The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong.

信永中和 ShineWing

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DLC ASIA LIMITED AND RED SUN CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of DLC Asia Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-34, which comprises the combined statements of financial position as at 31 March 2016, 2017 and 2018, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the three years ended 31 March 2016, 2017 and 2018 (the "Track Record Period"), statement of financial position of the Company as at 31 March 2018 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-34 forms an integral part of this report, which has been prepared for inclusion in the [**REDACTED**] of the Company dated [**REDACTED**] (the "[**REDACTED**]") in connection with the initial [**REDACTED**] of shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITIES FOR HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risk of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

OPINION

In our opinion the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's financial position as at 31 March 2016, 2017 and 2018, of the Group's financial performance and cash flows for the Track Record Period and of the financial position of the Company as at 31 March 2018 in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE GEM OF THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

ADJUSTMENTS

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

DIVIDENDS

We refer to note 16 to the Historical Financial Information which states that an interim dividend has been declared or paid by a Company's subsidiary during the Track Record Period.

No dividend was paid or declared by the Company during the Track Record Period nor has any dividend been proposed since the end of each reporting period.

NO HISTORICAL FINANCIAL STATEMENTS OF THE COMPANY

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
[REDACTED]

A. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the audited financial statements of De Riva Asia Limited ("De Riva") for each of the three years ended 31 March 2016, 2017 and 2018, the management accounts of the Company for the period from 1 November 2017 (date of incorporation) to 31 March 2018 and DLS Capital Limited for the period from 13 October 2017 (date of incorporation) to 31 March 2018 (collectively known as "Underlying Financial Statements"). The Underlying Financial Statements are prepared in accordance with the accounting policies which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Combined Statements of Profit or Loss and Other Comprehensive Income

		Year ended 31 March		
		2016	**2017**	**2018**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*8*	60,206	59,752	76,759
Other income and gains, net	*10*	66	8	455
Total revenue and other income		60,272	59,760	77,214
Depreciation		(315)	(200)	(151)
Staff costs		(28,691)	(27,553)	(41,974)
[REDACTED]		–	–	**[REDACTED]**
Other operating expenses		(15,119)	(17,778)	(16,641)
Finance costs	*11*	–	(7)	(38)
Profit before tax	*12*	16,147	14,222	7,800
Income tax expense	*13*	(2,656)	(2,365)	(3,022)
Profit and total comprehensive income for the year attributable to the owners of the Company		13,491	11,857	4,778
Earnings per share	*17*	N/A	N/A	N/A

Combined Statements of Financial Position

		The Group			The Company
		As at 31 March			As at 31 March
		2016	**2017**	**2018**	**2018**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property and equipment	*18*	424	267	205	–
Deposits	*21*	–	–	567	–
Deposits paid for acquisitions of property and equipment		–	–	1,530	–
Intangible assets	*19*	1,000	1,000	1,000	–
		1,424	1,267	3,302	–
Current assets					
Trade receivables	*20*	15,571	15,445	21,211	–
Prepayments, deposits and other receivables	*21*	10,153	8,790	11,024	–*
Tax recoverable		–	331	–	–
Cash and cash equivalents	*22*	12,000	22,193	21,361	–
		37,724	46,759	53,596	–*
Current liabilities					
Other payables and accruals	*23*	6,241	5,257	11,956	–
Dividend payable		–	4,000	–	–
Tax payable		1,995	–	637	–
Bank overdrafts	*22*	–	–	758	–
		8,236	9,257	13,351	–
Net current assets		29,488	37,502	40,245	–
Net assets		30,912	38,769	43,547	–
Capital and reserves					
Share capital	*24*	6,800	6,800	6,800	–*
Reserve		24,112	31,969	36,747	–
Total equity		30,912	38,769	43,547	–*

* The balance represents an amount less than HK$500.

