019, the Company had 666,538,774 ordinary Shares held HK$0.01 each in issue.

Other persons who are required to disclose their interests

Save as disclosed above, the Directors are not aware of other person who, as at 31 March 2019, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

As at 31 March 2019, the Company did not have any outstanding warrants.

Directors' Interests in Arrangement, Transaction or Contracts of Significance

Save as disclosed in this annual report, there was no arrangements, transaction or contract of significance in relation to the Group's business to which the Group was a party and in which any of the Directors had a material interests, whether directly or indirectly, subsisted at the end of the year 2019 or at any time during the year (2018: Nil).

Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2019. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the year ended 31 March 2019.

Audit Committee

The audited consolidated financial statements of the Group for the year ended 31 March 2019 have been reviewed by the audit committee of the Company.

Competing Interests

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the year ended 31 March 2019.

Customers and Suppliers

For the year ended 31 March 2019, the five largest customers accounted for approximately 54% (2018: 53%) of the Group's total turnover and the five largest suppliers of the Group accounted for approximately 58% (2018: 55%) of the Group's total cost of sales. The largest customer of the Group accounted for approximately 15% (2018: 13%) of the Group's total turnover while the largest supplier of the Group accounted for approximately 21% (2018: 19%) of the Group's total cost of sales.

None of the Directors, their associates, or any substantial shareholders (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers and suppliers.

Connected Transactions and Continuing Connected Transactions

Connected transactions and continuing connected transactions undertaken by the Group during the year are as follows:

	2019 **HK$'000**	2018 HK$'000
Income from financial information services received from Top 100 Hong Kong Listed Companies Research Centre Company Limited *(Note i)*	**2,950**	—
Income from sharing of administrative expenses received from International Links Limited *(Note i)*	**661**	1,689
Income from sharing of administrative expenses received from Maxx Capital Finance Limited *(Note i)*	**1,812**	1,675
Rental expenses paid to Cyber Feel Limited *(Note i)*	**3,962**	3,643
Rental expenses paid to Great Heep International Investment Limited *(Note i)*	**330**	232
Rental expenses paid to Maxon Management Limited *(Note ii)*	**—**	596
Loan interest income from the Group's subsidiary director *(Note iii)*	**128**	284

Notes:

(i) Maxx Capital Finance Limited, Top 100 Listed Companies Research Centre Company Limited, Great Heep International Investment Limited, Cyber Feel Limited and International Links Limited are beneficially owned by Ms. LO, the chairman and the executive director of the Company.

(ii) Maxon Management Limited was beneficially owned by Ms. LO, the chairman and the executive director of the Company before 24 August 2017. The acquisition of Maxon Management Limited was completed on 24 August 2017 and Maxon Management Limited became an indirectly wholly-owned subsidiary of the Company.

(iii) Finet Finance Limited, a wholly-owned subsidiary of the Company entering into loan agreements with the Borrower, Ms. Chan Kwai Yuet, the Group's subsidiary director, constituted the connected transaction with the Group.

The independent non-executive Directors of the Company have reviewed and confirmed that the continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

HLB Hodgson Impey Cheng Limited ("HLB"), the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. HLB have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions which are subject to annual review under Rule 20.38 of the GEM Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Connected Transaction and Continuing Connected Transactions

Services contracts entered with Top 100 Hong Kong Listed Companies Research Centre Company Limited

During the year, Finet News Services Limited, Finet Holdings Limited and Xian Dai Communications Limited, indirectly-owned subsidiaries entered 4 service contracts with Top 100 Hong Kong Listed Companies Research Centre Limited, a company incorporated in Hong Kong and wholly-owned by Ms. LO, in respect of marketing and promotion, editorial services, IT services and event management and news maintenance consultancy services. The Summary of the service contracts details are as follows:

Agreement Date	Contract	Counterparty	Contract Value HK$
1 January 2019	Marketing and promotion	Xian Dai Communications Limited	770,000
1 February 2019	Editorial services	Finet New Services Limited	780,000
1 November 2018	IT services	Finet Holdings Limited	790,000
1 March 2019	Event management and news maintenance consultancy services	Xian Dai Communications Limited	610,000
		Contract sum	2,950,000

The transactions above constitute connected transactions for the Group. These transactions are De Minimis, non-aggregated and therefore fully exempted from announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Management Contracts

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

Confirmation of Independence by Independent Non-executive Directors

The Company confirms that it has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers, based on the confirmations received, the independent non-executive Directors to be independent.

Corporate Governance

The Company has published its Corporate Governance Report, details of which are set out in the section headed "Corporate Governance Report" of this annual report.

Auditors

The consolidated financial statements for the years ended 31 March 2019, 2018 and 2017 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board
Finet Group Limited

LO Yuk Yee
Chairman

Hong Kong, 25 June 2019

Environmental, Social and Governance Report

Contents

About This Report

We are pleased to present this report pursuant to the disclosure requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited to disclose the Company's and its subsidiaries' (collectively, the "Group") performance in environmental, social and governance aspects during the period from 1 April 2018 to 31 March 2019 (the "Year"). Policies, statements and information set forth in this report cover the Company's headquarter and the subsidiaries under its effective control. The Board considers that a sound environment, a harmonious society and good governance are of utmost importance to the sustainable development of both the Group's business and the community in which we operate. Therefore, the Group is committed not only to enhancing its financial performance but also to implementing various policies and measures to increase its efforts in environmental protection, fulfill its social responsibilities and enhance its governance.

A. Environmental Protection

The Group upholds its commitment to sustainable development and complies with relevant laws and regulations on environmental protection. We encourage our employees to focus on and enhance their awareness of environmental protection. We strive to reduce the impacts of our operation on the environment and adhere to the principles of green operation and green office. In order to implement these measures, the Group has adhered to the 4R Principles of waste reduction, i.e. Reduce, Reuse, Recycle and Replace.

A.1 Emissions

The Group is principally engaged in (i) advertising, financial public relationship service (including media business); (ii) Property Investment Business; (iii) Money Lending Business; (iv) the provision of Financial Information Service; and (v) Securities and Futures Business. Based on the aforesaid, the Group's operations is not expected to have a significant impact on the environment arising from its operating activities and will not generate hazardous pollutants.

In order to minimize hazardous emissions, the Group encourages its employees to:

1. Take public transport instead of driving during travels, whenever possible, to reduce vehicle exhaust emissions;

2. Use telephone or video conferencing to replace business trips as far as feasible to reduce carbon emissions;

3. Take the eco-friendly modes of transportation that have low levels of pollution, such as railway lines, trams, LPG minibuses, etc.; and

4. Use environmentally-friendly cleaning agents to reduce water pollution.

The Group is not aware of any circumstances arising from its business operations leading to significant air pollution, water pollution and land pollution and generation of hazardous waste during the Year.

A.2 Use of Resources, the Environment and Natural Resources

The resources used by the Group for its operations are mainly electricity, water and paper. In order to uphold its commitment to sustainable development, the Group's employees have kept the use of resources to a minimum through various green practices.

Electricity Consumption:

1. Use of energy-efficient lights and electrical appliances in office workplace.

2. Staff are encouraged to dress in smart casual and indoor temperature is maintained at around 25.5℃ in the summer time.

3. Turn off some lights and air conditioning during lunch hours and non-office hours.

4. Enable the "Standby" or "Sleep" mode of personal computers.

Water Consumption:

Reminders on water conservation are posted in pantry.

Paper Consumption:

1. Use of environmentally friendly paper.

2. Use of email instead of the paper-based approval process to reduce the use of paper.

3. Practice of double-sided printing or copying.

4. Publish notice or brochure in electronic version and upload the files to the Group's intranet or made publicly available online.

In addition, the Group also reduces the use of resources through environmentally-friendly procurement (procurement of environmentally friendly furniture, eco-friendly toner, green stationery, etc.) and adopts simple decoration approach for office premises.

During the Year, the yearly electricity consumption in our rented office premises were about 102,546 kWh (2018: 110,355 kWh) whereas the yearly electricity consumption for our studio in Admiralty from Apr 2018 to Oct 2018 were 11,636 kWh (2018: 27,830 kWh) with yearly water consumption of about 165,000 liters (2018: 163,660 liters) liters and yearly A4 paper usage of about 165,800 sheets (2018: 199,000 sheets).

B. Social Responsibilities

B.1 Employment and Labor Practices

"The human resource — the whole man — is, of all resources entrusted to man, the most productive, the most versatile, the most resourceful," said Peter F. Drucker, revered as the father of modern management. The Group is confident that maintaining a strong relationship with our employees is one of the keys to success in business. In order to protect the rights and interests of our employees, the Group has formulated the Employee Handbook in accordance with the Employment Ordinance of the Hong Kong Special Administrative Region, the Labor Law of the People's Republic of China, and other relevant laws and regulations.

1.1. Remuneration, Benefits and Attendance

(1) Remuneration

Remuneration and salaries are determined by the Group based on the qualifications, work experience, competence, roles and responsibilities of new employees, and taking into account of the market compensation level of the industry and our internal salary standard to ensure that remuneration and salaries so determined are fair internally and are competitive in the market. Our remuneration package comprises of one or more of the following components: wages, bonuses, commission and benefits. The Company wishes to attract and retain talent, provide incentives for our employees to improve their performance and reward outstanding employees through its remuneration system. All employees are entitled to paid holidays such as national statutory holidays, annual leave, compassionate leave, marriage leave, maternity leave and sick leave.

(2) Benefits

The Group has made required contributions to social insurance fund and housing provident fund for employees in the People's Republic of China and made contributions to mandatory provident fund and took out employees' compensation insurance policies and medical insurance policies for employees in Hong Kong. Employees who pass the probation will receive medical insurance.

(3) Attendance

The Group has implemented the standard working hours according to state regulations. The working hours are 9:00 a.m. to 13:00 p.m. and 14:00 p.m. to 19:00 p.m. with one hour lunchbreak, five working days a week, from Monday to Friday, while Saturday and Sunday are rest days. The Group has the right to re-arrange the work schedule and working days in accordance with its operation requirements; employees should obtain prior approval before taking leave. The Group, in principle, does not encourage our employees to work overtime unless it is necessary. Employees are, in principle, entitled to compensation leave for their overtime work.

Employees are entitled to basic leave. The kinds of leave include public holidays, statutory holidays, annual leave, sick leave and medical leave, marriage leave, and compassionate leave. Employees are required to apply and obtain approval in advance before taking leave.

1.2. Recruitment, Promotion and Dismissal

(1) Recruitment and Promotion

The recruitment and hiring procedures of the Group embody the principle of "meritocracy, open recruitment and hiring solely on merit". Employees would be rewarded with corresponding adjustment in their remuneration package according to their positions for their outstanding performance during the term of office and significant contributions made to the Group.

(2) Dismissal

Regarding resignation for personal reasons, 30 to 60 days' prior written notice from the employees is required depending on different positions. Employees who are deemed to be incompetent for their positions based on relevant reasons would be dismissed by 30 to 60 days' prior written notice from the Group, depending on different positions.

1.3. Equal Opportunities and Anti-Discrimination

The Group is an equal opportunity employer. Our recruitment, employment and human resources management practices, such as promotion, rewards and training opportunities, will under no circumstances be influenced or affected by an applicant's or employee's ethnicity, color, age, gender, sexual orientation, race, disability, pregnancy, religion, political ideology, members of the community or marital status.

Monthly remuneration and contributions to social insurance fund, provident fund and mandatory provident fund for the current year were duly paid within the prescribed period.

The Group is not aware of any serious breach of relevant laws and regulations in relation to employment and labour practices (including Employment Ordinance of the Hong Kong Special Administrative Region, Labor Law of the People's Republic of China, and other relevant laws and regulations) during the Year.

B.2 Health and Safety

During the Year, the Group had complied with the Employment Ordinance of the Hong Kong Special Administrative Region, Labor Law of the People's Republic of China, the Law on Protection of Labor Rights and other applicable laws and regulations. In addition to minimizing work-related incidents and diseases, we also focus on providing employees with a safe and healthy working environment. This would in turn contribute to the improvement of the quality of products and services, ensuring smooth operation, and enhancing workforce stability and employee morale. In addition, the Group believes that ongoing staff involvement and continuing education are the keys to identifying and addressing health and safety issues in workplace.

B.3 Development and Training

The Group provides a comprehensive on job training covering topics such as management skills, professional skills, technical knowledge, latest news and information about corporate culture. Through a series of training covering various topics, our staff's understanding towards the Group's business, management structure and corporate culture would be gradually enhanced. Employees are encouraged to fully develop their potential and strengths.

B.4 Labor Standards

During the Year, the Group had complied with the provisions of the Employment Ordinance of the Hong Kong Special Administrative Region. the Labor Law of the People's Republic of China. Child labor and forced labor are strictly prohibited. New employees are required to present valid identification documents to the Group for legal working age compliance checks before the commencement of their employment period. All employees of the Group comply with the standard working hour rules stipulated by the Hong Kong Special Administrative Region and PRC government. Overtime work is not encouraged unless in special circumstances.

B.5 Supply Chain Management

The Group adopts a prudent approach in selecting suppliers, including meeting with potential suppliers to understand their products and business operations. We would conduct background checks before appointing a supplier and ensure the supplier is duly registered and has obtained relevant license or permits with relevant authorities in accordance with applicable laws and regulations.

B.6 Product Responsibility

The Group is committed to providing our customers with quality products and services. To improve quality, we have experienced sales teams, IT teams and News teams and investor relationship team. We will review complaints on a regular basis and strive to improve our products and services to avoid similar incidents in the future. Understanding customers' need is the key to provide the best possible customer experience. We appreciate customer comments and suggestions and have various communication channels in place such as telephone, and email.

