Roma Group Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 8072

ANNUAL REPORT 2017/2018

BUSINESS VALUATION · RESOURCE ESTIMATION · WORK OF ART VALUATION

NATURAL RESOURCES VALUATION & TECHNICAL ADVISORY SERVICES · RISK MANAGEMENT

MACHINERIES & EQUIPMENT VALUATION · FINANCIAL INSTRUMENTS VALUATION

BIOLOGICAL ASSET VALUATION · DUE DILIGENCE STUDIES · BUSINESS & INTANGIBLE ASSETS VALUATION

COMPLIANCE STUDIES FOR IPO · EXPLORATION PLANNING · PROPERTY VALUATION

PURCHASE PRICE ALLOCATION · PROJECT FEASIBILITY STUDIES

COMPETENT PERSON'S REPORT · ESG REPORTING SERVICES

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

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

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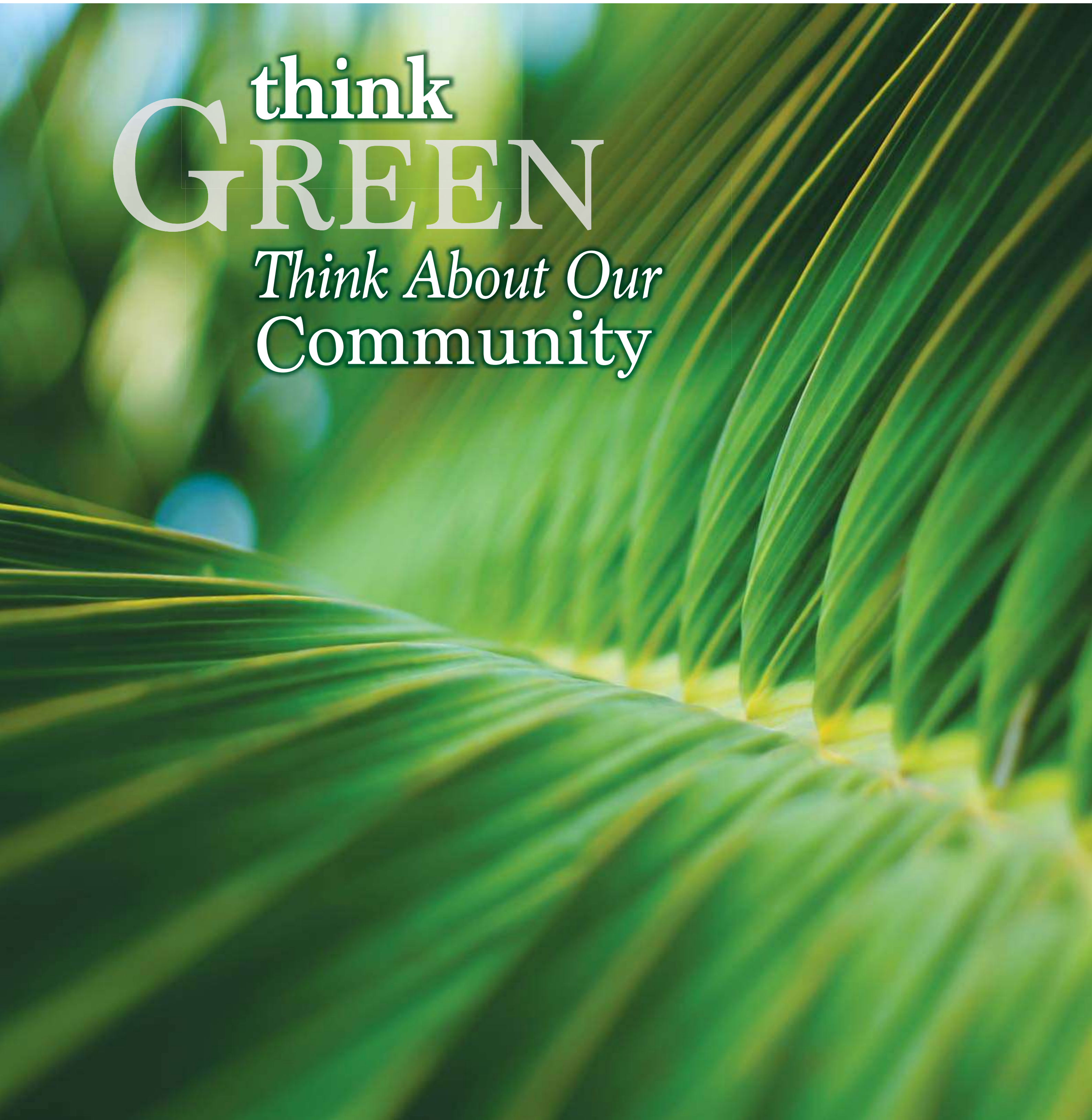
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	22/F., China Overseas Building 139 Hennessy Road Wanchai Hong Kong
Company's website	www.romagroup.com
Executive Directors	Mr. Yue, Kwai Wa Ken (*Chairman and Chief Executive Officer*) Mr. Li, Sheung Him Michael
Independent non-executive Directors	Mr. Choi, Wai Tong Winton Mr. Ko, Wai Lun Warren Ms. Li, Tak Yin Mr. Wong, Tat Keung
Company secretary	Mr. Yue, Kwai Wa Ken, *AICPA*
Authorised representatives	Mr. Yue, Kwai Wa Ken Mr. Li, Sheung Him Michael
Compliance officer	Mr. Yue, Kwai Wa Ken
Audit committee	Mr. Wong, Tat Keung *(chairman)* Mr. Choi, Wai Tong Winton Mr. Ko, Wai Lun Warren
Remuneration committee	Mr. Ko, Wai Lun Warren *(chairman)* Mr. Choi, Wai Tong Winton Mr. Wong, Tat Keung
Nomination committee	Mr. Choi, Wai Tong Winton *(chairman)* Mr. Ko, Wai Lun Warren Mr. Wong, Tat Keung

Principal share registrar and transfer office in the Cayman Islands	**Conyers Trust Company (Cayman) Limited** Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	**Tricor Investor Services Limited** Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	**The Hongkong and Shanghai Banking Corporation Limited** 1st Floor Tower 2 HSBC Centre 1 Sham Mong Road Kowloon Hong Kong **China Construction Bank (Asia) Corporation Limited** Suite 2508–14 25/F Tower 6 The Gateway Harbour City Kowloon Hong Kong
Independent auditor	**BDO Limited** Certified Public Accountants 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
GEM stock code	8072

ROMA

think GREEN

Think About Our Community



EXPLORING BEYOND RESOURCES
REALIZING YOUR FULL POTENTIAL

Natural Resources Valuation &
Technical Advisory Services

Qualified Person's Report/
Competent Person's Report

Due Diligence Studies

Exploration Planning

Project Feasibility Studies

Resource Estimation

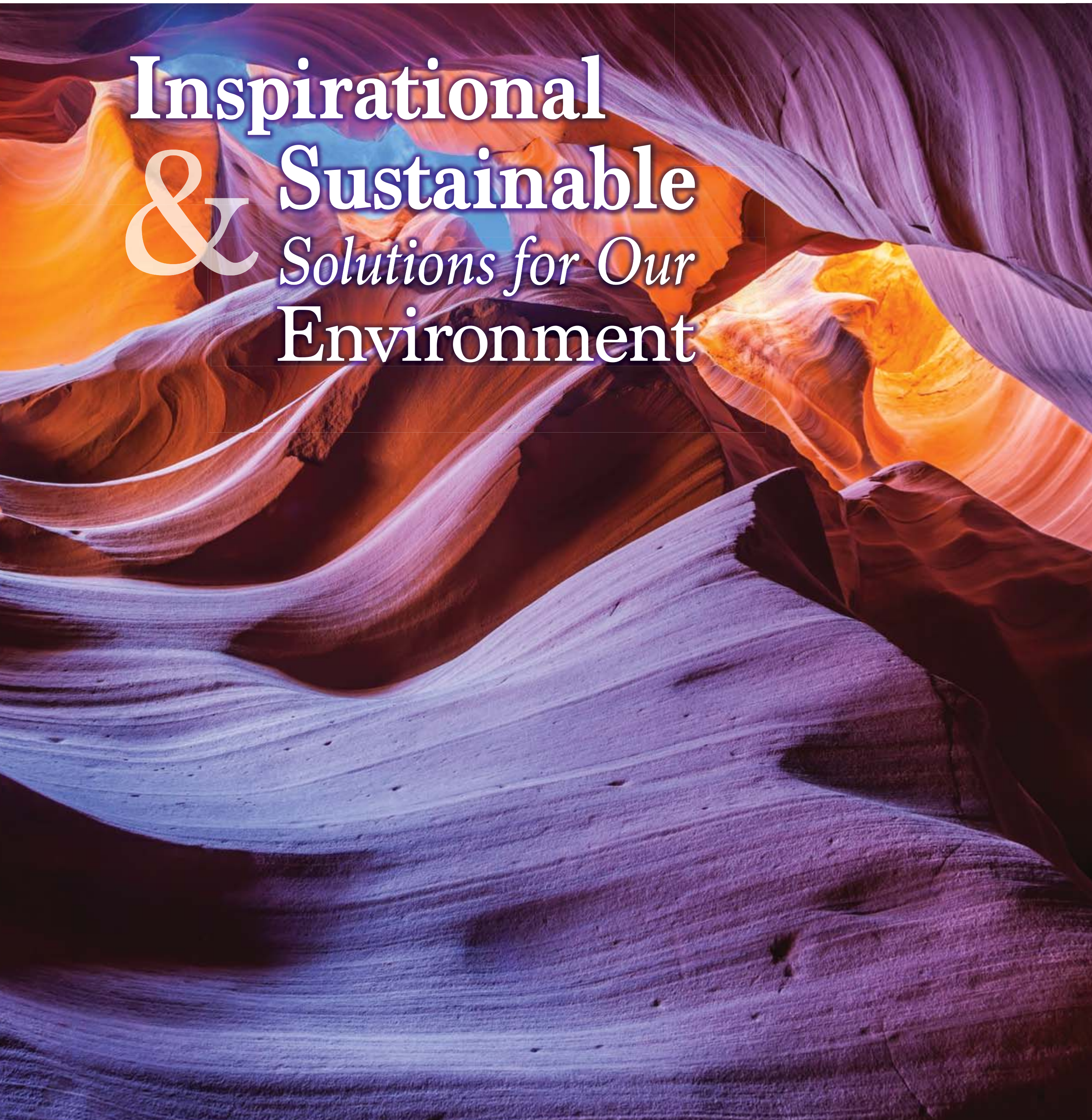
Evaluation

Environmental & Social Services

Risk Management

ROMA

Inspirational & Sustainable Solutions for Our Environment



WE VALUE ASSETS
WE VALUE OUR CLIENTS

Business & Intangible Assets Valuation

Financial Instruments Valuation

Property Valuation

Machineries & Equipment Valuation

Biological Assets Valuation

Work of Art Valuation

Purchase Price Allocation

Corporate Advisory

Dear Shareholders,

On behalf of the board of Directors (the "Board") of the Company, I am pleased to present the audited consolidated annual financial statements of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2018.