Combined Statements of Changes in Equity

	Attributable to the owners of the Company		
	Share capital	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2015	6,800	11,481	18,281
Profit and total comprehensive income for the year	–	13,491	13,491
Dividend recognised as distribution *(note 16)*	–	(860)	(860)
At 31 March 2016 and 1 April 2016	6,800	24,112	30,912
Profit and total comprehensive income for the year	–	11,857	11,857
Dividend recognised as distribution *(note 16)*	–	(4,000)	(4,000)
At 31 March 2017 and 1 April 2017	6,800	31,969	38,769
Issue of shares of the Company *(note 24)*	–*	–	–*
Profit and total comprehensive income for the year	–	4,778	4,778
As at 31 March 2018	6,800	36,747	43,547

* The balance represents an amount less than HK$500.

Combined Statements of Cash Flows

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
OPERATING ACTIVITIES			
Profit before tax	16,147	14,222	7,800
Adjustments for:			
Depreciation of property and equipment	315	200	151
Interest income	–*	(2)	(1)
Interest paid	–	7	38
Operating cash flows before movements in working capital	16,462	14,427	7,988
(Increase) decrease in trade receivables	(5,233)	126	(5,766)
(Increase) decrease in prepayments, deposits and other receivables	(8,419)	1,363	(2,801)
Increase (decrease) in other payables and accruals	3,008	(984)	6,699
Cash generated from operations	5,818	14,932	6,120
Hong Kong Profits Tax paid	(1,294)	(4,691)	(2,054)
Interest paid	–	(7)	(38)
NET CASH FROM OPERATING ACTIVITIES	4,524	10,234	4,028
INVESTING ACTIVITIES			
Deposits paid for acquisitions of property and equipment	–	–	(1,530)
Purchase of property and equipment	(59)	(43)	(89)
Purchase of intangible assets	(500)	–	–
Interest received	–*	2	1
NET CASH USED IN INVESTING ACTIVITIES	(559)	(41)	(1,618)

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
FINANCING ACTIVITIES			
Issue of shares of the Company *(note 24)*	–	–	–*
Dividends paid	(860)	–	(4,000)
NET CASH USED IN FINANCING ACTIVITIES	(860)	–	(4,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,105	10,193	(1,590)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	8,895	12,000	22,193
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	12,000	22,193	20,603
Analysis of components of cash and cash equivalents:			
Cash and cash equivalents	12,000	22,193	21,361
Bank overdrafts	–	–	(758)
	12,000	22,193	20,603

* The balance represents an amount less than HK$500.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 1 November 2017 in preparation for the **[REDACTED]** of the Company's shares on the GEM of the Stock Exchange. Its parent is Oasis Green Ventures Limited ("Oasis Green"), a company with limited liability incorporated in the British Virgin Islands ("BVI"). Its ultimate beneficial owner during the Track Record Period is Mr. Yu Kwok Tung.

The addresses of the registered office and the principal place of business of the Company are stated in the "Corporate Information" section of the **[REDACTED]**.

Pursuant to a group reorganisation (the "Reorganisation") as detailed in the section headed "History, Reorganisation and Corporate Structure" in the **[REDACTED]**, the Company became the holding company of the companies now comprising the Group upon the completion of the Reorganisation on 3 August 2018.

The Company is an investment holding company. The Company and its subsidiaries were involved in the business of dealing in securities and futures contracts as a futures non-clearing dealer.

The Historical Financial Information is presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

At the date of this report, the Company had direct or indirect interests in the following subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particular of which are set out below:

Name of subsidiaries	Place and date of incorporation/ operation	Issued and fully paid share capital/ registered capital	Percentage of equity interest attributable to the Group				Principal activities
			31 March 2016	31 March 2017	31 March 2018	At the date of this report	
De Riva Asia Limited ("De Riva")	Hong Kong 27 July 2009	HK$6,800,000	100%	100%	100%	100%	Provision of services of dealing in securities and futures contracts as a futures non-clearing broker
DLS Capital Limited	British Virgin Islands 13 October 2017	USD5,000	N/A	N/A	100%	100%	Investment Holdings

The statutory financial statements of De Riva for the years ended 31 March 2016 and 2017 were prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and were audited by Morison Heng CPA Limited, a Certified Public Accountant registered in Hong Kong.