B.7 Intellectual Property Rights and Customer Privacy

The Group respects all forms of intellectual property rights and designs of advertising, commercial advertising, products, services, names and trademarks. At the same time, the Group values the importance of protecting the privacy of our customers. When entering into agreements or contracts with customers, the Company will also enter into confidentiality agreements with customers to avoid disclosing customer's information and protecting the privacy of customers. To prevent leakage of customers' data, the Group will further improve and strengthen its measures of protecting customer privacy.

During the Year, the Group did not receive any complaints arising from infringement of intellectual property rights and leakage of customers' data.

B.8 Anti-corruption, Bribery, Extortion, Fraud and Money Laundering

In the course of its operation, the Group strictly abided by the Criminal Law of the Hong Kong Special Administrative Region and People's Republic of China, and other relevant laws and regulations in relation to anti-corruption, bribery, extortion, fraud and money laundering.

Employees can report illegal behaviors and irregularities by sending letters to:

1. members of the audit committee of the Company; or

2. the chairman of the board of directors of the Company.

The Group is not aware of any material breaches of laws and regulations in relation to bribery, extortion, fraud and money laundering that has significant impacts on the Group during the Year.

B.9 Community Investment

To promote social development and harmony, the Group encourages our employees to actively participate in community events and charity campaigns and contribute to social philanthropy projects through volunteering or charitable donations.

Independent Auditors' Report

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

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

TO THE SHAREHOLDERS OF FINET GROUP LIMITED
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Finet Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 134, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 ("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 *Auditors' 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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of accounts receivable	
Impairment assessment of accounts receivable. Refer to Note 20 to the consolidated financial statements. We identified the impairment assessment of accounts receivable as a key audit matter due to the use of judgement and estimates in assessing the recoverability of accounts receivable. As at 31 March 2019, the Group recorded accounts receivable of approximately HK$11,233,000 before impairment of HK$2,889,000. The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment on accounts receivable by replacing HKAS 39's "incurred loss" approach with a forward-looking expected credit loss ("ECL") approach. The measurement on the Group's accounts receivable under the ECL approach was estimated by management through the application of judgements and use of highly subjective assumptions. The impact of economic factors, both current and future, and forward-looking factors specific to the debtors were also considered in management's assessment of the likelihood of recovery from customers.	Our procedures in relation to valuation on accounts receivable mainly included: • Assessing the controls over the monitoring of accounts receivable; • Evaluating the methodologies, inputs and assumptions used by the Group in calculating the expected credit loss allowance; • Understanding and discussing with management for judgements used under the ECL approach; • Assessing historical loss pattern and management's basis of judgement applied on this data under the ECL approach; • Assessing the adequacy of the allowance recorded by reviewing subsequent settlements after the year end; and • Evaluating whether the historical loss rates are appropriately adjusted based on the current economic conditions and forward-looking information.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We have identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements, as a whole, combined with the significant judgments associated with determining the fair value. As disclosed in Note 16 to the consolidated financial statements, the Group's investment properties amounted to approximately HK$32,700,000. During the year, an increase in fair value of investment properties amounted to approximately HK$200,000.	Our procedures in relation to assessing the appropriateness of the valuation of investment properties included: • Evaluating the competence, capabilities, and objectivity of the independent professionally qualified valuer; • Understanding the independent professionally qualified valuer's valuation process and methodology, the performance of the property markets, significant assumptions adopted, critical judgmental areas and key inputs used in the valuations; • Engaging our valuation specialists evaluating the reasonableness of the methodology and assumptions to industry norms; assessing the reasonableness of key inputs used in the valuations by (i) checking the details of rentals on a sample basis to the respective underlying existing tenancy agreements; (ii) comparing to relevant market information on prices, rentals achieved and capitalization rates adopted in other similar properties in the neighborhood; and • Performing analysis on the key inputs to evaluate the results on the valuations.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated Financial Statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act of Bermuda, 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.

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement director on the audit resulting in this independent auditors' report is Chan Ching Pang.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Chan Ching Pang
Practising Certificate Number: P05746

Hong Kong, 25 June 2019

Consolidated Income Statement

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Revenue	5	**19,637**	18,774
Cost of sales		**(2,201)**	(2,726)
Gross profit		**17,436**	16,048
Other income and other losses	6	**(256)**	4,123
Selling and marketing expenses		**(244)**	(137)
General and administrative expenses		**(44,241)**	(46,523)
Finance costs	8	**(491)**	(7,035)
Loss before income tax	9	**(27,796)**	(33,524)
Income tax expense	10	**(297)**	(3,344)
Loss for the year		**(28,093)**	(36,868)
(Loss)/profit attributable to:			
— Owners of the Company		**(28,870)**	(35,814)
— Non-controlling interests		**777**	(1,054)
		(28,093)	(36,868)
Loss per share for loss attributable to owners of the Company during the year			
— Basic and diluted *(HK dollar per share)*	11	**(0.04)**	(0.06)

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2019

	2019 HK$'000	2018 HK$'000
Loss for the year	**(28,093)**	(36,868)
Other comprehensive (expense)/income for the year, net of tax:		
Items that may be reclassified to profit or loss		
Currency translation differences	**(1,976)**	1,856
Total comprehensive expense for the year	**(30,069)**	(35,012)
Total comprehensive (expense)/income for the year, attributable to:		
— Owners of the Company	**(30,846)**	(33,958)
— Non-controlling interests	**777**	(1,054)
	(30,069)	(35,012)

Consolidated Statement of Financial Position

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	15	**55,696**	58,561
Investment properties	16	**32,700**	32,500
Intangible assets	17	**950**	950
Statutory deposits and other assets	18	**656**	656
		90,002	92,667
Current assets			
Accounts receivable	20	**8,344**	14,329
Prepayment, deposits and other receivables	21	**5,992**	10,335
Financial assets at fair value through profit or loss	22	**1,278**	5,813
Amounts due from related companies	23	**2,005**	2,186
Contract assets	27	**100**	—
Client trust bank balances		**253**	126
Cash and cash equivalents	24	**12,749**	20,331
		30,721	53,120
Total assets		**120,723**	145,787
Current liabilities			
Accounts payable	25	**1,883**	2,036
Accruals and other payables	26	**7,728**	11,216
Deferred income		**—**	693
Contract liabilities	27	**2,044**	—
Amount due to a related company	23	**42**	—
Borrowing — due within one year	28	**14,436**	16,846
Tax payables		**215**	257
		26,348	31,048
Net current assets		**4,373**	22,072
Total assets less current liabilities		**94,375**	114,739
Non-current liabilities			
Convertible bonds	29	**—**	—
Loans from shareholder	38	**14,725**	—
Deferred tax liabilities	30	**11,308**	11,287
		26,033	11,287
Net assets		**68,342**	103,452

Consolidated Statement of Financial Position

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	31	**6,665**	6,665
Reserves		**70,218**	106,064
		76,883	112,729
Non-controlling interests		**(8,541)**	(9,277)
Total equity		**68,342**	103,452

LO Yuk Yee
Director

LEE Yu Chung
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2019

	Attributable to owners of the Company											
	Share capital HK$'000	**Share premium** HK$'000	**Merger reserve** HK$'000	**Employee compensation reserve** HK$'000	**Other reserve** HK$'000	**Convertible bonds equity component** HK$'000	**Translation reserve** HK$'000	**Property revaluation reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
Balance at 1 April 2017	5,290	259,831	4,870	393	1,776	13,307	(1,582)	9,989	(197,773)	96,101	(8,223)	87,878
Loss for the year	—	—	—	—	—	—	—	—	(35,814)	(35,814)	(1,054)	(36,868)
Other comprehensive income												
Currency translation differences	—	—	—	—	—	—	1,856	—	—	1,856	—	1,856
Total other comprehensive income	—	—	—	—	—	—	1,856	—	—	1,856	—	1,856
Total comprehensive expense	—	—	—	—	—	—	1,856	—	(35,814)	(33,958)	(1,054)	(35,012)
Transactions with owners												
Early redemption of convertible bonds	—	—	—	—	—	(4,179)	—	—	3,336	(843)	—	(843)
Conversion of convertible bonds	1,375	60,264	—	—	—	(11,757)	—	—	—	49,882	—	49,882
Share options cancelled during the year	—	—	—	(393)	—	—	—	—	—	(393)	—	(393)
Release of deferred tax liabilities on recognition of equity components of convertible bonds	—	—	—	—	—	2,629	—	—	(689)	1,940	—	1,940
Total transactions with owners	1,375	60,264	—	(393)	—	(13,307)	—	—	2,647	50,586	—	50,586
Balance at 31 March 2018	6,665	320,095	4,870	—	1,776	—	274	9,989	(230,940)	112,729	(9,277)	103,452
Adjustments	–	–	–	–	–	–	–	–	(5,000)	(5,000)	(41)	(5,041)
Balance at 1 April 2018 (restated)	6,665	320,095	4,870	–	1,776	–	274	9,989	(235,940)	107,729	(9,318)	98,411
Loss for the year	–	–	–	–	–	–	–	–	(28,870)	(28,870)	777	(28,093)
Other comprehensive expense												
Currency translation differences	–	–	–	–	–	–	(1,976)	–	–	(1,976)	–	(1,976)
Total other comprehensive expense	–	–	–	–	–	–	(1,976)	–	–	(1,976)	–	(1,976)
Total comprehensive expense	–	–	–	–	–	–	(1,976)	–	(28,870)	(30,846)	777	(30,069)
Balance at 31 March 2019	6,665	320,095	4,870	–	1,776	–	(1,702)	9,989	(264,810)	76,883	(8,541)	68,342

The merger reserve represents the difference between the share capital and share premium of the Company and the nominal value of shares of a subsidiary acquired pursuant to the reorganization in connection with the preparation for the initial listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited.

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 income tax		**(27,796)**	(33,524)
Adjustments for:			
— Depreciation of property, plant and equipment		**2,714**	3,326
— Loss on disposal of property, plant and equipment		**—**	125
— Fair value gain on investment properties		**(200)**	(1,700)
— Fair value change on financial assets at fair value through profit or loss		**3,041**	612
— Loss on disposal of subsidiaries		**—**	499
— Loss on early redemption of convertible bonds		**—**	32
— Interest income from bank deposits		**(9)**	(6)
— Equity settled share-based payments		**—**	(393)
— Finance costs		**491**	7,035
— Reversal of provision for impairment loss of loans receivables		**(4,868)**	(2,802)
— Provision for impairment loss of trade receivables		**1,519**	72
— Provision for impairment loss of contract assets		**61**	—
— Write-off of other receivables		**4,682**	—
Changes in working capital:			
— Accounts receivable		**4,282**	6,461
— Prepayment, deposits and other receivables		**(354)**	3,425
— Financial assets at fair value through profit or loss		**1,494**	3,975
— Amounts due from/(to) related companies		**223**	(3,824)
— Contract assets		**(161)**	—
— Accounts payable		**(153)**	369
— Accruals and other payables		**3,738**	(3,701)
— Deferred income		**(693)**	296
— Contract liabilities		**2,044**	—
— Client trust bank balances		**(127)**	3
Cash used in operations		**(10,072)**	(19,720)
Income tax paid		**(318)**	(145)
Net cash used in operating activities		**(10,390)**	(19,865)

Consolidated Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Cash flows from investing activities			
Acquisition of assets through acquisition of a subsidiary (net of cash and cash equivalents acquired)		**(10)**	(36,063)
Purchase of property, plant and equipment	15	**(141)**	(1,684)
Interest received from bank deposits		**9**	6
Disposal of subsidiaries, net of cash disposed of	33	**—**	67,430
Proceeds from disposal of property, plant and equipment		**—**	248
Net cash (used in)/generated from investing activities		**(142)**	29,937
Cash flows from financing activities			
Interest paid		**(491)**	(3,462)
Loans from shareholder		**7,500**	—
Repayment of borrowings		**(2,410)**	(27,462)
Early redemption of convertible bonds		**—**	(17,424)
Net cash generated from/(used in) financing activities		**4,599**	(48,348)
Net decrease in cash and cash equivalents		**(5,933)**	(38,276)
Cash and cash equivalents at beginning of the year		**20,331**	57,016
Effect of foreign exchange rate changes, net		**(1,649)**	1,591
Cash and cash equivalents at end of the year	24	**12,749**	20,331

Notes to the Consolidated Financial Statements

For the year ended 31 March 2019

1. General Information

Finet Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in (i) the development, production and provision of financial information, advertising and investor relationship service and technology solutions to corporate and retail clients in Hong Kong and People's Republic of China (the "PRC"); (ii) media business; (iii) the securities and futures business that specializes in the provision of online securities and futures trading; (iv) money lending business; and (v) property investments business. The principal activity of the Company is investment holding. The principal activities and other particulars of its subsidiaries are set out in Note 19.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. On 16 June 2011, the Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Company's registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company's principal place of business is situated at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

The Company's parent is Maxx Capital International Limited, which is wholly-owned by Pablos International Limited ("Pablos"). The ultimate controlling party is Ms. LO Yuk Yee ("Ms. LO"), the chairman and executive director of the Company, through her ownership in Pablos International Limited.

The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 7 January 2005.

These consolidated financial statements are presented in Hong Kong dollars (HK$) unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the Board of Directors (the "Board") on 25 June 2019.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which is carried at fair value.