REVIEW

During the past financial year, the Group has continued to expand its valuation division and had assisted, in the capacity of independent valuer, a number of successful public transactions as well as initial public offerings. With our professional team's ample experiences in providing a wide spectrum of valuation and advisory services, the Board remains confident on and committed to the continuation of the Group's mission to maintain a leading position within the valuation sector in Hong Kong.

In respect of the financing service industry, the related authorities had adopted a much more stringent policy towards agents who collect agency fee from both lenders and borrowers. The Group has committed to keep in line with such policies and have also taken a more prudent approach to handle our financing business. The Group has reaped rewards from such approach and the financial results from our financing services remained strong during the past financial year.

However, the natural resources advisory services performed less well as compared to the last corresponding period, which had a major impact to the Group's revenue and its financial results for the year ended 31 March 2018. The Board is of the view that the demand for our natural resources advisory services shall improve during the next financial year as the global mining sector recovers and has taken the necessary steps to lay down the foundations for the near future.

PROSPECTS

In order to maintain and further enhance the Group's market presence in the valuation and advisory industry in Hong Kong, the Group will continue to source sound and suitable merger and acquisition opportunities and/or business collaboration. Besides, the Group will continue to develop its financing services as the Board is of the view that the positive financial results from our financing services is in the interests of the Group and its shareholders (the "Shareholders") as a whole. The Group is also in the process of applying for a license under the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the"SFO") to carry on Type 1 regulated activity (i.e. dealing in securities) in order to diversify the Group's revenue streams.

The Board remains confident on and committed to the continuation of the Company's mission to maintain a leading position in Hong Kong, through dedication, innovation and expansion so as to deliver sustainable growth and profitability to the Group and its Shareholders.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to the Group's management and staff for their unreservedly dedication to the Group. I would also like to express my sincere gratitude to our loyal customers who continuously support us as well as to our Shareholders who recognise the value and potential of the Group.

Roma Group Limited
Yue, Kwai Wa Ken
Chairman

Hong Kong, 31 May 2018

BUSINESS REVIEW

During the year ended 31 March 2018, the Group's provision of valuation and advisory services contributed approximately 70.4% of the total revenue to the Group. The Group recorded a decrease in revenue generated from the provision of valuation and advisory services of approximately 39.6% as compared with that for the year ended 31 March 2017. The Group always uses its best endeavours to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong.

The Group's provision of financing services contributed approximately 29.6% of the total revenue to the Group for the year ended 31 March 2018. With the net proceeds from the rights issue of shares of the Company (the "Shares") in December 2014, placing of Shares in February 2016 and the rights issue of Shares in November 2017, the Group has continued to develop the provision of financing services. During the year ended 31 March 2018, the Group had a loan portfolio, which mainly included, among others, (i) loans secured by charges over equity and properties; and (ii) unsecured loans. In view of more stringent policies imposed by the regulatory authority on agents for the financing services industry, the Group's interest income generated from provision of financing services for the year ended 31 March 2018 decreased by approximately 46.5% as compared with that for the year ended 31 March 2017. In addition, the recognition of impairment loss on certain loans and interests receivable significantly decreased by approximately 60.8% for the year ended 31 March 2018 as compared with that for the year ended 31 March 2017 due to more stringent credit controls imposed by the Group.

In July 2017, the Group entered into two sale and purchase agreements in relation to proposed acquisitions of two companies in Hong Kong, one of which is licensed by the Securities and Futures Commission of Hong Kong for certain regulated activities under the SFO and the other one is principally engaged in money lending business. In December 2017, the abovementioned agreements were terminated. Further details could be found in the Company's announcements dated 27 July 2017 and 13 December 2017. The Group, however, has continuously looked for different opportunities to increase the value of the Group.

With the expansion of the Group, the Group's employee benefit expenses increased by approximately 6.1% for the year ended 31 March 2018 as compared with those for the year ended 31 March 2017. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2018, the Group recorded a decrease of approximately 41.8% in revenue as compared with that for the year ended 31 March 2017. Such a decrease was mainly due to the decrease in both services fee income generated from provision of valuation and advisory services and interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services decreased to approximately HK$45.9 million for the year ended 31 March 2018 from approximately HK$76.0 million for the year ended 31 March 2017 and contributed approximately 70.4% of the total revenue to the Group for the year ended 31 March 2018. The decrease in service fee income for the year ended 31 March 2018 was mainly due to less demand for natural resources valuation and technical advisory services during the year ended 31 March 2018 as compared with those during the year ended 31 March 2017.

The interest income generated from provision of financing services decreased to approximately HK$19.3 million for the year ended 31 March 2018 from approximately HK$36.0 million for the year ended 31 March 2017 and contributed approximately 29.6% of the total revenue to the Group for the year ended 31 March 2018. The decrease in interest income for the year ended 31 March 2018 was mainly due to the diversification of loan portfolio and inclusion of greater amount of loans at lower interest rates during the year ended 31 March 2018 as compared with those during the year ended 31 March 2017.

Other income

The Group's other income decreased by approximately 14.2% for the year ended 31 March 2018 as compared with that for the year ended 31 March 2017. Such a decrease was mainly attributable to the decrease in reimbursable income from the Group's customers.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, pension costs and other benefits to the staff and the Directors. The Group's employee benefit expenses increased by approximately 6.1% for the year ended 31 March 2018 as compared with those for the year ended 31 March 2017. The increase was mainly attributable to the increase in the average salary level of the staff for the year ended 31 March 2018 as compared with that for the year ended 31 March 2017.

Depreciation and amortisation

The Group recorded an increase of approximately 20.5% in depreciation and amortisation for the year ended 31 March 2018 as compared with that for the year ended 31 March 2017, which was mainly attributable to additions of leasehold improvement for the new office premise.

Finance costs

The Group recorded a decrease of approximately 37.2% in finance costs for the year ended 31 March 2018 as compared with those for the year ended 31 March 2017, which was mainly due to (i) the drop of interest rates offered by a bank for two of the bank loans; and (ii) the full repayment of another two of the bank loans during the year ended 31 March 2018.

Other expenses

The Group's other expenses increased by approximately 3.5% for the year ended 31 March 2018 as compared with those for the year ended 31 March 2017. The increase was mainly attributable to increase in the impairment loss on trade and other receivables outweighing the decrease in the impairment loss on loans and interests receivable for the year ended 31 March 2018.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK$25.5 million for the year ended 31 March 2018 whereas there was profit attributable to owners of the Company of approximately HK$21.2 million for the year ended 31 March 2017. It was mainly attributable to the significant decrease in the Group's total revenue and the increase in the Group's employee benefit expenses for the year ended 31 March 2018.

REVIEW ON ADVANCE TO ENTITY AND/OR PROVISION OF FINANCIAL ASSISTANCE

On 8 July 2015, the Group granted a loan facility of HK$58 million at an interest rate of 12% per annum for a term of one year (the "Loan A") to Brilliant One Holdings Limited which executed, among others, a share charge in favour of the Group to charge 310,850,000 shares of a company listed on GEM to the Group as security in connection with the Loan A. On 30 August 2016, the facility of Loan A further increased to HK$62 million and renewed for another year at the same interest rate with the same number of pledged shares. As at 31 March 2018, such facility had been drawn up to approximately HK$61.8 million and matured. Follow up works have been taken. For further details, please refer to the Company's announcements dated 8 July 2015 and 30 August 2016.

On 22 July 2015, the Group granted a loan of HK$10 million at an interest rate of 36% per annum for a term of one year (the "Loan B") to a company which executed, among others, a share charge in favour of the Group to charge certain of its shares to the Group as security in connection with the Loan B. As at 31 March 2018, the Loan B matured. Legal proceedings against the customer to recover all the outstanding balances is in progress. For further details, please refer to the Company's announcement dated 22 July 2015.

On 13 April 2016, the Group granted a loan facility of HK$39.5 million at an interest rate of 10% per annum for a term of one year (the "Loan C") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan C. As at 31 March 2018, the Loan C matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 13 April 2016.

On 11 May 2016, the Group granted a loan facility of HK$31.6 million at an interest rate of 12% per annum for a term of one year (the "Loan D") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan D. As at 31 March 2018, the Loan D matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 11 May 2016.

On 14 July 2016, the Group granted a loan facility of HK$39 million at an interest rate of 12% per annum for a term of one year (the "Loan E") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan E. As at 31 March 2018, the Loan E matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 14 July 2016.

On 24 November 2017 the Group granted a loan of HK$40 million at an interest rate of 16% per annum for a term of six months (the "Loan F") to a company, for which a guarantor executed a guarantee in favour of the Group. As at 31 March 2018, the Loan F had yet to mature. For further details, please refer to the Company's announcement dated 24 November 2017.

On 21 May 2018, subsequent to the year ended 31 March 2018, the Group granted a loan facility of approximately HK$60.7 million at an interest rate of 14.5% per annum for a term of 7.5 months (the "Loan G") to a company named "Classic Charm Investments Limited" which executed, a share charge in favour of the Group to charge 99,000,000 shares of HK$0.01 each in the share capital of a company, incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange to the Group as security for the Loan G, pursuant to a loan agreement entered into between the Group and the borrower on 21 May 2018. Pursuant to the loan agreement, the Borrower shall repay the loan in full in one lump sum together with outstanding interest accrued thereon on 4 January 2019. As the aggregate amount of such loan exceeds 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules, the grant of such loan is subject to the general disclosure obligations under Rule 17.15 of the GEM Listing Rules. As at the date of this annual report, such loan continues to exist. For further details, please refer to the Company's announcement dated 21 May 2018.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong during the year ended 31 March 2018.