The statutory financial statements of De Riva for the years ended 31 March 2018 were prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and were audited by SHINEWING (HK) CPA Limited, a Certified Public Accountant registered in Hong Kong.

No audited statutory financial statements have been prepared for the Company and DLS Capital Limited since their respective dates of incorporation as they were incorporated in jurisdictions where there are no statutory audit requirements.

2. GROUP REORGANISATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 3 August 2018. The Group, comprising the Company and its subsidiaries, resulting from the Reorganisation, was directly and/or beneficially owned by the same ultimate beneficial owner, Mr. Yu Kwok Tung, before and after the Reorganisation.

As such, this Reorganisation is effectively interspersing a shell company over the subsidiaries and there was a continuation of risks and benefits to the ultimate beneficial owner. Accordingly, the Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Historical Financial Information of the Group has been prepared on the combined basis as if the Company had always been the holding company of the companies comprising the Group throughout the Track Record Period.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows included the results and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the Track Record Period. The combined statements of financial position of the Group as at 31 March 2016, 2017 and 2018 has been prepared to present the assets and liabilities of the companies comprising the Group using the carrying amounts as if the current group structure had been in existence as at those dates. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

3. APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting the Historical Financial Information of the Track Record Period, the Group has consistently adopted all applicable Hong Kong Accounting Standards ("HKASs"), HKFRSs, amendments and interpretations issued by the HKICPA which are effective for the accounting periods beginning on 1 April 2017 throughout the Track Record Period.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Lease[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[2]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018.

2 Effective for annual periods beginning on or after 1 January 2019.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows

- All recognised financial assets that are within the scope of HKFRS 9 (2014) to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligned hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company has performed a detailed analysis of the Group's financial instruments as at 31 March 2018 based on the fact and circumstances existing at that date. The directors of the Company have assessed the impact of adoption of HKFRS 9 (2014) on the Group's results and financial position, including the classification categories and the measurement of financial assets, and disclosures, as follows:

(a) *Classification and measurement*

The directors of the Company expect to continue recognising initially at fair value for all financial assets which are subsequently measured at amortised costs. The directors of the Company anticipate that the adoption of HKFRS 9 (2014) will not have a material impact on the classification and measurement of the financial assets.

(b) *Impairment*

The directors of the Company expect to apply the simplified approach and record lifetime expected credit losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade receivables and other receivables. The application of the expected credit loss model may result in earlier recognition of credit losses for trade and other receivables and increase the amount of impairment allowance recognised for these items.

The Group will apply HKFRS 9 from 1 April 2018, with the practical expedients permitted under the standard, and accordingly will not restate comparative periods in the year of initial application. The directors of the Company expect that the adoption of HKFRS 9 (2014) will not have other material impact on amounts reported on the Group's results and financial position.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been adopted in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The major sources of revenue of the Group are provision of services. Under HKFRS 15, revenue is recognised for each of the performance obligations when control over a good or service is transferred to a customer. The directors of the Company have assessed each type of the performance obligations and consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18 Revenue. Furthermore, HKFRS 15 requires the transaction price to be allocated to each performance obligation on a relative stand-alone selling price basis, which may affect the timing and amounts of revenue recognition, and results in more disclosures in the consolidated financial statements.

The Group plans to adopt the new standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognized in the opening retained earnings at 1 April 2018 and comparative information for the year ended 31 March 2018 will not be restated. Apart from providing more extensive disclosures on the Group's revenue transaction, the directors of the Company expect that the adoption of HKFRS 15 will not have a material impact on the timing and amounts of revenue recognised based on the existing business model of the Group as at 31 March 2018.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 *Property, Plant and Equipment*, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 *Leases* and the related interpretations when it becomes effective. HKFRS 16 will become effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of HKFRS 16.