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

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures

(a) New standards, amendments, interpretations and improvements adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 *Financial Instruments* with HKFRS 4 *Insurance Contracts*
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as disclosed below, the application of the new and amendments to HKFRSs and interpretations in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the consolidated financial statements. The new accounting policies are set out in Note 2.10 below. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

The total impact on the Group's accumulated losses and non-controlling interests as at 1 April 2018 is as follows:

	Note	**Accumulated losses** HK$'000	**Non-controlling interests** HK$'000
Closing balance as at 31 March 2018 — HKAS 39		230,940	9,277
Increase in provision for impairment loss of loans receivables	(b)	4,868	—
Increase in provision for impairment loss of trade receivables	(b)	132	41
Adjustments to balances from adoption of HKFRS 9 on 1 April 2018		5,000	41
Opening balance as at 1 April 2018 — HKFRS 9		235,940	9,318

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(a) New standards, amendments, interpretations and improvements adopted by the Group (Continued)

HKFRS 9 "Financial Instruments" (Continued)

(a) Classification and measurement

Reclassifications of financial instruments on adoption of HKFRS 9

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

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

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

There were no impact on the amounts recognized in relation to these assets from the adoption of HKFRS 9.

There is also no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(b) Impairment of financial assets

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

— Accounts receivable and contract assets

— Other financial assets at amortized cost (including client trust balances, cash and cash equivalents, amounts due from related companies, and deposits and other receivables)

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

(i) Accounts receivables and contract assets

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information.

This resulted in an increase of loss allowance by approximately HK$173,000 as at 1 April 2018 for trade receivables.

The Group applies the general method to provide for expected credit losses prescribed by HKFRS 9, measure the loss allowance for loans receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL.

This resulted in an increase of allowance on 1 April 2018 by approximately HK$4,868,000 for loans receivables.

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(a) New standards, amendments, interpretations and improvements adopted by the Group (Continued)

HKFRS 9 "Financial Instruments" (Continued)

(b) Impairment of financial assets (Continued)

(ii) Other financial assets at amortized cost

For other financial assets at amortized cost, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of the other financial assets at amortized cost and considers that the resulted increase in loss allowance at 1 April 2018 was immaterial.

While bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

HKFRS 15 "Revenue from Contracts with Customers"

The Group has adopted HKFRS 15 from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognized in the consolidated financial statements.

HKFRS 15 establishes a comprehensive framework for recognizing revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction Contracts, which specified the accounting for construction contracts. The Group has elected to use the modified retrospective approach which means that the cumulative impact of the adoption will be recognized in retained earnings at 1 April 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 April 2018.

The adoption of HKFRS 15 did not have any material impact on the Group's consolidated financial position and results of operation for the year. There is also no material impact to the Group's retained earnings as at 1 April 2018.

Under HKFRS 15, a receivable is recognized only if the Group has an unconditional right to consideration. If the Group recognizes the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset.

Similarly, a contract liability, rather than a payable, is recognized when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognizes the related revenue. 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.

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(a) New standards, amendments, interpretations and improvements adopted by the Group (Continued)

HKFRS 15 "Revenue from Contracts with Customers" (Continued)

The impact on the Group's financial position by the application of HKFRS 15 as compared to HKAS 18 and HKAS 11 that was previously in effect before the adoption of HKFRS 15 is as follows:

	As at 31 March 2018	**Reclassification under HKFRS 15**	**As at 1 April 2018 restated**
	HK$'000	HK$'000	HK$'000
Consolidated statement of financial position (extracted)			
Deferred income	693	(693)	—
Contract liabilities	—	693	693
	693	—	693

(b) New standards and amendments to standards not yet adopted

The following new standards, amendments and interpretations to existing standards and interpretations have been published that are mandatory for the Group's accounting periods on or after 1 April 2019 and have not been early adopted by the Group.

HKFRS 16	*Leases*[1]
HKFRS 17	*Insurance Contracts*[4]
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*[1]
Amendments to HKFRS 3	*Definition of a Business*[2]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKAS 1 and HKAS 8	*Definition of Materials*[3]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2015–2017 Cycle*[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2020.
4 Effective for annual periods beginning on or after 1 January 2021.
5 Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRS mentioned below, the director of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(b) New standards and amendments to standards not yet adopted (Continued)

HKFRS 16 Leases

HKFRS 16 will result in almost all leases being recognized on the consolidated statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately HK$3,263,000.

For the lease commitments the Group expects to recognized right-of-use assets on 1 April 2019 and lease liabilities (after adjustments for prepayment and accrued lease payments recognized as at 31 March 2019). Net current assets may be lower due to the presentation of a portion of the liability as a current liability.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The Group will apply the standard from its mandatory adoption date of 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. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements.

2.2 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. Summary of Significant Accounting Policies (Continued)

2.2 Consolidation (Continued)

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interest's proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated income statement.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result In loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2. Summary of Significant Accounting Policies (Continued)

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.4 Segment reporting

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

2.5 Foreign currency translation

(a) 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 the Group's presentation currency.

(b) Transactions and balances

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

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance costs". All other foreign exchange gains and losses are presented in the consolidated income statement within "general and administrative expenses".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognized in other comprehensive income.

2. Summary of Significant Accounting Policies (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to consolidated income statement, as part of the gain or loss on sale.

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

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 charged in the consolidated income statement during the reporting period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the term of leases
Land and buildings	2%
Computer equipment	20%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

2. Summary of Significant Accounting Policies (Continued)

2.6 Property, plant and equipment (Continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated income statement.

2.7 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields are not occupied by the Group.

Land held under operating leases are accounted for as investment property when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs.

Subsequently, they are carried at fair value. Changes in fair value are presented into consolidated income statement as part of other income.

2.8 Intangible assets

Trading rights

Trading rights represent eligibility rights to trade on or through the Stock Exchange and on the Hong Kong Futures Exchange Limited with indefinite useful life, which are carried at cost less accumulated impairment losses.

2.9 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life — for example goodwill or intangible assets not ready to use — are not subject to amortization and are tested annually for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

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

2. Summary of Significant Accounting Policies (Continued)

2.10 Investments and other financial assets

Classification

From 1 April 2018, the Group classifies its financial assets in the following categories:

— those to be measured subsequently at fair value through profit or loss; and

— those to be measured at amortized cost.

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

For assets measured at fair value, gains and losses will be recorded in consolidated income statement.

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

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement

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

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

Debt instruments

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

— Amortized cost: Assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the consolidated income statement and presented in other income and other gains-net together with foreign exchange gains and losses. Impairment losses are presented in the consolidated income statement within "general and administrative expenses".

2. Summary of Significant Accounting Policies (Continued)

2.10 Investments and other financial assets (Continued)

Debt instruments (Continued)

— FVPL: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in the consolidated income statement and presented net within other income and other losses in the period in which it arises.

Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 March 2018 the Group classifies its financial assets in the following categories:

— Financial assets at fair value through profit or loss, and

— Loans and receivables

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition.

(i) Subsequent measurement

The measurement at initial recognition did not change on adoption of HKFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables were subsequently carried at amortized cost using effective interest method.

Financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognized in profit or loss within other income and other losses.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3.

2. Summary of Significant Accounting Policies (Continued)

2.10 Investments and other financial assets (Continued)

Accounting policies applied until 31 March 2018 (Continued)

(ii) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortized cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognized in profit or loss.

If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss was recognized in profit or loss. Impairment testing of accounts receivable is described in Note 3.1(b)(ii).

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize 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.

2. Summary of Significant Accounting Policies (Continued)

2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method less provision for impairment.

2.13 Cash and cash equivalents and client trust bank balances

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Client trust bank balances are not readily usable by the Group and are excluded from cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is not due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.16 Borrowings

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

2. Summary of Significant Accounting Policies (Continued)

2.16 Borrowings (Continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.17 Borrowings costs

General and specific 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 added to 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 capitalization.

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

2.18 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition except on conversion or expiry.

2. Summary of Significant Accounting Policies (Continued)

2.19 Current and deferred income tax

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

Current income tax

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

Deferred income tax

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

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2. Summary of Significant Accounting Policies (Continued)

2.20 Employee benefits

(a) Short-term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

The Group pays contributions to defined contribution plans in Hong Kong. The schemes are generally funded through payments to separate trustee-administered funds, determined by periodic calculations.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Retirement benefits to employees in the People's Republic of China (the "PRC") are provided through a defined contribution plan. The Group is required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

(b) Share-based payments

The Group operates a number of equity-settled share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions are taken into considerations (for example, an entity's share price);

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

2. Summary of Significant Accounting Policies (Continued)

2.20 Employee benefits (Continued)

(b) Share-based payments (Continued)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.21 Provisions

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

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

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

2. Summary of Significant Accounting Policies (Continued)

2.22 Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

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

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

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on availability of observable information.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A receivable is recognized when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before the payment is due.

The Group's revenue is primarily derived from providing on-line content information services and advertising services on websites.

(a) Provision of financial information services and investor relationship services

The Group provides a range of development, production and financial information service and technology services to corporate and retails client. Revenue from on-line content information services is recognized in the accounting period in which the related services are rendered and is recognized over the period of the time by reference to the progress towards complete satisfaction of performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurement of the value of individual service transferred to the customer.

(b) Provision of advertising services

Revenue from advertising is recognized over the period when the advertisement is placed.

2. Summary of Significant Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

(c) Rental income

Rental income form investment property in the consolidated income statement on a straight-line basis over the term of the leases.

(d) Provision of underwriting and securities brokerage services

Revenue from underwriting services is recognized when the outcome of the underwriting services at completion of each act (i.e. when securities are allotted or issued).

Revenue from the securities brokerage services is recognized on the date of the securities transaction.

(e) Interest income from money lender business

Interest income from money lending business is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial asset.

2.23 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI (2018: available-for-sale financial assets and loans and receivables) calculated using the effective interest method is recognized in the consolidated income statement as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired for credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2. Summary of Significant Accounting Policies (Continued)

2.24 Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases.

(a) Where the Group is the lessee (operating leases)

Payments made under operating leases (net of any incentives received from the leasing company) are expensed in the consolidated income statement on a straight-line basis over the lease periods.

(b) Where the Group is the lessor (operating leases)

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term.

2.25 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2. Summary of Significant Accounting Policies (Continued)

2.26 Related parties

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

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

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

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or a parent of the Group;

or

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

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or a parent, subsidiary or fellow subsidiary of other entity;

  (iii) the entity and the Group are joint ventures of the same third party;

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

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

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

  (vii) 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); and

  (viii) the entity, or any member of a Group of which it is apart, provides key management personnel services to the Group or to the parent of the Group.

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

2.27 Dividend distribution

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

3. Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value and interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has no significant transactional currency exposures except income from investment properties in the PRC, and these assets are also exposed to foreign currency translation risk. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flows generated from business transactions locally. The Group currently does not have a formal foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from financial assets at fair value through profit or loss (Note 22) as at 31 March 2019 and 2018. The Group's listed investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to every 5% increase/decrease in the fair values of the equity investments with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period:

	Increase/ (decrease) in carrying amount of equity investments HK$'000	**Decrease/ (increase) in loss before income tax** HK$'000	**Increase/ (decrease) in equity*** HK$'000
2019			
5% increase in equity price	**64**	**64**	**64**
5% decrease in equity price	**(64)**	**(64)**	**(64)**
2018			
5% increase in equity price	291	291	291
5% decrease in equity price	(291)	(291)	(291)

* Excluding accumulated losses

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

The Group's policy to manage its interest rate risk is to reduce or maintain its current level of interest-bearing borrowings. As the Group does not expect to significantly increase its level of interest-bearing borrowings, it has not used any interest rate swaps to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before income tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in loss before income tax**	**Decrease/ (increase) in equity***
		HK$'000	HK$'000
2019			
Hong Kong dollar	**50**	**72**	**—**
Hong Kong dollar	**50**	**(72)**	**—**
2018			
Hong Kong dollar	50	84	—
Hong Kong dollar	(50)	(84)	—

* Excluding accumulated losses

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from trade and other receivables, deposits and other receivables and cash and cash equivalents. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. The credit risk is monitored on an ongoing basis with reference to the financial position of the debtors, past experience and other factors.

(i) Risk management

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision for impairment allowance is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debt is not significant.

As at 31 March 2019 and 2018, substantially all of the Group's bank balances are deposited in major financial institutions. Management does not expect any losses from non-performance by these banks. The credit quality of cash and cash equivalents has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

The credit risk of the Group's other financial assets, which comprises cash and cash equivalents, amounts due from related companies, deposits and other receivables, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

(ii) Impairment of financial assets

Loans receivables

The Group applies general method to measuring ECL which was 12-month expected loss allowance for loans receivables.

The key inputs used for measuring ECL are probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD").

The key inputs are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the probability of default over a given time horizon. It is estimated as at a point in time. 12-month PD calculation is based on external rating and internal rating models, developed by the Group, in which the Group assessed using rating tools tailored to the various categories of counterparties and exposures. These internal rating models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Loans receivables (Continued)

LGD is an estimate of the loss arising on default. It is determined based on the current practical experiences generally used in the financial industry by considering the factors including but not limited to the fair value of collaterals obtained or deposits received.

EAD is an estimate of the exposure at a future default date, representing future repayments of principal and interest and deposits.

	Individual provisions 12-month ECL HK$'000
As at 31 March 2018 — HKAS 39	—
Adjustment for adoption of HKFRS 9	4,868
As at 1 April 2018 — HKFRS 9	4,868
Amounts recovered in respect of brought forward balance	(4,868)
As at 31 March 2019	—

At 31 March 2018	
Gross carrying amount excluding certain debtors	12,773
Loss allowance excluding certain debtors	4,868
Total loss allowance	4,868
Expected credit loss rate	38.11%

Trade receivables and contract assets

The Group applies HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables and contract assets. The Group measures the ECL on a collective basis.