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising environmental adverse impacts in daily operations, such as energy saving and recycling of office resources. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organisation. The Group has complied with all relevant laws and regulations in respect of environmental protection, health and safety, workplace conditions and employment.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as its valuable assets and it strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as the medical reimbursement, annual dinner, sports activities, etc.

The Group provides good quality services to the customers and maintains a good relationship with them. The Group keeps a database for direct communications with recurring customers for developing long-term business relationships.

The Group maintains effective communications and develops long-term trust relationships with the suppliers. During the year ended 31 March 2018, there was no material dispute or arguments between the Group and the suppliers.

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 March 2018, the Group mainly financed its operations with its own working capital, bank borrowings and the net proceeds from fund raising activities. As at 31 March 2018 and 31 March 2017, the Group had net current assets of approximately HK$634.8 million and HK$396.3 million respectively, including cash and bank balances of approximately HK$204.5 million and HK$17.3 million respectively. All cash and cash equivalents were denominated in Hong Kong Dollars (the "HK$"). The Group's pledged bank deposits of approximately HK$106.5 million as at 31 March 2018 represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio were approximately 6.1 and 6.7 as at 31 March 2018 and 31 March 2017 respectively.

As at 31 March 2018 and 31 March 2017, the Group's total bank borrowings amounted to approximately HK$100.0 million and HK$51.9 million respectively. All bank borrowings were denominated in HK$. Details of the bank borrowings of the Group are set out in note 27 to the consolidated financial statements in this annual report. As at 31 March 2018 and 31 March 2017, the Group's total finance lease liabilities amounted to approximately HK$2.3 million and HK$3.9 million respectively. The Group's gearing ratio increased to approximately 0.14 as at 31 March 2018 from approximately 0.12 as at 31 March 2017.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK$9.1 million and HK$13.6 million as at 31 March 2018 and 31 March 2017 respectively. As at 31 March 2018, the Group did not have any capital commitments (31 March 2017: nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 29 to the Consolidated Financial Statements in this annual report.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2018 (31 March 2017: nil).

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2018, the Group's exposure to currency risk was limited to its bank balances denominated in Renminbi ("RMB") as a majority of the Group's transactions, monetary assets and liabilities are denominated in HK$ and United States Dollars ("US$"). In the event that RMB appreciated by 3% against HK$, the Group's loss for the year ended 31 March 2018 would decrease by approximately HK$596,000 (2017: the Group's profit increased by approximately HK$1,000). On the contrary, if RMB depreciated by 3% against HK$, the Group's loss for the year ended 31 March 2018 would increase by approximately HK$596,000 (2017: the Group's profit decreased by approximately HK$1,000). As US$ is pegged to HK$, the Group does not expect any significant movements in the US$/HK$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

PLEDGE OF ASSETS

As at 31 March 2018, save for the pledged bank deposits and motor vehicles acquired under finance leases, the Group did not pledge any of its assets (31 March 2017: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018 and 31 March 2017, the Group employed a total of 67 and 65 full-time employees respectively. The Group's total employee benefit expenses were approximately HK$35.7 million and HK$33.6 million for the years ended 31 March 2018 and 31 March 2017 respectively. Remuneration is determined by reference to market conditions and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

USE OF PROCEEDS

The rights issue in 2014

In December 2014, the Company raised fund of net proceeds of approximately HK$280 million from its rights issue of 3,183,112,500 Shares (the "2014 RI Proceeds"). Up to the date of this annual report, (i) HK$36.7 million of the 2014 RI Proceeds was paid for the acquisition of equity interest in Bonus Boost International Limited which has a wholly-owned subsidiary principally involved in acting as a surveyor, valuer and property consultant; (ii) HK$25 million of the 2014 RI Proceeds was paid for the acquisition of 19.9% equity interest in Greater China Appraisal Limited which is principally engaged in the provision of assets appraisal services; and (iii) approximately HK$126.3 million of the 2014 RI Proceeds, being the entire portion intended to be used for the Group's provision of financing services, was utilised for granting of mortgage loans to independent third parties. The Group continues to look for suitable business opportunities to utilise the remaining portion of the 2014 RI Proceeds, which was intended to apply for the funding and further development of the existing and future businesses of the Group. As at 31 March 2018, such unutilised net proceeds were kept as cash at and placed as deposits with licensed banks in Hong Kong.

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK$258 million from its rights issue of 1,874,944,986 Shares (the "2017 RI Proceeds"). Up to the date of this annual report, approximately HK$85.0 million of the 2017 RI Proceeds was utilised for granting of various loans and approximately HK$0.1 million of the 2017 RI Proceeds was used for the Group's general working capital, and the rest was kept as cash at a licensed bank in Hong Kong. Proposed use of the 2017 RI Proceeds are set as below.

	Proposed use of the 2017 RI Proceeds (HK$ in million)	**Actual use of the 2017 RI Proceeds up to date of this annual report** (HK$ in million)
Expansion of the Group's existing financing business	135.0	85.0
Investment in potential businesses	90.0	–
General working capital	33.0	0.1
Total	258.0	85.1

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 March 2018, save as disclosed below, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

In July 2017, the Group entered into two sale and purchase agreements in relation to proposed acquisitions of two companies in Hong Kong, one of which is licensed by the Securities and Futures Commission of Hong Kong and the other one is principally engaged in money lending business. Upon completion, each of these two companies would become an associated company of the Company. In December 2017, the abovementioned agreements were terminated. Further details could be found in the Company's announcements dated 27 July 2017 and 13 December 2017.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 March 2018 (2017: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the section headed "Use of proceeds" and as disclosed below, the Group currently does not have other concrete plans for material investments and capital assets.

Reference is made to the announcements of the Company dated 12 January 2018 and 29 March 2018 in relation to (i) the sale and purchase agreement (the "Agreement") dated 12 January 2018 and entered into between Glorious Sky Group Limited, an indirect wholly-owned subsidiary of the Company, as purchaser (the "Purchaser") and Novel Sky Holdings Limited as vendor (the "Vendor") pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 7,500,000 shares of CDE Holdings Limited; and (ii) the extension of the long stop date from 31 March 2018 to 31 May 2018 as additional time would be required by the Purchaser to conduct due diligence review of the target group.

As at 31 May 2018, being the extended long stop date, the due diligence review of the target group, being one of the conditions precedent to the completion, has not been completed. Since such condition precedent has not been satisfied nor waived by the Purchaser on or before 12:00 noon on the extended long stop date and the Vendor does not agree to extend the long stop date further, in accordance with the terms and conditions of the Agreement, the Agreement has ceased and determined on 31 May 2018. Please refer to an announcement published by the Company on 31 May 2018 for further details.

FUTURE PROSPECTS

The Group always aims to be the leading valuation and advisory services provider in Hong Kong. In order to maintain and further enhance the Group's market presence in the valuation and advisory industry in Hong Kong, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration. In order to well manage the Group's credit risk, the Group will further diversify its loan portfolio. Also, the Group may also expand its loan portfolio with the 2017 RI Proceeds to maximise the return to the Group. In addition, in order to diversify the Group's revenue streams other than provision of valuation and advisory services and provision of financing services, the Group is in the process of applying for a licence under the SFO to carry on Type 1 regulated activity (i.e. dealing in securities).

EXECUTIVE DIRECTORS

Mr. Yue, Kwai Wa Ken (余季華), aged 52, has been appointed as an executive Director on 18 March 2011. Mr. Yue is the company secretary and the compliance officer of the Company and is also a director of a number of subsidiaries of the Company. Mr. Yue was redesignated as the chief executive officer of the Group (the "CEO") and chairman of the Board (the "Chairman") on 20 April 2017 and thereafter ceased to be the Chairman on 2 June 2017 and the CEO as 5 June 2017. Mr. Yue was again redesignated as the CEO on 1 October 2017 and the Chairman on 18 December 2017. Mr. Yue obtained a diploma of technology in financial management accounting option from the British Columbia Institute of Technology in Canada and a bachelor degree of science in accounting from Upper Iowa University of the United States. He is a member of the American Institute of Certified Public Accountants and a fellow member of the Colorado State Society of Certified Public Accountants. Mr. Yue has over 20 years of experience in accounting and finance. Mr. Yue has been appointed as an independent non-executive director of China Starch Holdings Limited (Stock code: 3838) since 5 September 2007 and Major Holdings Limited (Stock code: 1389) since 30 December 2013. With effect from 6 November 2015, Mr. Yue has been appointed as an independent non-executive director of Manfield Chemical Holdings Limited (Stock code: 1561). Mr. Yue was the executive director of Legend Strategy International Holdings Group Company Limited (Stock code: 1355) between 4 July 2014 and 18 November 2014. Shares of the abovementioned companies are listed on the Stock Exchange.

Mr. Li, Sheung Him Michael (李尚謙), aged 34, has been appointed as an executive Director on 31 May 2018. He is also a director of a number of subsidiaries of the Company. Mr. Li obtained BSc Biochemistry from Imperial College, London in September 2005 and MRes in Structural Biology from Birkbeck College, London in September 2006. From September 2007 to November 2009, Mr. Li was the business development manager of Kinetics Group in London. Since January 2010, Mr. Li has been working in the Group as a project director.