As at 31 March 2016, 2017 and 2018, the Group has non-cancellable operating lease commitments of approximately HK$604,000, HK$1,604,000 and HK$5,547,000 respectively as disclosed in note 26. Out of this balance, amounts of approximately HK$Nil, HK$642,000 and HK$3,540,000 respectively represent operating leases with original lease terms of over one year in which the Group will recognise right-to-use assets and corresponding lease liabilities unless they are exempt from the reporting obligations under HKFRS 16. The directors of the Company expect that, apart from the changes in the measurement, presentation and disclosure as indicated above, the adoption of HKFRS 16 will not have other material impact on amounts reported in the Group's results and financial position.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

Basis of combination

The Historical Financial Information incorporates the financial statements of the entities to be controlled by the Company upon the Reorganisation. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Combination of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the combined statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable, and represents the amounts receivable for services provided in the normal course of business. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when revenue can be measured reliably, on the following basis:

- Commission income is recognised when the services are rendered; and
- Interest income, on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition; and

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the terms of the relevant leases, except where another systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Property and equipment

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

Depreciation is recognised so as to write off the cost of items of Property and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment losses on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets and with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

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. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Cash and cash equivalents

Cash in the combined statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the combined statements of cash flows, cash and cash equivalents represent cash as defined above, net of outstanding bank overdrafts.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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 capitalisation.

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

Financial instruments

Financial assets and financial liabilities are recognised in the combined statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial assets' original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account, if applicable. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an account or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial liabilities are classified into other financial liabilities.

Other financial liabilities

Other financial liabilities including other payables and accruals, dividend payable and bank overdrafts are subsequently measured at the amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

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

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the assets' carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4 above, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

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

Impairment loss on trade receivables

The policy for making impairment loss on trade receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss may be required. As at 31 March 2016, 2017 and 2018, the carrying amounts of the trade receivables were approximately HK$15,571,000, HK$15,445,000 and HK$21,211,000 respectively. No impairment allowance had been recognised during the Track Record Period. More details are given in note 20 to the Historical Financial Information.

6. CAPITAL RISK MANAGEMENT

Capital comprises of share capital and reserves stated in the Group's statement of financial position. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, by pricing commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Company manages capital by regularly monitoring its current and expected liquidity requirements. Neither the Company nor subsidiaries, except for De Riva is subject to externally imposed capital requirements. De Riva is regulated by the Securities and Futures Commission ("SFC") and is required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance.

The management monitors De Riva's liquid capital daily and to ensure it meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules ("FRR") adopted by the SFC. Under the FRR, De Riva must maintain its liquid capital in excess of HK$3,000,000. The required information was filed with SFC on a monthly basis. De Riva was in compliance with the capital requirements imposed by FRR during the Track Record Period.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Categories of financial instruments

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Loans and receivables (including cash and cash equivalents)	37,037	45,767	52,641
Financial liabilities			
Financial liabilities at amortised cost	6,241	9,257	12,714

b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, cash and cash equivalents, other payables and accruals and dividend payable.

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments included credit risk, interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors those exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk

The trade receivables and cash and cash equivalents represent the Group's major exposure to the credit risk arising from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets in the combined statements of financial position.

In order to minimise the credit risk, the management has delegated a team responsible to determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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

All of the balances with bank were deposited in a reputable large commercial bank with high credit rating.

(ii) ***Interest rate risk***

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances which carrying interest at prevailing market rates.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group's exposure to interest rate risk in relation to variable-rate bank balances is minimal due to the amount involved is not significant, hence, no sensitivity analysis is prepared.

(iii) ***Currency risk***

Currency risk is the risk of loss due to adverse movements in foreign exchange rates relating to financial instruments denominated in foreign currency. During the Track Record Period, the Group had certain bank balances and trade balances denominated in the United States dollars ("USD"), Japanese Yen ("JPY"), Singapore dollars ("SGD"), Euro ("EUR"), Australian dollars ("AUD") and British Pound ("GBP").