The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 March 2019 and 1 April 2018 (on adoption of HKFRS 9) was determined as follows for trade receivables:

At 31 March 2019	0–30 days HK$'000	31–60 days HK$'000	61–90 days HK$'000	91–120 days HK$'000	Over 120 days HK$'000
Provision on collective basis					
Gross carrying amount excluding certain debtor(s)	8,644	139	815	95	1,701
Loss allowance excluding certain debtor(s)	695	92	408	59	1,696
Total loss allowance	695	92	408	59	1,696
Lifetime expected credit loss rate	8.04%	66.19%	50.06%	62.11%	99.71%

At 1 April 2018	0–30 days HK$'000	31–60 days HK$'000	61–90 days HK$'000	91–120 days HK$'000	Over 120 days HK$'000
Provision on collective basis					
Gross carrying amount excluding certain debtor(s)	798	617	44	82	1,212
Loss allowance excluding certain debtor(s)	82	38	12	26	1,212
Total loss allowance	82	38	12	26	1,212
Lifetime expected credit loss rate	10.28%	6.16%	27.27%	31.71%	100%

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Accounts receivable and contract assets

The closing loss allowance for accounts receivable and contract assets as at 31 March 2019 reconcile to the opening loss allowance as follows:

	Loans receivables HK$'000	Trade receivables HK$'000	Contract assets HK$'000	Total HK$'000
As at 31 March 2018 — calculated under HKAS 39	—	1,197	—	1,197
Amounts restated through opening accumulated losses	4,868	173	—	5,041
Opening loss allowance as at 1 April 2018 — calculated under HKFRS 9	4,868	1,370	—	6,238
Increase in loss allowance recognized in profit or loss during the year	—	1,519	61	1,580
Amounts recovered in respect of brought forward balance	(4,868)	—	—	(4,868)
As at 31 March 2019	—	2,889	61	2,950

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments, and the failure of a debtor to engage in a repayment plan with the Group.

Previous accounting policy for impairment of accounts receivable

In the prior year, the impairment of accounts receivable was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that impairment has been incurred but not yet been identified in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- default or late payments.

Receivables for which an impairment provision was recognized were written off against the provision when there was no expectation of recovering additional cash.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortized cost

Other financial assets at amortized cost included amounts due from related companies, deposits and other receivables.

The closing loss allowance for other financial assets at amortized cost as at 31 March 2018 reconciles to the opening loss allowance as follows:

	Deposits and other receivables HK$'000
As at 31 March 2018 — calculated under HKAS 39	8,779
Amounts restated through opening accumulated losses	—
Opening loss allowance as at 1 April 2018 — calculated under HKFRS 9	8,779
Increase in the allowance recognized in profit or loss during the year	4,682
Written-off against uncollectible receivables	(13,461)
As at 31 March 2019	—

Impairment losses on accounts receivable and other financial assets at amortized cost are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities. The Directors aim to maintain flexibility in funding by keeping credit lines available.

The following tables analyze the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the date of the consolidated statement of financial position) and the earliest date the Group can be required to pay.

Specifically, for bank loans 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. The maturity analysis for other bank borrowings and finance lease liabilities is prepared based on the scheduled repayment dates.

	On demand or within 1 year	**More than 1 year but less than 5 years**	**Over 5 years**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
2019				
Accounts payable	**1,883**	**—**	**—**	**1,883**
Accruals and other payables	**7,728**	**—**	**—**	**7,728**
Borrowings	**17,006**	**—**	**—**	**17,006**
Loans from shareholder	**—**	**14,725**	**—**	**14,725**
2018				
Accounts payable	2,036	—	—	2,036
Accruals and other payables	11,216	—	—	11,216
Borrowings	19,734	—	—	19,734

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group's borrowing based on the scheduled repayment dates set out in the loan agreements as set out in the table below:

	Within 1 year HK$'000	More than 1 year but less than 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
2019				
Borrowings	**2,295**	**6,879**	**7,832**	**17,006**
Loans from shareholder	**—**	**14,725**	**—**	**14,725**
2018				
Borrowings	2,247	8,480	9,007	19,734

3.2 Capital risk management

Certain of the Group's subsidiaries are regulated by the Securities and Futures Commission of Hong Kong (the "SFC") and are required to comply with certain minimum capital requirements according to the rules of the SFC. In addition, the Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. During the year ended 31 March 2019, the Group's strategy remains unchanged from 2018.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity, as shown in the consolidated statement of financial position. The gearing ratios at 31 March 2019 and 2018 were as follows:

	2019 HK$'000	2018 HK$'000
Total debt	**29,161**	16,846
Total equity	**68,342**	103,452
Gearing ratio	**43%**	16%

The total debt is defined as borrowings, loans from shareholder and convertible bonds, as detailed in Notes 28, 29 and 38(b) respectively.

3. Financial Risk Management (Continued)

3.3 Fair value estimation

Financial instruments that are measured in the consolidated financial statement at fair value require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

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

The Group's investment properties and financial assets at fair value through profit or loss are classified as level 2 and level 1 respectively, and there are no transfer among levels 1, 2 and 3 during the year. Details are disclosed in respective notes to the consolidated financial statements.

3. Financial Risk Management (Continued)

3.4 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables HK$'000	Financial assets at fair value through profit or loss HK$'000	Total HK$'000
Financial assets as per consolidated statement of financial position			
31 March 2019			
Statutory deposits and other assets *(Note 18)*	656	—	656
Accounts receivable *(Note 20)*	8,344	—	8,344
Deposits and other receivables	4,356	—	4,356
Financial assets at fair value through profit or loss *(Note 22)*	—	1,278	1,278
Amounts due from related companies	2,005	—	2,005
Client trust bank balances	253	—	253
Cash and cash equivalents *(Note 24)*	12,749	—	12,749
Total	28,363	1,278	29,641

3. Financial Risk Management (Continued)

3.4 Financial instruments by category (Continued)

	Loans and receivables HK$'000	Financial assets at fair value through profit or loss HK$'000	Total HK$'000
Financial assets as per consolidated statement of financial position			
31 March 2018			
Statutory deposits and other assets *(Note 18)*	656	—	656
Accounts receivable *(Note 20)*	14,329	—	14,329
Deposits and other receivables	8,419	—	8,419
Financial assets at fair value through profit or loss *(Note 22)*	—	5,813	5,813
Amounts due from related companies	2,186	—	2,186
Client trust bank balances	126	—	126
Cash and cash equivalents *(Note 24)*	20,331	—	20,331
Total	46,047	5,813	51,860

	Financial liabilities at amortized cost HK$'000
Financial liabilities as per consolidated statement of financial position	
31 March 2019	
Accounts payable *(Note 25)*	**1,883**
Accruals and other payables *(Note 26)*	**7,261**
Borrowings *(Note 28)*	**14,436**
Loans from shareholder *(Note 38)*	**14,725**
Total	**38,305**

3. Financial Risk Management (Continued)

3.4 Financial instruments by category (Continued)

	Financial liabilities at amortized cost HK$'000
Financial liabilities as per consolidated statement of financial position	
31 March 2018	
Accounts payable *(Note 25)*	2,036
Accruals and other payables *(Note 26)*	11,216
Borrowings *(Note 28)*	16,846
Convertible bonds *(Note 29)*	—
Total	30,098

4. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of the fair values of investment properties

The fair values of investment properties are determined annually by independent professionally qualified valuers on open market value, existing use basis calculated on the net income allowing for reversionary potential. In making the judgment, considerations have been given to assumptions that are mainly based on market conditions existing at the end of the reporting period.

(b) Estimation of current tax payable and current tax expense

The Group is subject to income taxes in certain jurisdictions. Significant judgment is required in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. 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 are made.

4. Critical Accounting Estimates and Judgments (Continued)

(c) Estimated impairment of financial assets

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected credit loss rates. The Group uses judgements in making these assumptions and selecting the inputs to impairments calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group reassesses the provision at each consolidated statement of financial position date.

(d) Estimation of the useful life of intangible asset

The Group periodically reviews internal or external resources to identify indications that the intangible assets other than goodwill have suffered any impairment in accordance with accounting policy stated in Note 2.8. If the recoverable amount of an intangible assets is estimated to be less than its carrying amount, the carrying amount of the intangible assets is reduced to its receivable amount. The assessment of the recoverable amount requires the use of estimates and assumptions.

(e) Consolidation of structured entities

The management makes significant judgment on whether the Group controls and therefore is required to consolidate its structured entities. The decision outcome impacts the financial and operational results of the Group.

When assessing control, the Group considers: (1) the level of power of the Group over the investee; (2) variable returns gained through participation of relevant activities of the investee; and (3) the ability of the Group in using its power over the investee to affect its return.

When assessing the level of power over the structured entities, the Group considers the following four aspects:

(a) the degree of participation when establishing the structured entities;

(b) contractual arrangements;

(c) activities that take place only at special occasions or events;

(d) commitments made to the investee from the Group.

When assessing whether there is control over the structured entities, the Group also considers whether it's acting as a principal or as an agent. Aspects of considerations normally include the decision-making scope over the structured entities, substantive rights of third parties, reward of the Group, and exposure to variable risks and returns from owning other benefits of the structured entities.

5. Revenue

Revenue recognized during the year is as follows:

	2019 **HK$'000**	2018 HK$'000
Service income from provision of financial information service	**838**	1,072
Advertising and investor relationship service income	**16,680**	14,659
Brokerage commission and service income from securities and futures business	**274**	5
Loan interest income	**263**	1,055
Rental income from investment properties	**1,582**	1,983
	19,637	18,774

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

	2019 **HK$'000**
Revenue from contracts with customers	
— Service income from provision of financial information services	**838**
— Advertising and investor relationship service income	**16,680**
— Brokerage commission and services income from securities and future business	**274**
	17,792
Represented by:	
Timing of revenue recognition	
— At a point in time	**14,047**
— Over time	**3,745**
	17,792
Revenue from other sources	
— Loan interest income	**263**
— Rental income from investment properties	**1,582**
	1,845
	19,637

6. Other Income and Other Losses

	2019 HK$'000	2018 HK$'000
Interest income from bank deposits	**9**	6
Income from sharing of administrative expenses	**2,473**	3,364
Fair value gain on investment properties	**200**	1,700
Fair value change on financial assets at fair value through profit or loss	**(3,041)**	(612)
Loss on disposal of subsidiaries *(Note 33)*	**—**	(499)
Sundry income	**103**	164
	(256)	4,123

7. Segment Information

The chief operating decision-maker has been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors have reviewed the Group's internal reports in order to assess the performance and allocate resources; they have also determined the operating segments based on these reports. The Executive Directors have further considered the business from product perspective and have assessed the performance of four business segments: (i) financial information, advertising and investor relationship service business, (ii) securities and futures business, (iii) money lending business and (iv) property investment business.

At 31 March 2019, the Group is organized into four operating segments:

(i) Financial information, advertising and investor relationship service business — the development, production and provision of financial information service and technology solutions to corporate and retail clients in Hong Kong and the PRC; this segment also include results of the media business, providing advertising, investor relationship and branding promotion and communication service;

(ii) securities and futures business that specializes in the provision of online securities and futures trading;

(iii) money lending business; and

(iv) property investment business.

7. Segment Information (Continued)

The segment results for the year ended 31 March 2019 are as follows:

	Financial information, advertising and investor relationship service business HK$'000	Securities and futures business HK$'000	Money lending business HK$'000	Property investment business HK$'000	Group HK$'000
Gross revenue	18,044	274	263	1,582	20,163
Inter-segment revenue	(526)	—	—	—	(526)
Revenue from external customers	17,518	274	263	1,582	19,637
Segment results	(18,580)	(7,304)	(57)	(1,364)	(27,305)
Finance costs					(491)
Loss before income tax					(27,796)
Income tax expense					(297)
Loss for the year					(28,093)
Other segment items included in the consolidated income statement are as follows:					
Provision for impairment loss of trade receivables	(1,519)	—	—	—	(1,519)
Provision for impairment loss of contract assets	(61)	—	—	—	(61)
Write-off of other receivables	(4,682)	—	—	—	(4,682)
Reversal of provision for impairment of loans receivables	—	—	4,868	—	4,868
Fair value change on financial assets at fair value through profit or loss	—	(3,041)	—	—	(3,041)
Fair value gain on investment properties	—	—	—	200	200
Depreciation of property, plant and equipment	(2,625)	(27)	—	(62)	(2,714)

7. Segment Information (Continued)

The segment results for the year ended 31 March 2018 are as follows:

	Financial information, advertising and investor relationship service business HK$'000	Securities and futures business HK$'000	Money lending business HK$'000	Property investment business HK$'000	Group HK$'000
Gross revenue	16,776	5	1,055	1,983	19,819
Inter-segment revenue	(1,045)	—	—	—	(1,045)
Revenue from external customers	15,731	5	1,055	1,983	18,774
Segment results	(29,563)	(4,241)	2,822	4,525	(26,457)
Loss on early redemption of convertible bonds					(32)
Finance costs					(7,035)
Loss before income tax					(33,524)
Income tax expense					(3,344)
Loss for the year					(36,868)
Other segment items included in the consolidated income statement are as follows:					
Provision for impairment loss of trade receivables	(72)	—	—	—	(72)
Reversal of provision for impairment loss of loans receivables	—	—	2,802	—	2,802
Fair value change on financial assets at fair value through profit or loss	—	(612)	—	—	(612)
Fair value gain on investment properties	—	—	—	1,700	1,700
Depreciation of property, plant and equipment	(3,261)	(33)	—	(32)	(3,326)
Loss on disposal of a subsidiary	—	—	—	(499)	(499)

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, accounts receivable, prepayment, deposits and other receivables, amounts due from related companies, financial assets at fair value through profit or loss, contract assets, client trust bank balances and cash and cash equivalents. Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties, intangible assets and statutory deposits and other assets.