Ms. Chan, Hong Nei Connie (陳康妮), aged 36, has been appointed and resigned as an executive Director and a member of each of the remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee") of the Board on 20 April 2017 and 1 June 2018 respectively. Ms. Chan is the chief financial officer of the Group and is also a director of a number of subsidiaries of the Company. Ms. Chan obtained a bachelor's degree in accountancy from The City University of Hong Kong in November 2005. Ms. Chan has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since September 2010. Ms. Chan has approximately 10 years of experience in accounting, auditing and corporate finance. She joined Deloitte Touche Tohmatsu, an international accounting firm in August 2005 initially as staff accountant and was promoted to associate in September 2006, to senior associate in October 2007 and finally to manager in October 2010 until she left in December 2010. She then worked in Quam Capital Limited from December 2010 to February 2014 and her last position held was manager of finance advisory department. She was mainly responsible for the provision of advisory services to enterprises in Hong Kong and the People's Republic of China (the "PRC"), including initial public offerings on the GEM and on the Main Board of the Stock Exchange, takeovers, disposals and acquisitions of assets and corporate restructuring of listed companies. Ms. Chan was a non-executive director of Season Pacific Holdings Limited, shares of which are listed on Main Board (Stock code: 1709) between 1 June 2015 and 16 May 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Choi, Wai Tong Winton (蔡偉棠), aged 42, has been appointed as an independent non-executive Director on 16 June 2017. He is the chairman of the Nomination Committee and a member of each of the audit committee (the "Audit Committee") and the Remuneration Committee of the Board. Mr. Choi holds a bachelor's degree in Engineering and a master's degree in Technology Management from The Hong Kong University of Science and Technology. He has over 19 years of experience in the field of information technology and digital business development. He has extensive experience in information technology projects, for which he normally be the team leader and e-commerce implementation in the markets of Hong Kong and the PRC. Mr. Choi is currently a digital director of a company, which is a total marketing solution provider in the PRC mainly serving first tier luxury and premium brand.

Mr. Ko, Wai Lun Warren (高偉倫), aged 50, has been appointed as an independent non-executive Director on 6 March 2014. He is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Ko was educated in Canada and England. He obtained his bachelor of science degree from the Simon Fraser University in Canada and bachelor of laws degree from the University of Leeds in England. Mr. Ko was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. Mr. Ko is qualified to practise law in both England and Wales and Hong Kong. Mr. Ko is also an independent non-executive director of Cloud Investment Holdings Limited (formerly known as China Bio Cassava Holdings Limited) whose shares are listed on GEM (Stock code: 8129). Mr. Ko was a non-executive director of Global Tech (Holdings) Limited whose shares are listed on the main board of the Stock Exchange (Stock code: 143) and the Singapore Exchange Securities Trading Limited between 26 September 2003 and 11 March 2016.

Ms. Li, Tak Yin (李德賢), aged 37, has been appointed as an independent non-executive Director on 13 September 2017. Ms. Li has over 12 years of experience in sales and marketing. She joined Unisto Ltd., a company based in Switzerland, as a sales executive in 2006, then promoted as a sales manager in 2008, and was later promoted as the sales manager of the Asia region in 2015. She is responsible for the sales and marketing of name badge section in the Asian market, including Hong Kong, Macau, Taiwan, Singapore and Philippines. Ms. Li holds a Bachelor of Arts (Hons) in marketing from The Hong Kong Polytechnic University.

Mr. Wong, Tat Keung (黃達強), aged 47, has been appointed as an independent non-executive Director on 2 March 2016. He is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Wong is a holder of a master's degree in business administration (financial services) from the University of Greenwich, England. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and has more than 21 years of experience in audit, taxation, accounting and business advisory. From January 2006 to February 2010, he was the proprietor of Aston Wong & Co., Certified Public Accountants practising in Hong Kong. Since January 2010, he has been a director of his own corporate practice, namely Aston Wong CPA Limited. Mr. Wong has been appointed as an independent non-executive director of Singapore Development Limited whose shares are listed on Singapore Exchange Securities Trading Limited since 27 January 2017. Mr. Wong was an independent non-executive director of ZH International Holdings Limited whose shares are listed on the Stock Exchange (Stock code: 185) between 7 December 2009 and 27 July 2015.

SENIOR MANAGEMENT

Members of the senior management of the Group are the executive Directors whose biography are set out above.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Group are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

During the year ended 31 March 2018, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules except the deviations from the code provisions A.2.1, details of which are set out in the sections headed "Chairman and chief executive officer" in this corporate governance report.

CODE OF CONDUCT REGARDING 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.

Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors during the year ended 31 March 2018.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises:

Executive Directors:	Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018) Mr. Li, Sheung Him Michael (appointed with effect from 31 May 2018) Mr. Yue, Kwai Wa Ken
Independent non-executive Directors:	Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017) Mr. Ko, Wai Lun Warren Ms. Li, Tak Yin (appointed with effect from 13 September 2017) Mr. Wong, Tat Keung

There was no relationships (including financial, business, family or other material/relevant relationship) among the Directors and between the chairman and chief executive of the Company at all times during the year ended 31 March 2018.

Each of the independent non-executive Director for the year ended 31 March 2018 has given an annual written confirmation of his/her independence to the Company, and accordingly the Company considers each of them to be independent under Rule 5.09 of the GEM Listing Rules.

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be convened as and when required. During the year ended 31 March 2018, 19 Board meetings as well as an annual general meeting (the "AGM") and an extraordinary general meeting (the "EGM") of Shareholders were held. The record of attendance of each Director is set out as follows:

	Attended/eligible to attend		
Name of Directors	**Board meeting**	**AGM**	**EGM**
Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018)	17/17	1/1	1/1
Mr. Yue, Kwai Wa Ken	19/19	1/1	1/1
Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017)	13/14	0/1	0/1
Mr. Ko, Wai Lun Warren	19/19	0/1	0/1
Ms. Li, Tak Yin (appointed with effect from 13 September 2017)	5/10	0/1	0/1
Mr. Wong, Tat Keung	18/19	0/1	1/1
Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017)	1/2	0/0	0/0
Mr. Lou, Ming (resigned with effect from 16 June 2017)	5/5	0/0	0/0
Dr. Cheung, Wai Bun Charles, *J.P.* (appointed with effect from 2 June 2017 and resigned with effect from 18 December 2017)	9/11	1/1	1/1
Dr. Lam, Lee G (appointed with effect from 13 September 2017 and resigned with effect from 11 December 2017)	3/3	1/1	1/1
Mr. Yim, Wai Ning (appointed with effect from 2 June 2017 and resigned with effect from 18 December 2017)	7/11	0/1	1/1
Mr. Ng, Man Kung (appointed with effect from 24 August 2017 and resigned with effect from 18 December 2017)	3/6	1/1	1/1
Mr. So, Wing On (appointed with effect from 24 August 2017 and resigned with effect from 18 December 2017)	3/6	0/1	1/1

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies; authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system and setting the Group's values and standards. The day-to-day management, administration and operation of the Group are delegated to the executive Directors. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

Throughout the year ended 31 March 2018, the Company had at least three independent non-executive Directors and four independent non-executive Directors since 13 December 2017 and at all times met the requirements of the GEM Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members and at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function such as (i) developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management of the Company, and (ii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and developing, reviewing and monitoring the code of conduct of the Directors, etc.

The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Draft minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The company secretary of the Company (the "Company Secretary") is responsible for keeping the minutes of all meetings of the Board and the Company's committees.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that all required procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the code provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

During the year ended 31 March 2018, there were times when the roles of the Chairman and CEO were performed by the same individual, the details of which are set out below:

1. for the period from 1 April 2017 to 20 April 2017, Mr. Luk, Kee Yan Kelvin ("Mr. Luk") was both the Chairman and the CEO;

2. following the resignation of Mr. Luk as an executive Director, the Chairman and the CEO and his cessation as a member of each of the Remuneration Committee and the Nomination Committee and an authorised representative of the Company on 20 April 2017, Mr. Yue, Kwai Wa Ken ("Mr. Yue") was redesignated as the Chairman and the CEO. Therefore, for the period from 20 April 2017 and up to 2 June 2017 (the date when Dr. Cheung, Wai Bun Charles, *J.P.* ("Dr. Cheung") was appointed as the Chairman and executive Director), Mr. Yue was both the Chairman and the CEO;

3. upon the resignation of Mr. Lum, Pak Sum as the CEO and Dr. Cheung as the Chairman with effect from 1 October 2017 and 18 December 2017, respectively, Mr. Yue was redesignated as the CEO and the Chairman with effect from 1 October 2017 and 18 December 2017, respectively. Therefore, starting from 18 December 2017 and up to the date of this annual report, Mr. Yue has been both the Chairman and the CEO.

The Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Group. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "Articles") provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. The term of appointment of each independent non-executive Director is set out in the section headed "Directors' Service Contracts and Letter of Appointment" in this annual report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. For the year ended 31 March 2018, all the Directors, namely Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018), Mr. Yue, Kwai Wa Ken, Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017), Mr. Ko, Wai Lun Warren, Ms. Li, Tak Yin (appointed with effect from 13 September 2017) and Mr. Wong, Tat Keung, had participated in continuous professional development programmes such as external seminars organised by qualified professionals and/or reading materials relevant to the Company's business or to directors' duties and responsibilities, to develop and refresh their knowledge and skills in relation to their contribution to the Board.

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

AUDIT COMMITTEE

The Audit Committee was established on 26 September 2011 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The terms of reference of the Audit Committee are available at the websites of the Company and the Stock Exchange. The major roles and functions of the Audit Committee are to review the financial systems of the Group; to review the accounting policies, financial positions and results, and financial reporting procedures of the Group; to communicate with external auditor; to assess the performance of internal financial and audit personnel; to review the risk management system and to assess the internal controls of the Group; and to provide recommendations and advices to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment. The Company has adopted a whistleblowing policy in order to allow the employees or other stakeholders (such as suppliers and customers) of the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group.

During the year ended 31 March 2018, the Audit Committee consisted of three members, namely Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017), Mr. Ko, Wai Lun Warren and Mr. Wong, Tat Keung (being the chairman of the Audit Committee), all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2018.

According to the terms of reference, the Audit Committee shall meet at least four times a year. Four meetings were held by the Audit Committee for the year ended 31 March 2018. In the meetings during the year ended 31 March 2018, the Audit Committee has reviewed the audited annual results of the Group and the unaudited first and third quarterly and interim results of the Group and recommended to the Board for consideration the re-appointment of BDO Limited at the annual general meeting of the Company held in September 2017. The record of attendance of each member of the Audit Committee is set out as follows:

Name of members of the Audit Committee	**Meeting attended/ eligible to attend**
Mr. Wong, Tat Keung *(chairman)*	4/4
Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017)	3/3
Mr. Ko, Wai Lun Warren	4/4
Mr. Lou, Ming (resigned with effect from 16 June 2017)	1/1

The Audit Committee met on 31 May 2018 and, among other matters, reviewed the Group's audited consolidated financial statements for the year ended 31 March 2018.