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities, mainly including bank balances and trade receivables during the Track Record Period are as follows:

	Assets			**Liabilities**		
	As at 31 March			**As at 31 March**		
	2016	**2017**	**2018**	**2016**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
JPY	943	998	1,060	–	–	–
SGD	1,554	1,134	1,625	–	–*	–
USD	7,724	14,005	14,227	319	218	301
EUR	3	2	3	–	–	–
AUD	–*	–*	15	–	–	–
GBP	2	2	2	14	166	253

* The balance represents an amount less than HK$500.

The management considered that the currency between HK$ and USD are subject to a sensitivity rate of 1%. The sensitivity analysis includes only outstanding USD denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in USD rates. A positive number below indicates an increase in post-tax profit and equity where Hong Kong dollars weaken against the USD. For a 1% strengthening of Hong Kong dollars against the USD, there would be an equal and opposite impact on the post-tax profit and equity and the numbers below would be negative. As at 31 March 2016, 2017 and 2018, the increase in post-tax profit was approximately HK$62,000, HK$115,000 and HK$116,000 respectively.

The following table details the Group's sensitivity to a 5% change in Hong Kong dollars against the respective foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5%

change in foreign currency rates. A positive number below indicates a increase in post-tax profit and equity where Hong Kong dollars weaken against the respective foreign currencies. For a 5% strengthening of Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the post-tax profit and equity and the numbers below would be negative.

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Increase (decrease) in post-tax profit			
JPY impact	39	42	44
SGD impact	65	47	68
EUR impact	–*	–*	–*
AUD impact	–*	–*	1
GBP impact	(1)	(7)	(10)

* The balance represents an amount less than HK$500.

(iv) ***Liquidity risk***

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

All financial liabilities are non-interest bearing, except for bank overdrafts which are interest bearing, and their maturity dates are either within one year or repayable on demand.

All carrying amounts of financial liabilities approximate to the undiscounted cash flows due to the short maturity.

c) Fair value measurements recognised in the combined statement of financial position

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the combined financial statements approximate to their corresponding fair value due to short-term maturities.

8. REVENUE

Revenue represents the amounts received and receivable for services provided in the normal course of business. An analysis of the Group's revenue for the Track Record Period is as follows:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Commission income from dealing in securities and futures contracts as a futures non-clearing broker	60,206	59,752	76,759

9. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performances focuses on brokerage service. During the Track Record Period, the Group focused on provision of brokerage service and all the assets and major revenue are located and derived in Hong Kong. Accordingly, no segment analysis is prepared.

Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Customer A	N/A*	6,230	7,688

No customer accounted for 10% or more of the Group's revenue for the year ended 31 March 2016.

* The corresponding revenue did not contribute over 10% of total revenue of the Group for the respective reporting period.

10. OTHER INCOME AND GAINS, NET

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Bank interest income	–*	2	1
Exchange gain, net	66	6	265
Sundry income	–	–	189
	66	8	455

* The balance represents an amount less than HK$500.

11. FINANCE COSTS

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Overdraft interest	–	7	38

12. PROFIT BEFORE TAX

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Profit for the year has been arrived at after charging:			
Directors' emoluments *(note 14)*			
Fees	–	–	–
Emoluments	975	1,099	20,400
Contributions to retirement benefits scheme *(note)*	18	18	86
	993	1,117	20,486
Other staff costs	27,399	26,127	21,237
Contributions to retirement benefits schemes *(note)*	299	309	251
	27,698	26,436	21,488
Total staff costs	28,691	27,553	41,974
Auditor's remuneration	65	80	80
Depreciation	315	200	151
Operating lease rental payments for rented premises	881	905	1,116

Note: The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs capped at HK$1,500 per month to MPF Scheme, which contribution is matched by employees.

13. INCOME TAX EXPENSE

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Current tax:			
Hong Kong	2,696	2,385	3,052
Overprovision in prior year	(20)	–	–
Tax exemption for the year	(20)	(20)	(30)
	2,656	2,365	3,022

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits during the Track Record Period.