7. Segment Information (Continued)

The segment assets and liabilities at 31 March 2019 and capital expenditure for the year then ended are as follows:

	Financial information, advertising and investor relationship service business HK$'000	Securities and futures business HK$'000	Money lending business HK$'000	Property investment business HK$'000	Group HK$'000
Assets	**70,090**	**12,552**	**48**	**38,033**	**120,723**
Liabilities	**34,996**	**310**	**257**	**16,818**	**52,381**
Capital expenditure	**151**	**—**	**—**	**—**	**151**

The segment assets and liabilities at 31 March 2018 and capital expenditure for the year then ended are as follows:

	Financial information, advertising and investor relationship service business HK$'000	Securities and futures business HK$'000	Money lending business HK$'000	Property investment business HK$'000	Group HK$'000
Assets	81,838	13,427	16,764	33,758	145,787
Liabilities	30,053	240	913	11,129	42,335
Capital expenditure	55,648	36	—	—	55,684

The Group mainly operates in Hong Kong and the PRC.

	2019 HK$'000	2018 HK$'000
Revenue		
Hong Kong	**12,712**	16,051
The PRC	**6,925**	2,723
	19,637	18,774

Revenue is allocated based on the country in which the customer is located.

7. Segment Information (Continued)

	2019 HK$'000	2018 HK$'000
Total assets		
Hong Kong	**75,271**	103,293
The PRC	**45,452**	42,494
	120,723	145,787

Total assets are allocated based on where the assets are located.

	2019 HK$'000	2018 HK$'000
Non-current assets		
Hong Kong	**55,200**	57,102
The PRC	**34,802**	35,565
	90,002	92,667

Non-current assets are allocated based on where the assets are located.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2019 HK$'000	2018 HK$'000
Customer A[1]	**2,950**	N/A[2]
Customer B[1]	**2,000**	N/A[2]
Customer C[1]	**NA[2]**	2,000
Customer D[1]	**NA[2]**	2,000
Customer E[1]	**NA[2]**	2,000
Customer F[1]	**3,644**	N/A[2]

1 Revenue from financial information, advertising and investor relationship service business.

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

8. Finance Costs

	2019 **HK$'000**	2018 HK$'000
Interest expense on borrowing	**491**	645
Effective interest expense on convertible bonds	**—**	6,390
	491	7,035

9. Loss Before Income Tax

Loss before income tax has been arrived at after charging/(crediting):

	2019 **HK$'000**	2018 HK$'000
Operating lease payments		
— in respect of rented premises	**6,799**	7,479
— in respect of office equipment	**12**	12
Employee benefits expense (including directors' emoluments) *(Note 12)*	**26,635**	27,707
Provision for impairment loss of trade receivables	**1,519**	72
Provision for impairment loss of contract assets	**61**	—
Write-off of other receivables	**4,682**	—
Reversal of provision for impairment loss of loans receivables	**(4,868)**	(2,802)
Depreciation of property, plant and equipment	**2,714**	3,326
Loss on disposal of property, plant and equipment	**—**	125
Loss on early redemption of convertible bonds	**—**	32
Direct operating expenses arising on rental-earning investment properties	**34**	161
Auditors' remuneration		
— Audit service	**625**	595
— Non-audit service	**—**	—

10. Income Tax Expense

Hong Kong Profits Tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the year.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Regulations on the Implementation of the EIT Law in the PRC, the applicable tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

	2019 HK$'000	2018 HK$'000
Current tax:		
— Hong Kong Profits Tax	**—**	257
— Overseas taxation — the PRC	**276**	145
Deferred tax: *(Note 30)*	**21**	2,942
Income tax expense	**297**	3,344

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong Profits Tax rate of 16.5% (2018: 16.5%) as follows:

	2019 HK$'000	2018 HK$'000
Loss before income tax	**(27,796)**	(33,524)
Tax calculated at Hong Kong Profits Tax rate	**(4,586)**	(5,531)
Effect of different tax rates of other jurisdictions	**(950)**	(108)
Income not subject to tax	**(2,002)**	(1,185)
Expenses not deductible for tax purposes	**1,890**	2,273
Tax effect of temporary differences not recognized	**146**	3,149
Tax losses for which no deferred income tax asset was recognized	**5,799**	4,573
Utilization of previously unrecognized tax losses	**—**	173
Income tax expense	**297**	3,344

11. Loss Per Share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company for the year ended 31 March 2019 of approximately HK$28,870,000 (2018: approximately HK$35,814,000) by the weighted average number of approximately 666,539,000 (2018: approximately 569,683,000) ordinary shares in issue during the year.

(b) Diluted

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2019 and 2018.

12. Employee Benefits Expense

Employee benefits expense (including directors' and chief executive's remuneration) during the year are as follows:

	2019 **HK$'000**	2018 HK$'000
Wages and salaries	**24,263**	25,913
Pension costs — defined contribution plans	**1,445**	1,306
Equity settled share-based payment	**—**	(393)
Others	**927**	881
	26,635	27,707

13. Directors' and Chief Executive's Remuneration

The remuneration of every director and the chief executive of the Company for the years ended 31 March 2019 and 2018 are set out below:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Contributions to defined contribution schemes HK$'000	Total HK$'000
Year ended 31 March 2019				
Executive Directors				
Ms. LO Yuk Yee	—	1,758	18	1,776
Mr. LEE Yu Chung (appointed on 15 March 2019)	5	30	—	35
Mr. CHOW Wing Chau (resigned on 15 March 2019)	115	—	—	115
Mr. YIU Wing Hei (resigned on 5 October 2018)	62	—	—	62
Independent Non-executive Directors				
Mr. SIU Siu Ling, Robert	120	—	—	120
Mr. WONG Wai Kin	120	—	—	120
Mr. LEUNG Chi Hung	120	—	—	120
	542	1,788	18	2,348

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Contributions to defined contribution schemes HK$'000	Total HK$'000
Year ended 31 March 2018				
Executive Directors				
Ms. LO Yuk Yee	—	2,058	18	2,076
Mr. CHOW Wing Chau	120	—	—	120
Mr. YIU Wing Hei	120	—	—	120
Mr. LI Hong (resigned on 8 May 2017)	12	—	—	12
Independent Non-executive Directors				
Mr. SIU Siu Ling, Robert	120	—	—	120
Mr. WONG Wai Kin	120	—	—	120
Mr. LEUNG Chi Hung	120	—	—	120
	612	2,058	18	2,688

13. Directors' and Chief Executive's Remuneration (Continued)

No emoluments were paid or payable to chief executive of the Group during both years. The position of chief executive officer was vacant and its roles and responsibilities were shared amongst the members of the Board.

During the year ended 31 March 2019, no bonuses had been paid or receivable by the directors of the Company which are discretionary or are based on the Company's, the Group's or any member of the Group's performance.

During the year ended 31 March 2019, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil). None of the directors of the Company waived or agreed to waive any remuneration during the year (2018: Nil).

The directors of the Company consider that they are the only key management personnel of the Group and details of their compensation have been set out above.

14. Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year included one (2018: one) director whose emoluments have been reflected in the analysis presented above. The emoluments payable to the remaining four (2018: four) individuals during the year are as follows:

	2019 HK$'000	2018 HK$'000
Basic salaries and allowances	**2,464**	2,584
Contributions to defined contribution schemes	**69**	69
	2,533	2,653

The emoluments fell within the following band:

	2019 Number of individuals	2018 Number of individuals
Emolument band		
Nil to HK$1,000,000	**4**	4

During the year ended 31 March 2019, no bonuses had been paid or receivable by any of the five highest paid individuals which are discretionary or are based on the Company's, the Group's or any member of the Group's performance (2018: Nil).

During the year ended 31 March 2019, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2018: Nil).

15. Property, Plant and Equipment

	Leasehold improvements HK$'000	Land and buildings HK$'000	Computer equipment HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2017							
Cost	6,280	—	8,873	1,334	2,971	2,566	22,024
Accumulated depreciation	(5,209)	—	(7,063)	(1,157)	(1,143)	(772)	(15,344)
	1,071	—	1,810	177	1,828	1,794	6,680
Year ended 31 March 2018							
Opening net book amount	1,071	—	1,810	177	1,828	1,794	6,680
Additions	62	—	313	52	1,257	—	1,684
Acquisition of assets through acquisition of a subsidiary	—	54,000	—	—	—	—	54,000
Disposals	—	—	—	—	—	(373)	(373)
Disposals of subsidiaries	(377)	—	—	—	—	—	(377)
Depreciation	(697)	(720)	(825)	(70)	(647)	(367)	(3,326)
Exchange differences	(1)	—	24	1	214	35	273
Closing net book amount	58	53,280	1,322	160	2,652	1,089	58,561
At 31 March 2018							
Cost	5,581	54,000	9,344	1,365	4,541	1,967	76,798
Accumulated depreciation	(5,523)	(720)	(8,022)	(1,205)	(1,889)	(878)	(18,237)
Net book amount	58	53,280	1,322	160	2,652	1,089	58,561
Year ended 31 March 2019							
Opening net book amount	**58**	**53,280**	**1,322**	**160**	**2,652**	**1,089**	**58,561**
Additions	**–**	**–**	**74**	**26**	**41**	**–**	**141**
Acquisition of assets through acquisition of a subsidiary	**–**	**–**	**10**	**–**	**–**	**–**	**10**
Disposals	**–**	**–**	**–**	**(2)**	**–**	**–**	**(2)**
Depreciation	**(13)**	**(1,080)**	**(650)**	**(65)**	**(657)**	**(249)**	**(2,714)**
Exchange differences	**–**	**–**	**(13)**	**–**	**(253)**	**(34)**	**(300)**
Closing net book amount	**45**	**52,200**	**743**	**119**	**1,783**	**806**	**55,696**
At 31 March 2019							
Cost	**5,573**	**54,000**	**9,326**	**1,388**	**4,336**	**1,923**	**76,546**
Accumulated depreciation	**(5,528)**	**(1,800)**	**(8,583)**	**(1,269)**	**(2,553)**	**(1,117)**	**(20,850)**
Net book amount	**45**	**52,200**	**743**	**119**	**1,783**	**806**	**55,696**

As at 31 March 2019, the Group has pledged land and buildings with carrying amount of approximately HK$52,200,000 (2018: approximately HK$53,280,000) to secure the Group's borrowing (Note 28).

16. Investment Properties

	2019 HK$'000	2018 HK$'000
Beginning of year	**32,500**	98,800
Disposal of a subsidiary	**—**	(68,000)
Net gain from fair value adjustment	**200**	1,700
End of year	**32,700**	32,500

The Group's interests in investment properties at their carrying amount are analyzed as follows:

	2019 HK$'000	2018 HK$'000
Leases of between 10 to 50 years, held in:		
— The PRC	**32,700**	32,500
	32,700	32,500

At 31 March 2019, no bank borrowings were secured by the above investment properties (2018: Nil).

The Group obtains independent valuations for its investment properties at least annually. In current year, the valuations are performed by Ascent Partners Valuation Services Limited ("Ascent Partners"), an independent professionally qualified valuer. Ascent Partners has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations and confirms that the valuations conform with Hong Kong Institute of Surveyors Valuation Standards on Properties.

Fair value of investment properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties in close proximity, which have recently transacted. The most significant input into this valuation approach is price per square feet.

There has been no change from the valuation technique used in both years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The valuation gain is included in "Other income and other losses" in the consolidated income statement (Note 6).

16. Investment Properties (Continued)

The following tables present the investment properties of the Group carried at fair value by valuation method as at 31 March 2019 and 2018:

Fair value hierarchy

	Quoted prices in active markets for identified assets Level 1 HK$'000	Significant other observable inputs Level 2 HK$'000	Significant unobservable inputs Level 3 HK$'000	Total HK$'000
2019				
Recurring fair value measurements				
Investment properties:				
— The PRC	—	32,700	—	32,700
	—	32,700	—	32,700

	Quoted prices in active markets for identified assets Level 1 HK$'000	Significant other observable inputs Level 2 HK$'000	Significant unobservable inputs Level 3 HK$'000	Total HK$'000
2018				
Recurring fair value measurements				
Investment properties:				
— The PRC	—	32,500	—	32,500
	—	32,500	—	32,500

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers among Levels 1, 2 and 3 during the year.

17. Intangible Assets

	Trading rights in the Stock Exchange and Hong Kong Futures Exchange Limited HK$'000
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	
Cost and net book amount	950

Trading rights issued by Stock Exchange and Hong Kong Futures Exchange Limited allows the Group to trade securities and future contracts on or through the exchange. The trading rights held by the Group are considered by the directors of the Company as having indefinite useful lives because they are expected to contribute net cash inflows indefinitely.

The trading rights will not be amortized until their useful life is determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired. The recoverable amounts of the cash generating units relating to securities and futures business whereby these trading rights are allocated to, using a discounted cashflow method, exceed the carrying amounts. Accordingly, there is no impairment of the trading rights as at 31 March 2019 and 2018.