The Group's internal control and risk management systems were reviewed regularly by management. With the view of enhancing the Group's internal control and risk management systems, during the year ended 31 March 2018, the Group had its internal audit function to review the Group's internal control system and recommend actions to improve the Group's internal controls. Based on the review, the Audit Committee is of the view that the Group's internal control and risk management systems were generally effective and adequate and in compliance with the requirements of the CG Code C.2.1 for the year ended 31 March 2018 in all material respects, provided that use of financial resources and dissemination of inside information could be further enhanced.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 26 September 2011. During the year ended 31 March 2018, the Remuneration Committee consisted of the following members, namely Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018), Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017), being executive Directors and Mr. Ko, Wai Lun Warren (being the chairman of the Remuneration Committee), Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017), Mr. Wong, Tat Keung and Mr. Lou, Ming (resigned with effect from 16 June 2017), all being then independent non-executive Directors. The terms of reference of the Remuneration Committee are available at the websites of the Company and the Stock Exchange.

The major roles and functions of the Remuneration Committee include assisting the Board to develop and administer fair and transparent procedures for setting policies on the remuneration of the Directors and senior management of the Company and determining the remuneration packages of the Directors and senior management of the Company.

Six meetings were held by the Remuneration Committee for the year ended 31 March 2018. In the meeting, the Remuneration Committee has performed its duties to determine and make recommendations to the Board on the remuneration package of the Board members. The record of attendance of each member of the Remuneration Committee is set out as follows:

Name of members of the Remuneration Committee	**Meeting attended/ eligible to attend**
Mr. Ko, Wai Lun Warren *(chairman)*	6/6
Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018)	5/5
Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017)	2/2
Mr. Wong, Tat Keung	6/6
Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017)	0/1
Mr. Lou, Ming (resigned with effect from 16 June 2017)	4/4

The Remuneration Committee met on 31 May 2018 and considered remuneration related matters of the Directors and senior management.

Details of emoluments of the Directors and senior management of the Company for the year ended 31 March 2018 are set out in note 15 to the consolidated financial statements of the Group.

NOMINATION COMMITTEE

The Nomination Committee was established on 26 September 2011. During the year ended 31 March 2018, the Nomination Committee consisted of the following members, namely Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018), Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017), being executives Directors, Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017) (being the chairman of the Nomination Committee) and Mr. Ko, Wai Lun Warren and Mr. Wong, Tat Keung and Mr. Lou, Ming (resigned with effect from 16 June 2017), all being then independent non-executive Directors. The revised terms of reference of the Nomination Committee are available at the websites of the Company and the Stock Exchange.

The major roles and functions of the Nomination Committee include reviewing the structure, size, composition and diversity of the Board at least once a year; making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for Directors; and assessing the independence of the independent non-executive Directors. The Board has adopted a policy of diversity of the Board. Accordingly, selection of Board member should base on a range of diversified perspective, including but not limited to the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services.

Nine meetings were held by the Nomination Committee for the year ended 31 March 2018. In the meeting, the Nomination Committee has performed its duties to review the independence of the independent non-executive Directors. The record of attendance of each member of the Nomination Committee is set out as follows:

Name of members of the Nomination Committee	**Meeting attended/ eligible to attend**
Mr. Choi, Wai Tong Winton *(Chairman)* (appointed with effect from 16 June 2017)	5/5
Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018)	8/8
Mr. Ko, Wai Lun Warren	9/9
Mr. Wong, Tat Keung	8/9
Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017)	0/1
Mr. Lou, Ming (resigned with effect from 16 June 2017)	4/4

The Nomination Committee met on 31 May 2018 and recommend the re-appointment of all the retiring Director at the forthcoming AGM.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

As disclosed in the paragraph headed "Senior management" in the section headed "Biographical details of directors and senior management" in this annual report, members of the senior management of the Group are the executive Directors. The remuneration of the executive Directors by band for the year ended 31 March 2018 by band is set out below:

Remuneration bands	**Number of executive Directors during the year ended 31 March 2018**
HK$nil to HK$1,000,000	2
HK$1,000,001 to HK$2,000,000	–
HK$2,000,001 to HK$3,000,000	2

Further details of the Directors' remuneration and the five highest paid employees for the year are set out in notes 15 to the consolidated financial statements.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 of the Group that are free from material misstatement, whether due to fraud or error. The responsibility of the external auditor is to form an independent opinion, based on their audit, on the Group's consolidated financial statements prepared by the Directors and to report its opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the independent auditor's report in this annual report.

Internal Control and Risk Management

The Board emphasises the importance of a sound internal control system which is also indispensable for mitigating the Group's key risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and the Shareholders' interests. For the year ended 31 March 2018, the management has reviewed the internal control system and the risk management of the Group and has provided written reports to the Audit Committee.

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

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

Through the Audit Committee, the Board has conducted annual review of the effectiveness of the Group's internal control system and risk management for the year ended 31 March 2018, covering the material financial, operational and compliance controls, which are considered effective and adequate. The Audit Committee has reviewed the adequacy of resources, qualifications and experience, training and budget of the accounting, internal audit and financial reporting functions on an annual basis.

The independent non-executive Directors have also reviewed the enforcement of (i) the Directors' undertaking that the Group will engage an independent professional geologist to review and report on the adequacy and effectiveness of the implementation of the Group's best practice guidelines for natural resources related projects annually subsequent to the listing of the Shares on GEM; and (ii) the Directors' undertaking that the Group will maintain at least the same standard and quality of staff going forward as long as the Group continues to engage in the provision of valuation and technical advisory services. The independent non-executive Directors are satisfied that the above undertakings have been complied with for the year ended 31 March 2018 and there is no matter that needs to be brought to the attention of the Shareholders.

DISCLOSURE OF INSIDE INFORMATION

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

- the Group conducts its affairs with close regard to the disclosure requirements under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorised to communicate with parties outside the Group.

AUDITOR'S REMUNERATION

During the year ended 31 March 2018, the fees paid/payable to the Company's auditor is set out as follows:

Services rendered	**Fees paid/payable** (HK$'000)
Audit services — annual results	770
Non-audit services	–
	770

COMPANY SECRETARY

Mr. Yue, Kwai Wa Ken ("Mr. Yue") was appointed as the Company Secretary on 26 September 2011. The biographical details of Mr. Yue are disclosed in the section headed "Biographical Details of Directors and Senior Management" in this annual report. During the year ended 31 March 2018, the Company Secretary undertook not less than 15 hours of professional training to update his skills and knowledge.

SHAREHOLDERS' RIGHTS

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

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

Any one or more member(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business in Hong Kong as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary at the Company's principal place of business at 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

(a) At least 14 clear days' notice in writing (and not less than 10 clear business days) if the proposal constitutes an ordinary resolution of the Company; or

(b) At least 21 clear days' notice in writing (and not less than 10 clear business days) if the proposal constitutes a special resolution of the Company.

RIGHT TO SEND ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to info@romagroup.com for the attention of the Company Secretary.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Pursuant to Article 85 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the head office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules.

PROCEDURES AND CONTACT DETAILS FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at info@romagroup.com. The identity of the Shareholder and his/her/its request will be verified with the Company's Hong Kong share registrar and upon confirmation by the branch share registrar that the request is made by a Shareholder and such request is proper and in order, the Board will determine in its sole discretion whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

(1) Notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal requires approval in an annual general meeting;

(2) Notice of not less than 21 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of a special resolution in an EGM;

(3) Notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal requires approval in an EGM other than by way of a special resolution of the Company.

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include the annual general meeting; the annual, interim and quarterly reports; notices; announcements, circulars, memorandum of association and Articles on the Company's website at www.romagroup.com.

For the year ended 31 March 2018, there had been no significant change in the Company's constitutional documents.

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2018.

CHANGES IN DIRECTORS' INFORMATION

Subsequent to the date of the 2017/2018 interim report of the Company, the changes in Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are set out below:

With effect from 11 December 2017, Dr. Lam, Lee G. resigned as a non-executive Director and the vice chairman of the Board.

With effect from 18 December 2017, (i) Dr. Cheung, Wai Bun Charles, *J.P.* ("Dr. Cheung") resigned as an executive Director and the Chairman, and (ii) Mr. Yim, Wai Ning, Mr. Ng, Man Kung and Mr. So, Wing On have resigned as the non-executive Directors. Following the resignation of Dr. Cheung, Mr. Yue, Kwai Wa Ken, an executive Director, has been redesignated as the Chairman.

Mr. Li, Sheung Him Michael was appointed as an executive Director and an authorised representative of the Company under Rule 5.24 of the GEM Listing Rules (the "Authorised Representative") with effect from 31 May 2018 and 1 June 2018 respectively.

With effect from 1 June 2018, Ms. Chan, Hong Nei Connie resigned as an executive Director, the chief financial officer of the Group, a member of each of the Remuneration Committee and Nomination Committee and the Authorised Representative.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The major activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements of the Group. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2018.

An analysis of the Group's performance for the year ended 31 March 2018 by segments is set out in note 7 to the consolidated financial statements of the Group.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2018 and financial position as at that date are set out in the Group's consolidated financial statements on pages 45 to 105 of this annual report.

The Board does not recommend the payment of any final dividend for the year ended 31 March 2018 (2017: Nil).

CORPORATE GOVERNANCE

Save as disclosed in this annual report, the Company had complied with all the applicable code provisions as set out in the CG Code contained in Appendix 15 to the GEM Listing Rules during the year ended 31 March 2018.

Details of the principal corporate governance practices of the Group are set out in the section headed "Corporate Governance Report" on pages 18 to 28 of this annual report.

Mr. Yue, Kwai Wa Ken is the compliance officer of the Company and the Company Secretary whose biographical details including professional qualification are set out on page 16 of this annual report.

BUSINESS REVIEW AND PERFORMANCE

Review of our business and performance

A discussion and analysis of the Group's performance during the year ended 31 March 2018 and the key factors affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report.

A fair review of, and an indication of likely future development in the Group's business are set out in the "Chairman's Statement" and the section headed "Future Prospects" in the "Management Discussion and Analysis" of this annual report.