The income tax expense for the years ended 31 March 2016, 2017 and 2018 can be reconciled to the profit before tax per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Profit before tax	16,147	14,222	7,800
Tax at domestic income tax rate of 16.5%	2,664	2,347	1,287
Tax effect of expenses not deductible	–	22	1,756
Tax effect of income not taxable	–*	–*	–*
Tax effect of temporary difference not recognised	32	16	9
Tax effect of tax exemption granted	(20)	(20)	(30)
Overprovision in prior year	(20)	–	–
Income tax expense for the year	2,656	2,365	3,022

* The balance represents an amount less than HK$500.

Tax exemptions represented reduction of Hong Kong Profits Tax for the year of assessment of 2015/2016 and 2016/2017 and 2017/2018 by 75%, subject to a ceiling of HK$20,000, HK$20,000 and HK$30,000 per case respectively.

As at 31 March 2016, 2017 and 2018, the Group has deductible temporary differences of approximately HK$281,000, HK$380,000 and HK$431,000 respectively.

14. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the director of the Company during the year ended 31 March 2016 was as follows:

	Fees	**Salaries and other allowances(ii)**	**Discretionary Bonus(i)**	**Retirement benefits scheme contributions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive director:					
Mr. Lee Tik Man Dick	–	738	237	18	993

The emoluments paid or payable to the director of the Company during the year ended 31 March 2017 was as follows:

	Fees	**Salaries and other allowances(ii)**	**Discretionary Bonus(i)**	**Retirement benefits scheme contributions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive director:					
Mr. Lee Tik Man Dick	–	753	346	18	1,117

The emoluments paid or payable to the directors of the Company (including emoluments for the services as employees of the group entities prior to becoming directors of the Company) during the year ended 31 March 2018 was as follows:

	Fees	Salaries and other allowances(ii)	Discretionary Bonus(i)	Retirement benefits scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Mr. Lee Tik Man Dick	–	813	2,843	18	3,674
Mr. Fung Wai Yip Patrick	–	677	2,843	18	3,538
Mr. Lau Ming Yeung Lambert	–	1,500	400	14	1,914
Mr. Choi Man Ho	–	1,320	3,469	18	4,807
Mr. Ng Yu Fai	–	1,620	4,915	18	6,553
Non-executive director					
Mr. Yu Kwok Tung	–	–	–	–	–
	–	5,930	14,470	86	20,486

Notes:

(i) The discretionary bonus is determined based on the financial results of a subsidiary.

(ii) No directors or chief executive waived or agreed to waive any emoluments during the Track Record Period.

(iii) No emoluments were paid by the Group to the directors or the chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period.

(iv) Mr. Lau Ming Yeung Lambert, Mr. Choi Man Ho and Mr. Ng Yu Fai, the employees of De Riva during the Track Record Period, were appointed as the Company's executive directors on 1 November 2017. Mr. Lee Tik Man Dick and Mr. Fung Wai Yip Patrick, the directors of De Riva during the Track Record Period, were appointed as the Company's executive directors on 1 November 2017. During the Track Record Period, the executive directors have not yet been appointed.

(v) Mr. Yu Kwok Tung, the controlling shareholder of De Riva during the Track Record Period, was appointed as the Company's director on 29 November 2017 and re-designated as a non-executive director on 30 July 2018. During the Track Record Period, the non-executive director has not yet been appointed.

(vi) Mr. Voon David Hian-fook, Mr. Or Kevin and Mr. Wu Ping Lam Michael David were appointed as the Company's independent non-executive directors on 30 July 2018. During the Track Record Period, the independent non-executive directors have not yet been appointed and did not receive any remuneration.