18. Statutory Deposits and Other Assets

	2019 **HK$'000**	2018 HK$'000
Hong Kong Securities and Futures Commission		
— Securities dealer deposit	**100**	100
— Commodity dealer deposit	**100**	100
The Stock Exchange of Hong Kong Limited		
— Compensation fund deposit	**50**	50
— Fidelity fund deposit	**50**	50
Hong Kong Securities Clearing Company Limited		
— Guarantee fund	**50**	50
— Admission fee	**50**	50
— Shanghai Hong Kong Connection Deposit	**251**	251
Stamp duty deposit	**5**	5
	656	656

19. General Information of Subsidiaries

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

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued capital/registered capital	Interest held
Finet Finance Limited	Hong Kong, limited liability company	Money lending	Ordinary HK$2	100% (Indirect)
Finet Financial Services (Hong Kong) Company Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$50,000	100% (Direct)
Finet Information Services Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK$2	100% (Indirect)
Finet Securities Limited	Hong Kong, limited liability company	Acting as dealer in securities and commodities and trading in securities and commodities	Ordinary HK$42,000,000	100% (Direct)
Finet Wealth Management Company Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$10,000	100% (Indirect)
FinTV e-commerce Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$50,000	50% (Indirect)
FinTV Video Company Limited	Hong Kong, limited liability company	Video making	Ordinary HK$10,000	50% (Indirect)
Hong Kong Affairs Limited	Hong Kong, limited liability company	Data hosting	Ordinary HK$10,000	100% (Indirect)
Source Mega Properties Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$10,000	100% (Indirect)
Xian Dai Communications Limited	Hong Kong, limited liability company	Financial public relationship business	Ordinary HK$100	50% (Indirect)
Xian Dai Creative Advertising Company Limited	Hong Kong, limited liability company	On-line and off-line advertising	Ordinary HK$10,000	50% (Indirect)
Xian Dai TV Limited	Hong Kong, limited liability company	Media business	Ordinary HK$18,000,000	50% (Indirect)
China Hong Kong News Group Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK$10,000	100% (Indirect)
Maxon Management Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK$1	100% (Indirect)
Finet Management Services Limited	Hong Kong, limited liability company	Media business	Ordinary HK$10,000	100% (Indirect)
Dynamic Vision (Hong Kong) Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$10,000	37.5% (Indirect)
Finet Asset Management Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$10,000	100% (Indirect)
Finet Corporate Finance Limited	Hong Kong, limited liability company	Inactive	Ordinary HK$10,000	100% (Indirect)

19. General Information of Subsidiaries (Continued)

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

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued capital/registered capital	Interest held
Finet Holdings Limited	Hong Kong, limited liability company	Provision of financial information management and technology solutions, internet advertising and investment holding in Hong Kong	Ordinary HK$68,990,025	100% (Indirect)
Finet News Services Limited	Hong Kong, limited liability company	Provision of financial information services in Hong Kong and the PRC and investment holding	Ordinary HK$10,000	100% (Indirect)
Finet Group (BVI) Limited	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US$1 each	100% (Direct)
Finet New Media Limited	British Virgin Islands, limited liability company	Investment holding	10,000 ordinary shares of HK$1 each	100% (Indirect)
Finet Securities SPC Limited	Cayman Islands, limited liability company	Investment holding	100 management shares of US$1 each 500 participant shares of US$0.01 each	100% (Indirect)
Finet Group Technology (Shenzhen) Limited	PRC, wholly foreign owned enterprise	Provision of financial information services in the PRC	Registered and paid-up capital of HK$11,000,000	100% (Direct)
北京財華金科信息諮詢有限公司	PRC, limited liability company	Financial services	Registered and paid-up capital of RMB200,000	100% (Indirect)
現代電視文化傳播(深圳)有限公司	PRC, limited liability company	Media business	Registered and paid-up capital of RMB100,000	100% (Indirect)
財華金科網絡技術開發(深圳)有限公司	PRC, wholly foreign owned enterprise	Provision of financial information services in the PRC	Registered and paid-up capital of HK$10,000,000	100% (Indirect)
財華科技信息(深圳)有限公司	PRC, limited liability company	Inactive	Registered and paid-up capital of RMB100,000	100% (Indirect)
深圳市財華智庫信息技術有限公司	PRC, limited liability company	Value-added telecommunication business	Registered and paid-up capital of RMB1,000,000	100% (Indirect) *(Note (i))*

Note:

(i) **Consolidated structured entity**

PRC laws and regulations restrict foreign investors from owning more than 50% equity interests in any enterprise engaged in value-added telecommunication business (the "Restricted Business").

During the year ended 31 March 2019, the Group decided to engage in the provision of service for internet content provider which is categorized under the Restricted Business. Therefore, 深圳市財華智庫信息技術有限公司 (the "Structured Entity") was established and under the legal ownership of an independent third party. A series of agreements (the "Contractual Arrangements") were entered into between the Group and the legal owners on 30 November 2018.

19. General Information of Subsidiaries (Continued)

Note: (Continued)

(i) Consolidated structured entities (Continued)

The Contractual Arrangements both comprised of (a) option agreement, (b) proxy agreement, (c) consultancy and services agreement and (d) share pledge agreement. Key provisions of the Contractual Arrangements are as follows:

Exclusive Option Agreement

The Group, the Structured Entity and the legal owners entered into an exclusive option agreement (the "Exclusive Option Agreement") whereby the legal owners have irrevocably and unconditionally agree, to the extent permitted under the laws of the PRC, to transfer to the Group or any other entities or persons designated by the Group their equity interests in the Structured Entities. The Group may exercise, at its sole discretion, its rights at any time and in any manner permitted under the laws of the PRC. The exercise price of the rights payable to each of the legal owners is the lower of (a) the amount of registered capital contributed by the respective legal owner in accordance with their respective percentage of equity interest in the Structured Entity and (b) the lowest price permitted under the laws of the PRC. The entire consideration received by the legal owners in exercising the option would be transferred to the Group within 10 days. In respect of the Contractual Arrangements, the Exclusive Option Agreement contains an undertaking from 財華智庫's legal owners to return to the Company any consideration they received when the Company acquires the equity interest of 財華智庫 upon unwinding the Contractual Arrangements.

The Exclusive Option Agreement will be terminated when all the rights and assets in the Structured Entity are transferred to the Group and/or other entities or persons designated by the Group in accordance with the terms of the Exclusive Option Agreement and the laws of the PRC.

Proxy Agreement

The Group, the Structured Entity and the legal owners entered into a proxy agreement (the "Proxy Agreement") whereby the legal owners have irrevocably undertake that they will authorize persons designated by the Group to exercise on their behalf the rights as a shareholder of the Structured Entity under the articles of association of the Structured Entity, including but not limited to (a) the right to convene and attend shareholders' meeting; and (b) the right to vote as shareholders.

The Proxy Agreement will be valid until terminated in writing by all parties.

Consultancy and Services Agreement

The Group and the Structured Entity entered into an exclusive consultancy and services agreement ("Consultancy and Services Agreement") whereby the Structured Entity engage the Group on an exclusive basis to provide consultancy services in relation to technology approval, technology support, technology consultation and other related corporate consultation services.

In consideration of the provision of the aforementioned services by the Group, the Structured Entity will pay the Group (a) a service fee equivalent to the entire profit after taxation of the Structured Entities, with calculation in accordance to HKFRSs, after setting off any accumulated loss after taxation in the prior years; and (b) another service fee agreed separately between the Structured Entity and the Group for specific technology services provided by the Group on the request of the Structured Entity.

The Consultancy and Services Agreement will be valid until terminate in writing by both parties or in accordance with the requirements by the laws of the PRC.

Share Pledge Agreement

The Group, the Structured Entity and the legal owners entered into a share pledge agreement (the "Share Pledge Agreement") whereby the legal owners have irrevocably and unconditionally agree that the Group shall be entitled to enforce the pledge in accordance with the terms of the Share Pledge Agreement.

The Share Pledge Agreement will remain in effect until the later to occur of the following: (a) all of the obligations of the legal owners and the Structured Entity under the Option Agreement, the Consultancy and Services Agreement and the Proxy Agreement are satisfied in full or (b) all the direct, indirect or incidental loss suffered by the Group as a result of the breach by the legal owners or the Structured Entity under the Option Agreement, the Proxy Agreement and/or the Consultancy and Services Agreement has been discharged in full.

19. General Information of Subsidiaries (Continued)

Note: (Continued)

(i) **Consolidated structured entities (Continued)**

Share Pledge Agreement (Continued)

The directors of the Company, after consulting their legal counsel, are of the view that the Contractual Arrangements are in compliance with existing PRC laws and regulations and are valid, binding and enforceable, and do not result in any violation of PRC laws or regulations currently in effect in all material aspects. The Contractual Arrangements have in substance enabled the Group to exercise full control over and enjoy all economic benefits of the Structured Entity despite the absence of formal legal equity interest held by the Group therein and the legal owners are, in substance, the nominees of the Group. Accordingly, the Structured Entities are accounted for as a consolidated structured entity of the Group.

The principal business of the Structured Entity is operation of online media platform in the PRC.

Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries as shown on the Company's statement of financial position and intra-group balances are unsecured, interest-free and repayable on demand.

Details of non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that had material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of Ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2019	2018	**2019 HK$'000**	2018 HK$'000	**2019 HK$'000**	2018 HK$'000
Xian Dai TV Limited	Hong Kong	**50%**	50%	**777**	(1,054)	**(8,541)**	(9,277)

	2019 HK$'000	2018 HK$'000
Total assets	**2,868**	4,051
Total liabilities	**(19,950)**	(22,606)
Net liabilities	**(17,082)**	(18,555)
Total income	**7,734**	7,988
Total expenses	**(6,180)**	(10,096)
Profit/(loss) for the year	**1,554**	(2,108)
Net cash outflow from operating activities	**(1,794)**	(4,482)
Net cash (outflow)/inflow from investing activities	**(34)**	693
Net cash outflow	**(1,828)**	(3,789)

20. Accounts Receivable

	2019 HK$'000	2018 HK$'000
Loans receivables *(Note (i))*	–	12,773
Less: Provision for impairment loss of loans receivables	–	—
	–	12,773
Trade receivables *(Note (ii))*	11,233	2,753
Less: Provision for impairment loss of trade receivables	(2,889)	(1,197)
	8,344	1,556
Accounts receivable	8,344	14,329

Notes:

(i) As at 31 March 2018, the loans receivables of amount to approximately HK$6,166,000 related to the Group's subsidiary director, the loan bears 1% interest rate per month, repayable on the date falling on the expiry of the two-month period after the loan agreement date and no collateral to collection.

(ii) As at 31 March 2019, the trade receivables of amount approximately HK$2,950,000 (2018: Nil) related to the Group's related company.

20. Accounts Receivable (Continued)

Loans receivables

The loans terms granted by the Group to its customers range from 60 days to 365 days from the loan drawn date. The carrying amounts of loans receivables approximate to their fair values as these financial assets, which are measured at amortized cost, are expected to be paid within a short period of time, such that the impact of the time value of money is not significant. Loans receivables as at 31 March 2018 are unsecured and interest-bearing at rates ranging from 7% to 12% per annum. Loans receivables include the interest receivables of approximately HK$1,055,000 receivable at the date of repayment as at 31 March 2018.

As of 31 March 2018, loans receivables of approximately HK$11,771,000 were past due but not impaired.

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

	2018 HK$'000
Over 90 days	11,771

At 31 March 2018, the recoverability of the Group's loans receivables due from individual customers are assessed based on their credit history, their financial conditions and current market conditions.

Movement on the provision for impairment loss of loans receivables were as follows:

	2019 HK$'000	2018 HK$'000
At the beginning of year	**—**	2,802
Initial recognition of HKFRS 9	**4,868**	—
Reversal of provision for impairment loss	**(4,868)**	(2,802)
At the end of year	**—**	—

20. Accounts Receivable (Continued)

Trade receivables

The credit terms granted by the Group to its customers range from 10 days to 90 days from the date of billing. The carrying amounts of the trade receivables approximate to their fair values as these financial assets, which are measured at amortized cost, are expected to be paid within a short period of time, such that the impact of the time value of money is not significant. At 31 March 2019 and 2018, the aging analysis of the trade receivables are as follows:

	2019 HK$'000	2018 HK$'000
0–30 days	**7,849**	798
31–60 days	**47**	618
61–90 days	**408**	43
Over 90 days	**40**	97
	8,344	1,556

As of 31 March 2018, trade receivables of approximately HK$97,000 were past due but not impaired. These relate to several independent customers with no recent history of default.

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

	2018 HK$'000
Over 90 days	97

Movements on the provision for impairment loss of trade receivables were as follows:

	2019 HK$'000	2018 HK$'000
At the beginning of year	**1,197**	1,125
Initial recognition of HKFRS 9	**173**	72
Loss allowance	**1,519**	—
At the end of year	**2,889**	1,197

At 31 March 2018, the recoverability of the Group's trade receivables due from individual customers are assessed based on their credit history, their financial conditions and current market conditions.

20. Accounts Receivable (Continued)

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. This resulted in an increase of the loss allowance on 1 April 2018 by approximately HK$173,000 for trade receivables. Note 3.1 provides for details about the calculation of the loss allowance.

The loss allowance increased by HK$1,519,000 to approximately HK$2,889,000 for trade receivables during the current year. Note 3.1 provides for details about the reconciliation from the opening loss allowance to the closing loss allowance.

The carrying amounts of the Group's accounts receivable are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
Hong Kong dollars	**4,943**	14,269
Renminbi	**3,398**	—
United States dollars	**3**	60
	8,344	14,329

The maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable mentioned above. The Group does not hold any collateral as security.

21. Prepayment, Deposits and Other Receivables

	2019 HK$'000	2018 HK$'000
Prepayment	**1,636**	1,916
Utility and other deposits	**4,047**	4,266
Other receivables	**309**	4,153
Amount due from a former subsidiary *(Note)*	**—**	8,779
	5,992	19,114
Less: Provision for impairment loss of amount due from a former subsidiary *(Note)*	**—**	(8,779)
	5,992	10,335

Note: The amount due from a former subsidiary was unsecured, interest-free and repayable on demand. The directors of the Company considered the amount due might not be recovered and a full provision for impairment loss had been recognized during the year ended 31 March 2017 and write-off during the year ended 31 March 2019.