Principal risks and uncertainties

The Group's success relies, to a significant extent, on the experience and knowledge of the Group's professional staff. The loss of the services of one or more members of the Group's key personnel due to their departure or other reasons, if the Group fails to replace any vacancy by recruiting new competent personnel with relevant experience and knowledge in the market, or employees leaving and setting up business in competition with the Group could adversely affect the Group's operation and financial position.

Besides, the Group engages independent professionals on a project-by-project basis from time to time to work alongside the Group's professional team to perform valuation and advisory services. In the event that the Group fails to engage suitable independent professionals for some of its projects when required, the Group's financial results may be adversely affected.

Particulars of important events

Saved as disclosed in note 40 to the consolidated financial statements in this annual report, since 31 March 2018, being the end of the financial year under review, no other important event has occurred affecting the Group.

Compliance with laws and regulations, environmental policy and relationships with stakeholders

Information on the compliance with laws and regulations, environmental policy and relationships with stakeholders are set out in the section headed "Management Discussion and Analysis" of this annual report.

FINANCIAL HIGHLIGHTS

A five-year summary of the results and of the assets and liabilities of the Group is set out on page 106 of this annual report.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 29 to the consolidated financial statements of the Group.

SHARES ISSUED

During the year ended 31 March 2018, the Company raised fund of net proceeds of approximately HK$258 million from its right issue of 1,874,944,986 ordinary shares of HK$0.15 per rights share for the following purposes: (1) Expansion of the Group's existing financing business; (2) Investment in potential business; and (3) General working capital.

PRE-EMPTIVE RIGHTS

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

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

During the year ended 31 March 2018, the Company did not redeem any of its Shares listed on GEM, nor did the Company or any of its subsidiaries purchase or sell any such Shares.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Schemes" below, the Group has not entered into any equity-linked agreements during the year ended 31 March 2018.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in note 31 to the consolidated financial statements of the Group and in the consolidated statement of changes in equity on page 48 of this annual report respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the place of incorporation of the Company), amounted to approximately HK$425.7 million. Such amount represented the Company's share premium and retained earnings, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2018, the Group's five largest customers represented less than 20% of the Group's total revenue. For the same year, the Group's largest and five largest suppliers represented approximately 26.7% and 64.0% of the Group's total consultancy fee respectively.

None of the Directors nor any of their close associates (as defined in the GEM Listing Rules) nor any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year ended 31 March 2018.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors

Ms. Chan, Hong Nei Connie (appointed with effect from 20 April 2017 and resigned with effect from 1 June 2018)
Mr. Li, Sheung Him Michael (appointed with effect from 31 May 2018)
Mr. Yue, Kwai Wa Ken (redesignated as chairman and chief executive officer on 18 December 2017)
Dr. Cheung, Wai Bun Charles, *J.P.* (appointed with effect from 2 June 2017 and resigned with effect from 18 December 2017)
Mr. Luk, Kee Yan Kelvin (resigned with effect from 20 April 2017)

Non-executive Directors

Mr. Yim, Wai Ning (appointed with effect from 2 June 2017 and resigned with effect from 18 December 2017)
Mr. Ng, Man Kung ("Mr. Ng")* (appointed with effect from 24 August 2017 and resigned with effect from 18 December 2017)
Mr. So, Wing On ("Mr. So")* (appointed with effect from 24 August 2017 and resigned with effect from 18 December 2017)
Dr. Lam, Lee G (appointed with effect from 13 September 2017 and resigned with effect from 11 December 2017)

Independent non-executive Directors

Mr. Choi, Wai Tong Winton (appointed with effect from 16 June 2017)
Mr. Ko, Wai Lun Warren
Ms. Li, Tak Yin (appointed with effect from 13 September 2017)
Mr. Lou, Ming (resigned with effect from 16 June 2017)
Mr. Wong, Tat Keung

* Mr. Ng and Mr. So have resigned as the non-executive Directors as they consider that the Company's corporate governance philosophy is different from theirs.

In accordance with Article 83(3) of the Articles, Mr. Li, Sheung Him Michael will retire from office at the forthcoming annual general meeting (the "AGM"). Pursuant to Articles 84(1) and (2) of the Articles, Mr. Yue, Kwai Wa Ken and Mr. Ko, Wai Lun Warren will retire from office by rotation at the forthcoming AGM. All the above retiring Directors, being eligible, have offered themselves for re-election thereat.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 16 and 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing on 25 February 2013 (the "Listing Date") or the date of appointment (as the case maybe) and continues thereafter until terminated in accordance with the terms of the agreement.

Mr. Ko, Wai Lun Warren, an independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three years commencing on 16 June 2017 and will continue thereafter unless terminated by either party giving to the other at least one month's notice in writing.

Mr. Wong, Tat Keung, an independent non-executive Director, has entered into a letter of appointment with the Company for an initial term from 2 March 2016 to 31 March 2017 and will continue thereafter unless terminated by either party giving to the other at least one month's notice in writing.

Mr. Choi, Wai Tong Winton, an independent non-executive Director has entered into a letter of appointment with the Company for an initial term of one year commencing on 16 June 2017 and is subject to retirement by rotation and other related provision as stipulated in the articles of association of the Company.

Ms. Li, Tak Yin, an independent non-executive director has entered into a letter of appointment with the Company for an initial term of three years commencing on 13 September 2017 and will continue thereafter unless terminated by either party giving to the other at least three months' notice in writing.

Other than as disclosed above, none of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

MANAGEMENT CONTRACTS

No contract, other than a contract of service with any Director or any person under the full time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year ended 31 March 2018.

REMUNERATION OF THE DIRECTORS

Details of the remuneration of the Directors are set out in note 15 to the consolidated financial statements of the Group.

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined by reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company has adopted share option schemes as incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Schemes" below.

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

As at 31 March 2018, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEMES

A share option scheme (the "Share Option Scheme") was conditionally approved by the Shareholders on (before the consolidation of Shares, which was effective on 19 October 2017) 26 September 2011 and became effective on the Listing Date. Share options comprising 10,000,000 underlying Shares were granted under the Share Option Scheme to nine individuals on 25 April 2013 (the "Date of Grant").

Principal terms of the Share Option Scheme are set out as follows:

1. *Purpose*

   The purpose of the Share Option Scheme is to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group.

2. *Participants*

   The Board is authorised, at its absolute discretion and subject to the terms of the Share Option Scheme, to grant options to subscribe for the Shares to, among others, any employees (full-time and part-time), the Directors, consultants and advisors of the Group.

3. *Total number of Shares available for issue*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date on 25 February 2013. On the basis of 800,000,000 Shares in issue on the Listing Date, the maximum number of Shares available for issue under the Share Option Scheme is equivalent to 80,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date and approximately 2.56% of the Shares in issue as at the date of this annual report.

4. *Maximum entitlement of each participant*

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme in any 12-month period shall not exceed 1% of the Shares in issue with the exclusion of the independent non-executive Directors and substantial shareholders of the Company or their respective associates, which is subject to a lower percentage and a specified value).

5. *Period within which the Shares must be taken up under an option*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine, which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

6. *Minimum period for which an option must be held before it can be exercised*

The Board may in its absolute discretion set a minimum period for which an option must be held and the performance targets must be achieved before an option can be exercised.

7. *Time of acceptance and the amount payable on acceptance of the option*

An offer for the grant of options must be accepted for a period of 28 days from the day on which such offer is made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

8. *Basis of determining the subscription price*

The subscription price of the Shares in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Shares on the date of grant of the option.

9. *Life of the Share Option Scheme*

The Share Option Scheme became unconditional on the Listing Date and shall be valid and effective for a period of ten years commencing on the Listing Date, subject to the early termination provisions contained in the Share Option Scheme.

The Company is entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme does not exceed 10% of the issued share capital of the Company. The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time.

Share Option Scheme

Details of the options granted under the Share Option Scheme, their movements during the year ended 31 March 2018 and the options outstanding as at 31 March 2018 were as follows:

	As at 1 April 2017	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	As at 31 March 2018	Exercise period and vesting period	Subscription price per Share HK$
Employees	7,705,250	–	–	–	(7,705,250)	–	Note 2	0.441
	7,705,250	–	–	–	(7,705,250)	–		

Notes:

1. It represented the Share of par value of HK$0.016 each before the consolidation of Shares, which was effective on 19 October 2017.

2. Subject to the following vesting periods, the options granted to 8 grantees under the Share Option Scheme may be exercised at any time after the price of the Shares as stated in the Stock Exchange's daily quotations sheet reaches 2.5 times or above of the subscription price and the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet have increased for 7 consecutive days during the period commencing on the Date of Grant and ending on the day falling on the fourth anniversary of the Date of Grant. The options granted to 1 grantee under the Share Option Scheme may be exercised at any time after the price of the Shares as stated in the Stock Exchange's daily quotations sheet reaches 2 times or above the Exercise Price from 25 April 2013 to 24 April 2023. The exercise period shall commence on the Date of Grant and end on the day falling on the fourth anniversary of the Date of Grant. Particulars of the vesting dates of the options and the percentage of options vested are as follows:

   (1) The first anniversary of the Date of Grant — 30% of the total number of the underlying Shares comprised in the options granted;

   (2) The second anniversary of the Date of Grant — 30% of the total number of the underlying Shares comprised in the options granted; and

   (3) The third anniversary of the Date of Grant — 40% of the total number of the underlying Shares comprised in the options granted.

For further details, please refer to the announcement of the Company dated 25 April 2013.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2018 was the Company or any of its subsidiaries, fellow subsidiaries and holding company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

As at 31 March 2018, so far as any Directors are aware, the interests or short positions owned by the following party (other than the Directors or chief executive of the Company) in the Shares or underlying Shares, which were required (a) to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares and underlying Shares

Name of shareholder	Nature of interest	Number of Shares	Approximate percentage of interest
Aperto Investments Limited ("Aperto") (note)	Beneficial owner	255,750,000	8.18%
Mr. Luk, Kee Yan Kelvin ("Mr. Luk") (note)	Interest of a controlled corporation	255,750,000	8.18%

Note: The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk, an executive Director, the chairman and chief executive officer of the Company, who resigned with effect from 20 April 2017. Under the SFO, Mr. Luk was deemed to be interested in all the Shares held by Aperto.