15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none of them were directors of the Company for each of the two years ended 31 March 2016 and 2017 and four of them were directors of the Company for the year ended 31 March 2018. The emoluments of the individuals other than the directors of the Company for the Track Record Period were as follows:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Salaries, allowances, and other benefits	6,504	5,205	900
Discretionary bonuses	10,957	9,447	2,500
Contributions to retirement benefits scheme	90	90	18
	17,551	14,742	3,418

Their emoluments were within the following bands:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Nil to HK$1,000,000	–	–	–
HK$1,000,001 to HK$2,000,000	2	1	–
HK$2,000,001 to HK$3,000,000	1	3	–
HK$3,000,001 to HK$4,000,000	–	–	1
HK$4,000,001 to HK$5,000,000	–	–	–
HK$5,000,001 to HK$6,000,000	2	1	–

During the three years ended 31 March 2016, 2017 and 2018, no emoluments were paid by the Group to the five highest paid individual, including the directors and chief executive of the Company, as an inducement to join or upon joining the Group, or as compensation for loss of office.

16. DIVIDENDS

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
2015 Final – HK$0.13 per share	860	–	–
2016 Final – HK$0.59 per share	–	4,000	–
	860	4,000	–

A final dividend for the year ended 31 March 2015 of HK$860,000 declared and fully paid by De Riva on 17 June 2015. For the year ended 31 March 2016, HK$4,000,000 final dividend has been declared on 29 March 2017 and fully paid by De Riva on 18 April 2017.

The rate of dividend and the number of shares ranking for the above dividend are not presented as such information is not meaningful having regard to the purpose of this report.

No dividend was paid or proposed subsequent to the end of the reporting period and up to the date of this report.

17. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the preparation of the results of each of the three years ended 31 March 2016, 2017 and 2018 on a combined basis as disclosed in note 2 of Section A above.

18. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and fixtures	Leasehold improvements	Office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 April 2015	950	105	735	833	2,623
Additions	59	–	–	–	59
At 31 March 2016 and 1 April 2016	1,009	105	735	833	2,682
Additions	43	–	–	–	43
At 31 March 2017 and 1 April 2017	1,052	105	735	833	2,725
Additions	44	–	45	–	89
At 31 March 2018	1,096	105	780	833	2,814
ACCUMULATED DEPRECIATION					
At 1 April 2015	615	64	565	699	1,943
Charged for the year	165	19	45	86	315
At 31 March 2016 and 1 April 2016	780	83	610	785	2,258
Charged for the year	125	10	45	20	200
At 31 March 2017 and 1 April 2017	905	93	655	805	2,458
Charged for the year	82	6	46	17	151
At 31 March 2018	987	99	701	822	2,609
CARRYING VALUES					
At 31 March 2016	229	22	125	48	424
At 31 March 2017	147	12	80	28	267
At 31 March 2018	109	6	79	11	205

Depreciation is recognised so as to write off the cost of property and equipment less their residual value, if any, using the straight-line method over their estimated useful lives and at the rates per annum as follows:

Computer equipment	20%
Furniture and fixtures	20%
Leasehold improvements	20%
Office equipment	20%

19. INTANGIBLE ASSETS

	Total
	HK$'000
Trading Rights	
COST	
At 1 April 2015	500
Additions	500
At 31 March 2016, 1 April 2016, 31 March 2017, 1 April 2017 and 31 March 2018	1,000
CARRYING VALUES	
At 31 March 2016	1,000
At 31 March 2017	1,000
At 31 March 2018	1,000

Trading rights in the Hong Kong Exchanges and Clearing Limited with indefinite useful life.

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 amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whether there is an indication that they may be impaired.

No impairment loss on intangible assets is recognised during the year ended 31 March 2016, 2017 and 2018.

20. TRADE RECEIVABLES

The Group's trade receivables arose from business of dealing in securities and the futures contracts during the Track Record Period.

The Group allows an average credit period of 30 days to its trade receivables. Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit limits are made to customers with a satisfactory trustworthy credit history.

The following is an ageing analysis of trade receivables net of allowance for impairment presented based on the invoice date. There is no allowances of impairment during the Track Record Period.