22. Financial Assets at Fair Value Through Profit or Loss

	2019 HK$'000	2018 HK$'000
Equity securities listed in Hong Kong, at fair value	**1,278**	5,813

During the year ended 31 March 2019, the realized and unrealized loss on financial assets at fair value through profit or loss were approximately HK$2,393,000 (2018: realized gain on financial asset at fair value through profit or loss was approximately HK$75,000) and approximately HK$648,000 (2018: approximately HK$687,000) respectively. Details of the equity investee of which the carrying amount is significant to the Group at 31 March 2019 and 2018 are as follows:

At 31 March 2019

Name of company	Place of incorporation	Class of shares held	Proportion of the nominal value issued ordinary shares held by the Group	Number of shares held by the Group as at 31 March 2019	Unrealized loss during year HK$'000
Daisho Microline Holdings Limited (SEHK: 0567)	**Bermuda**	**Ordinary shares**	**0.17%**	**1,000,000**	**225**
Xiaomi Corporation (SEHK: 1810)	**Cayman Islands**	**Ordinary shares**	**0.0003%**	**91,200**	**423**

At 31 March 2018

Name of company	Place of incorporation	Class of shares held	Proportion of the nominal value issued ordinary shares held by the Group	Number of shares held by the Group as at 31 March 2018	Unrealized loss during year HK$'000
Daisho Microline Holdings Limited (SEHK: 0567)	Bermuda	Ordinary shares	2.16%	12,500,000	687

The fair value of all equity securities are based on their current market prices in an active market. The Group held listed equity securities with a total market value of approximately HK$1,278,000 (2018: approximately HK$5,813,000) as at 31 March 2019.

22. Financial Assets at Fair Value Through Profit or Loss (Continued)

The following table presents the financial assets at fair value through profit or loss that are measured at fair value at 31 March 2019:

	Quoted prices in active markets for identified assets Level 1 HK$'000	**Significant other observable inputs Level 2 HK$'000**	**Significant unobservable inputs Level 3 HK$'000**	**Total HK$'000**
Financial assets at fair value through profit or loss	**1,278**	**—**	**—**	**1,278**

At 31 March 2018

The following table presents the financial assets at fair value through profit or loss that are measured at fair value at 31 March 2018:

	Quoted prices in active markets for identified assets Level 1 HK$'000	Significant other observable inputs Level 2 HK$'000	Significant unobservable inputs Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	5,813	—	—	5,813

Financial assets at fair value through profit or loss are denominated in HK$.

23. Amounts Due from/(to) Related Companies

Name of related companies	**Maximum outstanding amount during the year** HK$'000	**2019** **HK$'000**	2018 HK$'000
International Links Limited ("International Links")	1,769	**674**	1,769
Maxx Capital Finance Limited ("Maxx Capital Finance")	1,279	**1,279**	446
Finet Job Limited ("Finet Job")	29	**29**	(29)
China HK Finance Group Limited ("China HK Finance")	23	**23**	—
XD Finance Limited ("XD Finance")	N/A	**(42)**	—
		1,963	2,186

International Links, Maxx Capital Finance, Finet Job, China HK Finance and XD Finance are beneficially owned by Ms. Lo, the chairman and the executive director of the Company.

As at 31 March 2019 and 2018, the amounts due were unsecured, interest-free and have no fixed term of repayment.

24. Cash and Cash Equivalents

	2019 HK$'000	2018 HK$'000
Cash at banks and in hand	**12,749**	20,331

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank balances are deposited with credit worthy banks with no recent history of default.

At 31 March 2019, approximately 62% (2018: approximately 69%) of the Group's bank balances and deposits are denominated in Hong Kong dollars, approximately 32% (2018: approximately 20%) in United States dollar and approximately 6% (2018: approximately 11%) in Renminbi, Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

25. Accounts Payable

	2019 HK$'000	2018 HK$'000
Accounts payable arising from securities broking		
— Clients	**240**	113
Accounts payable arising from futures broking		
— Clients	**13**	13
Other accounts payable	**1,630**	1,910
Accounts payable	**1,883**	2,036

The settlement terms of accounts payable arising from securities broking are one or two trade days after the trade execution date.

Accounts payable to clients arising from futures broking are margin deposits received from clients for their trading of futures contracts. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

At 31 March 2019 and 2018, the aging analysis of the other accounts payable were as follows:

	2019 HK$'000	2018 HK$'000
0–30 days	**—**	363
31–60 days	**—**	43
61–90 days	**—**	8
Over 90 days	**1,630**	1,496
	1,630	1,910

25. Accounts Payable (Continued)

The carrying amounts of the Group's accounts payable are denominated in the following currencies:

	2019 HK$'000	2018 HK$'000
Renminbi	**12**	12
Hong Kong dollars	**1,862**	2,015
United States dollars	**9**	9
	1,883	2,036

26. Accruals and other payables

	2019 HK$'000	2018 HK$'000
Rental deposits received	**467**	447
Other payables	**2,605**	2,867
Accruals	**4,656**	7,902
	7,728	11,216

27. Contract assets/contract liabilities

	2019 HK$'000	2018 HK$'000
Contract assets, net of allowance *(Note (i))*	**100**	—
Contract liabilities *(Note (ii), (iii))*	**2,044**	—

Movement on the provision for impairment loss of contract assets were as follows:

	2019 HK$'000	2018 HK$'000
At the beginning of year	**—**	—
Loss allowance	**61**	—
At the end of year	**61**	—

27. Contract assets/contract liabilities (Continued)

Notes:

(i) The Group's contracts include payment schedules which require stage payments over contract period conditional on achieving certain milestones or satisfactory completion, the Group recognizes the related revenue before being unconditional entitled to the consideration for the promised services in the contract.

(ii) The Group receives payment from customers based on billing schedule as established in contracts. Payment are usually received in advance of the performance under the contracts which are mainly from provision of services.

(iii) On 1 April 2018, the balance of the Group's contract liabilities was approximately HK$693,000 of which has fully recognized as revenue in 2019. As the contracts are for periods of one year or less or the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

(iv) Information about the impairment of contract assets and the Group's exposure to credit risk can be found in Note 3.1.

28. Borrowings

	2019	2018
	HK$'000	HK$'000
Secured bank borrowings	**14,436**	16,846

At the end of the reporting period, the borrowings are repayable as follows:

Within 1 year	**1,833**	1,769
Between 1 and 2 years	**1,769**	1,769
Between 2 and 5 years	**3,898**	5,308
Over 5 years	**6,936**	8,000
	14,436	16,846

As at 31 March 2019, the borrowings of approximately HK$2,436,000 (2018: approximately HK$3,846,000) carried at floating rate of Hong Kong Interbank Offer Rate ("HIBOR") plus 1.25% per annum (2018: at floating rate of Hong Kong Interbank Offer Rate ("HIBOR") plus 1.25% per annum). The borrowings of approximately HK$12,000,000 carried at floating rate of HIBOR plus 1.75% per annum (2018: approximately HK$13,000,000 carried at floating rate of HIBOR plus 1.75% per annum). The effective interest rate for the borrowings ranging from 3.35% to 3.63% (2018: 2.42% to 3.11%) per annum. The carrying amounts of the borrowings are denominated in Hong Kong dollars.

As at 31 March 2019 and 2018, the borrowings was pledged by certain land and buildings of the Group (Note 15) and a personal guarantee was given by the chairman of the Company for the Group's certain borrowings.

The borrowings are classified as current liabilities because the related loan agreement contains a repayment on demand clause which gives the lender the unconditional right to call the loan at any time.

29. Convertible Bonds

Convertible bonds at amortized costs:

The movement of liability component at amortized costs of the convertible bonds are as follows:

	HK$'000
Carrying amount as at 1 April 2017	62,858
Conversion of convertible bonds	(49,882)
Early redemption of convertible bonds	(16,549)
Interest charged *(Note 8)*	6,390
Interest paid	(2,817)
Carrying amount as at 31 March 2018	—

On 23 December 2015, 6 May 2016 and 12 May 2016, the Company issued convertible bonds, comprised Convertible Bond Batch 1 (the "CB 1"), Convertible Bond Batch 2 (the "CB 2"), Convertible Bond Batch 3 (the "CB 3") and Convertible Bond Batch 4 (the "CB 4"), with an aggregate principal amount of HK$69,696,000 to the subscriber, Maxx Capital International Limited ("Maxx Capital"), which is beneficially owned by Ms. LO, the chairman and the executive director of the Company. The convertible bonds carried an interest at 3% per annum payable on annual basis and have a term of 2 years. The convertibles bonds carried the rights to convert into conversion share at a price of HK$0.396 each during the period commencing from the date of issue of convertible bonds and ending on the day which falls on the second anniversary of the date of issue of convertible bonds. The effective interest rate of the liability component for the convertible bonds of the four batches are ranged from 17.42% to 18.97% per annum at the date of initial recognition.

On 13 July 2017, the Company early redeemed the CB 1. The fair value of the liability component on the date of redemption was approximately HK$16,581,000 and resulted in a loss of approximately HK$32,000 from the redemption of the CB 1.

The movement of equity component of the convertible bonds is as follows:

	HK$'000
Carrying amount as at 1 April 2017	13,307
Conversion of convertible bonds	(15,936)
Release of deferred tax liability on recognition of equity component of convertible bonds	2,629
Carrying amount as at 31 March 2018	—

On 14 December 2017, Maxx Capital has fully exercised the rests of its conversion rights attached to the CB 2, CB 3 and CB 4 with an aggregate principal amount of HK$52,272,000 into 137,557,894 new ordinary shares of the Company at HK$0.38 each.

30. Deferred Tax Liabilities

The movement on the deferred income tax liabilities account are as follows:

	Convertible bonds HK$'000	Revaluation of properties HK$'000	Accelerated tax depreciation HK$'000	Total HK$'000
At 1 April 2017	1,129	9,845	151	11,125
Charge to consolidated income statement	1,500	1,020	422	2,942
Eliminated on disposal of a subsidiary	—	—	(151)	(151)
Release of recognition of equity component of convertible bonds	(2,629)	—	—	(2,629)
At 31 March 2018 and 1 April 2018	—	10,865	422	11,287
Charge to consolidated income statement	—	127	(106)	21
At 31 March 2019	**—**	**10,992**	**316**	**11,308**

Deferred tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefit through future taxable profit is probable. No deferred tax assets are recognized in the Group's consolidated financial statements as it is uncertain as to whether these tax benefits will be utilized in the foreseeable future. The tax losses arising from subsidiaries operating in Hong Kong are subject to approval by the Inland Revenue Department of Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group has deferred tax assets not recognized on unused tax losses of approximately HK$8,402,000 (31 March 2018: approximately HK$8,330,000) arose in the PRC to carry forward to set off against future taxable income which will expire within 1 to 5 years from each of the financial year end date.

31. Share Capital

	2019 Number of shares	**2019** Amount HK$'000	2018 Number of shares	2018 Amount HK$'000
Ordinary shares of HK$0.01 (2018: HK$0.01) each				
Authorized:				
At beginning of year and at the end of year	**15,000,000,000**	**150,000**	15,000,000,000	150,000
Issued and fully paid:				
At the beginning of year	**666,538,774**	**6,665**	528,980,880	5,290
Conversion of convertible bonds *(Note)*	**—**	**—**	137,557,894	1,375
At the end of year	**666,538,774**	**6,665**	666,538,774	6,665

Note:

On 14 December 2017, the principal amount of HK$52,272,000 of convertible bonds was converted at the conversion price of HK$0.38 each, resulting in the issue of 137,557,894 ordinary shares at HK$0.01 each (Note 29).

32. Acquisition of assets through acquisition of a subsidiary

For the year ended 31 March 2018:

Acquisition of Maxon Management Limited (the "Maxon")

On 24 August 2017, the Group completed the acquisition of entire interests in Maxon Management Limited (the "Acquisition") from a connected person. In the opinion of the directors, the Acquisition did not constitute an acquisition of business in substance. The Acquisition was considered as acquisition of assets through acquisition of a subsidiary. The Maxon is principally engaged in property investment business in Hong Kong. The commercial properties is occupied by the Group as office for the securities and futures business. The consideration is satisfied by a cash consideration of approximately HK$36,233,000.

Assets acquired and liabilities recognized at the date of acquisition are as follows:

	HK$'000
Property, plant and equipment *(Note 15)*	54,000
Prepayment, deposits and other receivables	50
Cash and bank balances	170
Amount due to a fellow subsidiary	(285)
Accruals and other payables	(61)
Bank borrowings	(17,641)
Net assets	36,233
Satisfied by cash	36,233
Net cash outflow on acquisition of the Maxon:	
Cash consideration paid	(36,233)
Less: cash and cash equivalents balances acquired	170
	(36,063)

33. Disposal of subsidiaries

For the year ended 31 March 2018:

Disposal of Pink Angel Investments Limited (the "Pink Angel")

On 14 March 2017, Finet Group (BVI) Limited, a direct wholly-owned subsidiary of the Company, had entered into the agreement with an independent third party to dispose of the entire issued share capital of the Pink Angel together with the sale debt at a consideration of approximately HK$67,430,000. The principal assets held by the Pink Angel were the commercial properties located in Hong Kong. The disposal was completed on 11 July 2017.

Analysis of assets and liabilities over which control was lost:

	HK$'000
Investment properties *(Note 16)*	68,000
Property, plant and equipment *(Note 15)*	377
Trade and other receivables	287
Accruals and other payables	(584)
Deferred tax liabilities *(Note 30)*	(151)
	67,929
Loss on disposal of a subsidiary *(Note 6)*	(499)
	67,430
Satisfied by:	
Cash consideration received	24,914
Cash consideration for sale debt	42,516
	67,430
Net cash inflow on disposal of a subsidiary:	
Cash consideration received	24,914
Cash consideration for sale debt	42,516
	67,430

34. Share-Based Employee

Share Option Scheme

The Company adopted a share option scheme (the "Old Share Option Scheme") on 16 December 2004. The Old Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions which the eligible participants thereunder have made or may make to the Group. The Old Share Option Scheme is aimed to provide the eligible participants with the opportunity to own a personal stake in the Company with a view to achieving the objectives of motivating the eligible participants and attracting/or and retaining or otherwise maintaining on-going relationship with the eligible participants whose contributions are, will be or are likely to be beneficial to the long term growth of the Group. The Old Share Option Scheme expired on 15 December 2014.