Save as disclosed above and as at 31 March 2018, the Directors are not aware of any interests or short positions owned by any parties (other than a Director or the chief executive of the Company) in the Shares or underlying Shares which were required (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.

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

None of the Directors or a connected entity of a Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party as at 31 March 2018 or during the year ended 31 March 2018.

As at 31 March 2018, no contract of significance (whether for the provision of services to the Group or not) had been entered into between the Company, or any of its subsidiaries or fellow subsidiaries and the controlling shareholder (within the meaning of the GEM Listing Rules) of the Company or any of its subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 March 2018 and up to the date of this annual report, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules) engaged in any business that competed or might compete with the business of the Group, or had any other conflict of interest with the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (within the meaning of sections 469 of the Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the year ended 31 March 2018. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers arising out of corporate activities of the Group.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2018 are set out in note 36 to the consolidated financial statements of the Group. None of these related party transactions falls under the definition of "a connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules during the year ended 31 March 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Directors confirm that at least 25% of the issued Shares were held by the public (i.e. the prescribed public float applicable to the Company under the GEM Listing Rules) during the year ended 31 March 2018 and thereafter up to the date of this annual report.

TAX RELIEF

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

DONATIONS

During the year ended 31 March 2018, the Group donated approximately HK$0.03 million for charitable purposes (2017: HK$0.07 million).

INDEPENDENT AUDITOR

BDO Limited was appointed by the Directors as the first independent auditor of the Company. There was no change of independent auditor in the past three financial years. The Group's consolidated financial statements for the year ended 31 March 2018 have been audited by BDO Limited. BDO Limited will retire, and being eligible, offer themselves for re-appointment as the independent auditor at the forthcoming AGM. A resolution for their re-appointment as independent auditor of the Company will be proposed at the forthcoming AGM.

By order of the Board
Yue, Kwai Wa Ken
Executive Director, Chief Executive Officer,
Chairman and Company Secretary

31 May 2018

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TO THE SHAREHOLDERS OF ROMA GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Roma Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 45 to 105, which comprise the consolidated statement of financial position as at 31 March 2018, and 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Impairment of loans and interests receivable

Refer to note 20 to the consolidated financial statements and the accounting policies in note 4(g).

As at 31 March 2018, the Group's loans and interests receivable amounting to HK$202,083,000, of which approximately HK$11,353,000 were past due. The directors concluded that there was no impairment indicator on the Group's loans and interests receivable except for past due loans and interests receivable amounting to HK$28,056,000 which were considered irrecoverable and recognised as impairment as at 31 March 2018. The impairment of loans and interests receivable is a key audit matter due to the judgement involved and the significance of potential financial impact to the consolidated financial statements.

Our response

Our key procedures in relation to the directors' impairment assessment included:

— Reviewing subsequent settlements of loans and interests receivable;

— Reviewing the value of collaterals, if any, held for the respective loans;

— Reviewing the repayment history to assess the credit-worthiness of the Group's borrowers.

Impairment of trade and other receivables

Refer to notes 21 and 22 to the consolidated financial statements and the accounting policies in note 4(g).

As at 31 March 2018, the Group's trade receivables and other receivables amounting to HK$14,659,000 and HK$209,137,000, respectively, of which approximately HK$14,659,000 and HK$25,595,000, respectively, were past due. The directors concluded that there was no impairment indicator on the Group's trade and other receivables except for trade receivables and other receivables amounting to HK$14,671,000 and HK$15,777,000, respectively, which were considered irrecoverable and recognised as impairment as at 31 March 2018. The impairment of trade and other receivables is a key audit matter due to the judgement involved and the significance of potential financial impact to the consolidated financial statements.

Our response

Our key procedures in relation to the directors' impairment assessment included:

— Reviewing subsequent settlements of trade and other receivables;

— Circulating confirmations to trade and other debtors;

— Reviewing the repayment history to assess the creditworthiness of trade and other debtors.

Impairment of goodwill and intangible assets

Refer to notes 18 and 17 to the consolidated financial statements and the accounting policies in notes 4(c) and 4(f).

As at 31 March 2018, the Group had goodwill and intangible assets amounting to HK$25,329,000 and HK$14,946,000, respectively, which were allocated to the cash generating unit, namely "Bonus Boost Group". They are subject to annual impairment testing.

The directors concluded that there was no impairment in respect of the goodwill and intangible assets, based on the recoverable amount of the cash generating unit, determined using a value-in-use calculation, which involved significant judgment and assumptions with respect to the discount rate and future revenue growth as well as the underlying future cash flows. The impairment of goodwill and intangible assets is a key audit matter due to the judgement involved and the significance of potential financial impact to the consolidated financial statements.

Our response

Our key procedures in relation to the directors' impairment assessment included:

— Assessing the reasonableness of discount rate and growth rates applied in the value-in-use calculation;

— Comparing the actual results for the year with the forecasted results prepared in prior year;

— Challenging the reasonableness of other key assumptions based on our knowledge of the business and industry.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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 are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

BDO Limited
Certified Public Accountants
Alfred Lee
Practising Certificate Number P04960

Hong Kong, 31 May 2018

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	6	**65,140**	111,992
Other income	8	**2,451**	2,855
Employee benefit expenses	9	**(35,698)**	(33,646)
Depreciation and amortisation	10	**(4,832)**	(4,011)
Finance costs	11	**(1,005)**	(1,600)
Other expenses		**(52,011)**	(50,276)
(Loss)/profit before income tax credit/(expense)	10	**(25,955)**	25,314
Income tax credit/(expense)	12	**407**	(4,065)
(Loss)/profit and total comprehensive income for the year attributable to owners of the Company		**(25,548)**	21,249
			(restated)
(Loss)/earnings per share			
— Basic	14	**(1.28) cents**	1.61 cents
— Diluted	14	**(1.28) cents**	1.61 cents

Consolidated Statement of Financial Position

As At 31 March 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**5,614**	4,937
Intangible assets	17	**18,365**	20,532
Goodwill	18	**25,329**	25,329
Available-for-sale investments	19	**25,000**	25,000
Loans and interests receivable	20	**1,728**	9,445
Deferred tax assets	28	**1,329**	–
		77,365	85,243
Current assets			
Loans and interests receivable	20	**200,355**	303,399
Trade receivables	21	**14,659**	25,351
Prepayments, deposits and other receivables	22	**231,839**	64,014
Pledged bank deposits	23	**106,524**	54,062
Tax recoverable		**2,541**	2,169
Cash and bank balances		**204,493**	17,291
		760,411	466,286
Current liabilities			
Trade payables	24	**372**	307
Accrued liabilities and other payables and receipt in advance	25	**23,484**	15,599
Finance lease liabilities	26	**1,296**	1,547
Bank borrowings	27	**100,000**	51,898
Current tax liabilities		**449**	663
		125,601	70,014
Net current assets		**634,810**	396,272
Total assets less current liabilities		**712,175**	481,515
Non-current liabilities			
Finance lease liabilities	26	**1,016**	2,312
Deferred tax liabilities	28	**2,465**	2,718
		3,481	5,030
Net assets		**708,694**	476,485

As At 31 March 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	29	**199,994**	79,998
Reserves	31	**508,700**	396,487
Total equity		**708,694**	476,485

On behalf of the board of directors (the "Board")

Mr. Yue Kwai Wa Ken
Director

Mr. Li Sheung Him Michael
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2018

	Share capital (note 29) HK$'000	**Share premium*** (note 31) HK$'000	**Capital reserve*** (note 31) HK$'000	**Share option reserve*** (note 31) HK$'000	**Retained earnings*** (note 31) HK$'000	**Total** HK$'000
At 1 April 2016	79,998	272,298	10	1,345	101,585	455,236
Share options lapsed (note 32(b))	–	–	–	(923)	923	–
Transactions with owners	–	–	–	(923)	923	–
Profit and total comprehensive income for the year	–	–	–	–	21,249	21,249
At 31 March 2017 and 1 April 2017	79,998	272,298	10	422	123,757	476,485
Share options lapsed (note 32(a))	–	–	–	(422)	422	–
Rights issue, net of expenses (note 29(b))	119,996	137,761	–	–	–	257,757
Transactions with owners	119,996	137,761	–	(422)	422	257,757
Loss and total comprehensive income for the year	–	–	–	–	(25,548)	(25,548)
At 31 March 2018	199,994	410,059	10	–	98,631	708,694

* The total of these balances represents "reserves" in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Cash flows from operating activities			
(Loss)/profit before income tax credit/(expense)		**(25,955)**	25,314
Adjustments for:			
Finance costs	11	**1,005**	1,600
Interest income	8	**(1,167)**	(1,137)
Depreciation of property, plant and equipment	10	**2,665**	1,788
Written-off of property, plant and equipment	10	**28**	–
Amortisation of intangible assets	10	**2,167**	2,223
Impairment loss on loans and interests receivable	10	**5,597**	14,262
Recovery of impairment loss on loans and interests receivable	10	**(1,631)**	–
Impairment loss on trade and other receivables	10	**21,757**	3,427
Recovery of impairment loss on trade and other receivables	10	**(264)**	–
Operating profit before working capital changes		**4,202**	47,477
Decrease/(increase) in loans and interests receivable		**106,795**	(42,624)
Increase in trade receivables		**(196)**	(3,741)
Increase in prepayments, deposits and other receivables		**(158,430)**	(21,939)
Increase/(decrease) in trade payables		**65**	(16)
Increase in accrued liabilities and other payables and receipt in advance		**7,885**	506
Cash used in operations		**(39,679)**	(20,337)
Hong Kong Profits Tax paid		**(1,761)**	(9,510)
Net cash used in operating activities		**(41,440)**	(29,847)
Cash flows from investing activities			
Deposit paid for investment		**(20,000)**	–
Interest received		**1,167**	1,114
Purchase of property, plant and equipment		**(3,370)**	(125)
Purchase of intangible assets		**–**	(50)
(Increase)/decrease in pledged bank deposits		**(52,462)**	7,696
Net cash (used in)/generated from investing activities		**(74,665)**	8,635

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Cash flows from financing activities			
Proceeds from rights issue, net of expenses	29(b)	**257,757**	–
Proceeds from bank borrowings		**50,000**	9,800
Repayments of bank borrowings		**(1,898)**	(8,449)
Repayments of finance lease liabilities		**(1,547)**	(1,560)
Interests paid		**(1,005)**	(1,600)
Net cash generated from/(used in) financing activities		**303,307**	(1,809)
Net increase/(decrease) in cash and cash equivalents		**187,202**	(23,021)
Cash and cash equivalents at the beginning of year		**17,291**	40,312
Cash and cash equivalents at the end of year		**204,493**	17,291
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**204,493**	17,291

1. GENERAL

Roma Group Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. Its principal place of business in Hong Kong is located at 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong. The principal activity of the Company is investment holding. The major activities of the subsidiaries of the Company are provision of valuation and advisory services and financing services in Hong Kong. The Company and its subsidiaries as mentioned in note 33 are collectively referred to as the "Group".