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Within 30 days	6,329	5,029	7,227
31–60 days	3,146	3,823	5,671
61–90 days	2,127	1,825	3,054
91–120 days	481	477	1,240
Over 120 days	3,488	4,291	4,019
Total	15,571	15,445	21,211

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$9,242,000, HK$10,416,000 and HK$13,984,000 as at 31 March 2016, 2017 and 2018 respectively, which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

The aged analysis of the trade receivables which are past due but not impaired is set out below:

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Within 30 days	3,146	3,823	5,671
31–60 days	2,127	1,825	3,054
61–90 days	481	477	1,240
Over 90 days	3,488	4,291	4,019
Total	9,242	10,416	13,984

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Prepayments	687	661	1,522
Deposits			
– Deposits placed in clearing brokers	9,058	7,717	9,083
– Rental deposits	277	303	888
– Others	128	109	91
	9,463	8,129	10,062
Other receivables	3	–	7
	10,153	8,790	11,591
Analysed as:			
Current	10,153	8,790	11,024
Non-current (rental deposit)	–	–	567
	10,153	8,790	11,591

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Cash and cash equivalents			
Bank overdrafts	12,000	22,193	21,361
	–	–	(758)
	12,000	22,193	20,603

Cash at banks earn interest at prevailing market rates which range from 0.01% to 0.28% per annum based on daily bank deposit rates during the Track Record Period.

Bank overdrafts carry interest at market rates of 1.28% per annum during the Track Record Period.

23. OTHER PAYABLES AND ACCRUALS

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Other payables	1,117	465	264
Accruals	5,124	4,792	11,692
	6,241	5,257	11,956

24. SHARE CAPITAL

The Group

For the purpose of presenting the share capital of the Group prior to the completion of the Reorganisation in the combined statements of financial position, the share capital presented in the combined statements of financial position as at 31 March 2016, 2017 and 2018 represented the share capital of De Riva and the Company.

The Company

The Company was incorporated on 1 November 2017 and had an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each, of which one nil-paid Share was allotted and issued. On 29 November 2017, the Company allotted and issued 4,999 shares at HK$0.01 each.

25. RETIREMENT BENEFITS SCHEME

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Under the MPF Scheme, the Group is required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The total cost charged to profit or loss of approximately HK$317,000, HK$327,000 and HK$337,000 represents contributions payable to retirement benefits scheme contributions by the Group in respect of the three years ended 31 March 2016, 2017 and 2018 respectively.

26. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	As at 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	604	962	2,007
In the second to fifth years inclusive	–	642	3,540
Total	604	1,604	5,547

Leases are negotiated for an average of three years; and rentals are fixed.

27. RELATED PARTY TRANSACTIONS

Compensation to key management personnel

The remuneration of directors and other key management personnel of the Group during the Track Record Period were as follow:

	Year ended 31 March		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Short-term benefits	10,454	10,382	20,400
Post-employment benefits	72	72	86
Total	10,526	10,454	20,486

The remuneration of key management personnel of the Group is determined by the directors of the Company having regard to the performance of the individuals and market trends.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail 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 consolidated statement of cash flows as cash flows from financing activities.

			Non-cash change	
	1 April 2015	**Financing cash flow**	**Dividend declared**	**31 March 2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Dividend payable *(Note 16)*	–	(860)	860	–

			Non-cash change	
	1 April 2016	**Financing cash flow**	**Dividend declared**	**31 March 2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Dividend payable *(Note 16)*	–	–	4,000	4,000

			Non-cash change	
	1 April 2017	**Financing cash flow**	**Dividend declared**	**31 March 2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Dividend payable *(Note 16)*	4,000	(4,000)	–	–

29. EVENTS AFTER THE REPORTING PERIOD

(i) Reorganisation

The Group comprising the Company and its subsidiaries underwent a reorganisation to rationalise the Group's structure in preparation for the **[REDACTED]** of the Company's shares on the GEM of the Stock Exchange. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the **[REDACTED]**. As a result of the Reorganisation, the Company became the holding company of the Group on 3 August 2018.

(ii) Post-IPO Share Option Scheme

The Company adopted a share option scheme on 30 July 2018, a summary of terms and conditions of which are set out in Appendix IV to this Document.

B. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group, the Company or any of the companies now comprising the Group in respect of any period subsequent to the year ended 31 March 2018.