New Share Option Scheme

In August 2014, the Board proposed to adopt a new share option scheme (the "New Share Option Scheme") to enable the continuity of the Old Share Option Scheme of the Company and to simultaneously terminate the operation of the Old Share Option Scheme. The Company does not maintain any share option scheme other than the Old Share Option Scheme. The Old Share Option Scheme shall be terminated and expired upon the adoption of the New Share Option Scheme although all outstanding options granted under the Old Share Option Scheme shall continue to be valid and exercisable in accordance with the Old Share Option Scheme.

The purpose of the New Share Option Scheme is to provide incentives and rewards to the eligible participants as defined thereunder (the "Eligible Participants") who contribute to the success of the Group's operations. There are no share options issued under the New Share Option Scheme. The Board is of the view that the eligible Participants are persons who may contribute to the growth and development of the Group through their services or investments. Whether the Board will grant any share options under the New Share Option Scheme (the "Option") to any of the eligible participants depends on many factors such as their interest in the shares of the Company, their business/working relationship with the Group, and their contribution that has or may have made to the Group, etc. The general principle is the same for all Eligible Participants.

There are no options issued under the New Share Option Scheme.

The rules of the New Share Option Scheme provide that the Company may specify certain Eligible Participants to whom Options shall be granted, the number of shares of the Company subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme though the Board may specify such performance target at the time of grant. The directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

34. Share-Based Employee (Continued)

Share Option Scheme (Continued)

New Share Option Scheme (Continued)

The maximum number of shares issued and to be issued upon exercise of the Options granted to each Eligible Participant under the New Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at the date of grant. Any further grant of share options to any Eligible Participant in excess of this limit is subject to shareholders' approval in a general meeting. The total number of shares which may be issued upon exercise of all share options to be granted under this scheme and any other share option scheme of the Company must not, in aggregate, exceed 10% of the shares in issue of the Company (the "10% General Limit") as at the date of approval of the New Share Option Scheme. The Company may seek approval from its shareholders in a general meeting to refresh the 10% General Limit at any time in accordance with the GEM Listing Rules.

The 10% General Limit has been refreshed at the annual general meeting of the Company held on 22 September 2017 ("2017 AGM"), and hence the 10% General Limit as at 31 March 2017 is 52,898,088 shares of HK$0.01 each being 10% of the number of shares in issue as at the date of the 2017 AGM of the Company of 528,980,880 shares of HK$0.01 each.

The overall limit on the number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other scheme of the Company must not exceed 30% of the shares in issue from time to time.

Share options granted to directors, chief executive, or substantial shareholders of the Company, or any of their respective associates, are subject to the approval of the independent non-executive Directors (excluding any independent non-executive director who is a grantee of the share options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, which would result in the shares issued or to be issued upon exercise of all Options already granted or to be granted in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5 million, within a 12-month period, are subject to the shareholders' approval in a general meeting in accordance with the GEM Listing Rules.

The grant of share options is effective upon receipt of the acceptance of the offer in writing duly signed by the Eligible Participant together with a payment of a nominal consideration of HK$1 in total.

An offer shall remain open for acceptance by an Eligible Participant for a period of 21 days from the date of such offer.

The exercise price of the share options is determinable by the Board of the Company, but may not be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share options, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the share options; and (iii) the nominal value of the Company's shares as on the date of grant of the share options.

34. Share-Based Employee (Continued)

Share Option Scheme (Continued)

The following table discloses movements of the share options granted during the year ended 31 March 2018:

Grantee	Date of grant	Adjusted exercise price	Exercise period	Outstanding as at 1 April 2017	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding as at 31 March 2018
Share Option Scheme:								
Executive Director								
Mr. CHOW Wing Chau	3 January 2014	HK$0.5000	*Note 1*	500,000	—	—	(500,000)^	—
Sub-total				500,000	—	—	(500,000)	—
Employee	3 January 2014	HK$0.5000	*Note 1*	1,000,000	—	—	(1,000,000)^	—
Sub-total				1,000,000	—	—	(1,000,000)	—
Total				1,500,000	—	—	(1,500,000)	—
Weighted average exercise price				HK$0.5000	N/A	N/A	N/A	—

^ The 1,500,000 share options granted under the Share Option Scheme cancelled by the employees.

The exercise price in respect of any share options, shall subject to any adjustments in the event of any alteration in the capital structure of the Company whilst any share option remains exercisable or this scheme remains in effect. The exercise of any share option shall be subject to the shareholders in the general meeting approving any necessary increase in the authorized share capital of the Company.

The fair value of options granted on 3 January 2014 was using the Binomial options-pricing model at the date of grant; no subsequent revaluation at the year ended is required. The significant inputs into the model were closing share price of HK$0.50 at the grant date, exercise price of HK$0.50, volatility of 73.88%, dividend yield of nil, expected option lives ranging from 2 to 3 years, and annual risk-free interest of 2.34%.

34. Share-Based Employee (Continued)

Share Option Scheme (Continued)

Note:

1. For share options granted on 3 January 2014

Validity period: The outstanding share options are exercisable for a period of ten years commencing from the end of the respective vesting period in the manner as stated below.

		As at 31 March 2019	As at 31 March 2018
Vesting period:	6 months after 3 January 2014:	N/A	Cancelled
	12 months after 3 January 2014:	N/A	Cancelled

During the year ended 31 March 2019, no employees share-based payment (2018: employee share-based payment of net credit amount of approximately HK$393,000) has been included in the consolidated income statement with a corresponding debit to the employee compensation reserve.

At 31 March 2019 and 2018, the Company had no share options outstanding under the Old Share Option Scheme.

35. Commitments

The Group as Lessor

The future minimum lease payments receivable under non-cancelable operating leases are as follows:

	2019 HK$'000	2018 HK$'000
No later than 1 year	–	2,334

The Group leases its investment properties under operating lease. The leases run for an initial period of 1 to 2 years for fixed rentals.

35. Commitments (Continued)

The Group as Lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	2019	2018
	HK$'000	HK$'000
No later than 1 year	**3,263**	7,488
Later than 1 year and no later than 5 years	**—**	2,686
	3,263	10,174

The Company had no significant operating lease commitment as at 31 March 2019 and 2018.

36. Contingent Liabilities

During the year ended 31 March 2008, three libel actions were brought by a company and an individual (collectively the "Plaintiffs") against the Group in respect of the publication of words alleged to be defamatory and concerning articles published on the Group's website in 2007. The Plaintiffs sought, among other things, injunctive relief and unliquidated damages. The Executive Directors of the Company are of the opinion that the Group has a meritorious defense against such claims and therefore filed defense on 13 November 2007 and 9 April 2008 against all three libel actions consecutively. No further steps have been taken by the Plaintiffs since the filing of the defense. Accordingly, the Executive Directors of the Company are of the opinion that these claims would not have any material adverse effect on the Group, and no provisions have been made in the consolidated financial statements in respect thereof.

37. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	**Convertible bonds**	**Loans from shareholder**	**Total**
	Note 28	*Note 29*	*Note 38*	
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2017	26,667	62,858	—	89,525
Financing cash flows	(28,107)	(20,241)	—	(48,348)
Acquisition of assets through acquisition of a subsidiary	17,641	—	—	17,641
Conversion of convertible bonds	—	(49,882)	—	(49,882)
Early redemption of convertible bonds	—	875	—	875
Interest expenses	645	6,390	—	7,035
At 31 March 2018 and 1 April 2018	16,846	—	—	16,846
Financing cash flows	(2,901)	—	7,500	4,599
Interest expense	491	—	—	491
Transfer from accruals and other payables	—	—	7,225	7,225
At 31 March 2019	**14,436**	**—**	**14,725**	**29,161**

38. Significant Related Parties Transactions

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following significant related parties transactions during the year:

(a) Transaction with related parties

	2019 HK$'000	2018 HK$'000
Income from financial information services received from Top 100 Hong Kong *(Note i)*	**2,950**	—
Income from sharing of administrative expenses received from International Links *(Note i)*	**661**	1,689
Income from sharing of administrative expenses received from Maxx Capital Finance *(Note i)*	**1,812**	1,675
Rental expenses paid to Cyber Feel Limited ("Cyber Feel") *(Note i)*	**3,962**	3,643
Rental expenses paid to Great Heep International Investment Limited ("Great Heep") *(Note i)*	**330**	232
Rental expenses paid to Maxon *(Note ii)*	**—**	596
Loan interest income from the Group's subsidiary director *(Note iii)*	**128**	284

Notes:

(i) Maxx Capital Finance, Top 100 Hong Kong, Great Heep, Cyber Feel and International Links are beneficially owned by Ms. LO, the chairman and the executive director of the Company.

(ii) Maxon was beneficially owned by Ms. LO, the chairman and the executive director of the Company before 24 August 2017. The acquisition of Maxon was completed on 24 August 2017 and Maxon became an indirectly wholly-owned subsidiary of the Company.

(iii) Finet Finance Limited, a wholly-owned subsidiary of the Company entering into loan agreements with the Borrower, Ms. Chan Kwai Yuet, the Group's subsidiary director, constituted the connected transaction with the Group.

(b) Loans from shareholder

On 28 November 2018, the Group and Ms. LO, entered into a long-term loan facility agreement under which Ms. LO has agreed to make available to the Company an unsecured loan facility amounted to HK$7,500,000. As at 31 March 2019, full amount of the facility were drawn down. Loans from a shareholder was interest-free and denominated in HK$.

On 31 March 2019, the Group and Ms. LO entered into a deed of assignment whereas the Group, as the assignor, assigned the outstanding amounts approximately HK$7,225,000 to Ms. LO.

39. Statement of financial position and reserves of the Company

	2019 HK$'000	2018 HK$'000
Non-current assets		
Property, plant and equipment	280	360
Investment properties	32,700	32,500
Investments in subsidiaries	35,885	29,885
	68,865	62,745
Current assets		
Amounts due from subsidiaries	5,017	48,847
Amounts due from related companies	238	238
Prepayments, deposits and other receivables	1,096	849
Cash and cash equivalents	3,719	4,566
	10,070	54,500
Total assets	78,935	117,245
Current liabilities		
Accruals and other payables	890	1,718
Amounts due to subsidiaries	5,532	3,427
	6,422	5,145
Net current assets	3,648	49,355
Total assets less current liabilities	72,513	112,100
Non-current liabilities		
Convertible bonds	—	—
Loans from shareholder	4,935	—
Deferred tax liabilities	10,993	10,865
	15,928	10,865
Net assets	56,585	101,235
Equity		
Capital and reserves attributable to owners of the Company		
Share capital	6,665	6,665
Reserves	49,920	94,570
Total equity	56,585	101,235

LO Yuk Yee
Director

LEE Yu Chung
Director

39. Statement of financial position and reserves of the Company (Continued)

	Share premium HK$'000	Employee compensation reserve HK$'000	Convertible bonds equity component HK$'000	Property revaluation reserve HK$'000	Accumulated losses HK$'000	Total reserves HK$'000
Balance at 1 April 2017	259,831	393	13,307	9,989	(206,710)	76,810
Comprehensive expense						
Loss for the year	—	—	—	—	(31,451)	(31,451)
Transactions with owners						
Early redemption of convertible bonds	—	—	(4,179)	—	3,336	(843)
Conversion of convertible bonds	60,264	—	(11,757)	—	—	48,507
Share options cancelled during the year	—	(393)	—	—	—	(393)
Release of deferred tax liability on recognition of equity component of convertible bonds	—	—	2,629	—	(689)	1,940
Total transactions with owners	60,264	(393)	(13,307)	—	2,647	49,211
Balance at 31 March 2018 and 1 April 2018	**320,095**	**—**	**—**	**9,989**	**(235,514)**	**94,570**
Comprehensive expense						
Loss for the year	**—**	**—**	**—**	**—**	**(44,650)**	**(44,650)**
Balance at 31 March 2019	**320,095**	**—**	**—**	**9,989**	**(280,164)**	**49,920**

40. Events After the Reporting Period

On 17 April 2019, the Company granted 17,160,000 share options to eligible participants under the share option scheme adopted on 4 September 2014. The share options granted shall vest in the grantees in accordance with the timetable, each with an exercise period commencing from the relevant share option vesting date and ending on 3 September 2024. For details, please refer to the announcement dated 17 April 2019.

Five Year Financial Summary

	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000	2015 HK$'000
RESULTS					
Revenue	**19,637**	18,774	10,766	11,183	19,292
Operating loss	**(27,035)**	(26,489)	(23,788)	(39,519)	(38,790)
Finance costs	**(491)**	(7,035)	(9,639)	(1,093)	(458)
Loss for the year	**(28,093)**	(36,868)	(32,147)	(40,732)	(39,420)
Loss per share					
— Basic (in HK cent)	**(4)**	(6)	(6)	(8)	(8)
— Diluted (in HK cent)	**(4)**	(6)	(6)	(8)	(8)
ASSETS AND LIABILITIES					
Non-current assets	**90,002**	92,667	107,086	96,643	97,710
Current assets	**30,721**	53,120	98,644	43,662	51,818
Current liabilities	**26,348**	31,048	43,869	29,242	26,089
Non-current liabilities	**26,033**	11,287	73,983	24,544	9,958
Net assets	**68,342**	103,452	87,878	86,519	113,481

Properties Held by the Group

Particulars of the Group's investment property is as follows:

No.	Property	Type	Group's effective holding	Gross area (approximately square feet)	Lease term
1	12A03 and 12A04, Anlian Plaza, Junction of Jintian Road and Fuzhong San Road, Futian District, Shenzhen City, Guangdong Province, the People's Republic of China	Commercial	100%	5,325 sq. ft.	Medium term lease with 50 years commencing on 23 January 2002 and expiring on 22 January 2052