The shares of the Company have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing on 25 February 2013 (the "Listing Date").

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Except as explained below, the adoption of these new/revised HKFRSs has no material impact on the Group's financial statements.

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flows, note 30. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for prior year.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 9	Financial Instruments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
HKFRS 16	Leases[2]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes[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

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

- Loans and interests receivable carried at amortised cost as disclosed in note 20 are held within a business model whose objective is to collect the contractual cash flows that are solely payment of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost.

- Trade receivables carried at amortised cost as disclosed in note 21 are held within a business model whose objective is to collect the contractual cash flows. Accordingly, these financial assets will continue to be subsequently measured at amortised cost.

- Equity investment classified as available-for-sale investments carried at cost less impairment as disclosed in note 19 may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify them as FVTPL.

- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment:

In general, the Group anticipates that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost and other items that are subject to the impairment provision upon application of HKFRS 9 by the Group. However, management expects the effect would not be significant.

Amendments to HKFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

HKFRS 15 — Revenue from Contracts with customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Currently, the Group's service income is recognised by reference to the percentage-of-completion of services performed to date to the total services to be performed. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

Accordingly, the adoption of HKFRS 15 may result in earlier or later recognition of revenue than the current account policy. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

Amendments HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

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

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2018, the Group has non-cancellable operating lease commitment of approximately HK$9,109,000 as set out in note 35 to the consolidated financial statements. The interest expense on the lease liability and the depreciation expense on the right-of-use asset under HKFRS 16 will replace the rental charge under HKAS 17. The operating lease commitments as shown in off-balance sheet item will be replaced by "right-of-use asset" and "lease liability" in the consolidated statement of financial position of the Group. Other than the above, the Group does not anticipate that the application of this standard will have material impact on the consolidated financial statements of the Group.

The standard will become mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

Annual Improvements to HKFRSs 2015-2017 Cycle — Amendments to HKAS 12, Income Taxes

The amendment clarifies that the income tax consequences (if any) of dividends as defined in HKFRS 9 (ie distributions of profits to holders of equity instruments in proportion to their holdings) must be recognised:

- at the same time as the liability to pay those dividends is recognised; and
- in profit or loss, other comprehensive income, or the statement of changes in equity according to where the entity originally recognised the past transactions or events that generated the distributable profits from which the dividends are being paid.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Companies Ordinance. 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").

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and its principal subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. 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.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(d) Foreign currency translation

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the group entity operates (i.e. the "functional currency").

In the individual financial statements of the group entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities at the end of reporting period are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working conditions and location for its intended use.

Depreciation is provided to write off the assets' cost less their residual value over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the shorter of the lease terms and 33%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

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

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

(f) Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives as follows:

Customer relationship	6 years
Database	20 years
Accounting and management and valuation softwares	5–8 years

The amortisation expense is recognised in profit or loss and included in "depreciation and amortisation" in the consolidated statement of comprehensive income.

Amortisation commences when the intangible assets are available for use. Intangible assets with finite useful lives are tested for impairment as described below in note 4(o).

(g) Financial assets

Financial assets of the Group are classified as loans and receivables and available-for-sale financial assets.

Management determines the classification of financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the right to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. The calculation includes significant fees and transaction costs that are an integral part of the effective interest rate, and premiums or discounts.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses.

Impairment of financial assets

At the end of reporting period, financial assets are reviewed to assess whether there is objective evidence of impairment. If any of such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

For loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Impairment loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

Where the recovery of loans and receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of receivables is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

For available-for-sale financial assets

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

(h) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and other financial institutions and in hand.

(j) Financial liabilities

The Group's financial liabilities include trade payables, accrued liabilities and other payables, finance lease liabilities and bank borrowings.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Trade payables, accrued liabilities and other payables, finance lease liabilities and bank borrowings

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

(k) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

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

(a) Operating lease

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Where the Group has the right to use of assets held under operating leases, payments made under the operating leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

(b) Finance lease

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

(l) Provisions and contingent liabilities

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

All provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate.

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

(m) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

— Service income is recognised upon provision of the services, by reference to the percentage-of-completion of services performed to date to the total services to be performed. Service income received in advance is included in the consolidated statement of financial position as "receipt in advance". Service income recognised but unbilled is included in the consolidated statement of financial position as "accrued revenue".

— Interest income is recognised on a time-proportion basis using the effective interest method.

— Dividend income is recognised when the right to receive payment is established.

(o) Impairment of non-financial assets

Property, plant and equipment, intangible assets and investments in subsidiaries are subject to impairment testing. Property, plant and equipment, intangible assets with finite useful lives and investments in subsidiaries are tested for impairment whenever there are indications that the assets' carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Impairment loss recognised for CGUs is charged pro rata to the assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value-in-use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Value in use is based on the estimated future cash flows expected to be derived from the asset or CGU (see note 4(c)), 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 or CGU.

(p) Employee benefits

(i) Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme"), for all of its employees who are eligible to participate in the MPF Scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligation under these plans is limited to the fixed percentage contributions payable.

(ii) Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(q) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity as share option reserve is recognised. For cash-settled share-based payments, a liability is recognised at the fair value of the goods or services received.

(r) Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss except when the changes relate to items recognised in other comprehensive income or directly in equity in which case the changes are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on 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 is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of reporting period.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

The Group presents current tax assets and current tax liabilities in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) 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 over the Group;

  (ii) has significant influence over the Group; or

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

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

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

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

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

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

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 and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the directors are required to make judgements, 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 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.

In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainties that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

Impairment of receivables

Management determines impairment losses for receivables resulting from inability of the customers or other debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the receivables, customer's and other debtor's credit-worthiness, value of the collaterals and historical write-off experience. If the financial conditions of customers or other debtors deteriorate, allowance for impairment losses may be required.

Revenue recognition

The Group's service income from provision of valuation and advisory services is recognised upon provision of the services, by reference to the percentage-of-completion of services performed to date to the total services to be performed. The determination of the percentage-of-completion involves estimates and judgement on the extent of services performed during the period and the total services to be performed. Management uses a project report sheet to record the progress of each project which is prepared by the teamhead and is subject to review on a monthly basis and approval by the directors. Management will base on information available, including, among others, the project report sheet to determine the percentage-of-completion for each project and to decide on the amount of revenue to be recognised at the end of reporting period.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

Impairment of intangible assets

Determining whether the intangible assets are impaired requires an estimation of the value-in-use of the CGUs. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

Impairment of available-for-sale investments

Management reviews available-for-sale investments, which comprised unlisted equity investments, at the end of each reporting period to assess whether they are impaired. The Group records the impairment charges when there is objective evidence that an impairment loss has been incurred. The amount of impairment loss is measured as the difference between the carrying amount of the assets and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Management reviews the latest available financial information for the unlisted equity investment to assess any impairment occurs.

Useful lives of identifiable intangible assets acquired through business combination

The Group estimated the useful lives of intangible assets in order to determine the amount of amortisation expenses to be recorded. The useful lives are estimated at the time the assets are acquired based on the expected usage as well as the current market conditions. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid.

6. REVENUE

The Group's principal activities are provision of valuation and advisory services and provision of financing services.

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

	2018	2017
	HK$'000	HK$'000
Services fee income from provision of valuation and advisory services	**45,870**	75,955
Interest income from provision of financing services	**19,270**	36,037
	65,140	111,992

7. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The executive directors have identified the Group's product and service lines as reportable operating segments as follows:

(i) Valuation and advisory services;

(ii) Financing services; and

(iii) All other segments.

(a) Business segments

	Valuation and advisory services HK$'000	Financing services HK$'000	All other segments HK$'000	Total HK$'000
For the year ended 31 March 2018				
Segment revenue (note (i))	**45,870**	**19,270**	**–**	**65,140**
Segment results (note (ii))	**(21,333)**	**7,682**	**(561)**	**(14,212)**
Other segment information				
Depreciation	**(126)**	**–**	**(41)**	**(167)**
Written-off of property, plant and equipment	**(28)**	**–**	**–**	**(28)**
Amortisation	**(2,167)**	**–**	**–**	**(2,167)**
Impairment loss on loans and interests receivable	**–**	**(5,597)**	**–**	**(5,597)**
Recovery of impairment loss on loans and interests receivable	**–**	**1,631**	**–**	**1,631**
Impairment loss on trade and other receivables	**(20,648)**	**(655)**	**(454)**	**(21,757)**
Recovery of impairment loss on trade and other receivables	**264**	**–**	**–**	**264**
Income tax credit/(expense)	**1,446**	**(1,073)**	**34**	**407**
Additions to non-current assets (excluding financial instruments)	**52**	**–**	**–**	**52**
Segment assets	**78,144**	**397,516**	**532**	**476,192**
Segment liabilities	**(18,371)**	**(7,095)**	**(9)**	**(25,475)**
For the year ended 31 March 2017				
Segment revenue (note (i))	75,955	36,037	–	111,992
Segment results (note (ii))	23,924	11,377	(322)	34,979
Other segment information				
Depreciation	(130)	–	(49)	(179)
Amortisation	(2,223)	–	–	(2,223)
Impairment loss on loans and interests receivable	–	(14,262)	–	(14,262)
Impairment loss on trade and other receivables	(3,427)	–	–	(3,427)
Income tax (expense)/credit	(2,712)	(1,393)	40	(4,065)
Additions to non-current assets (excluding financial instruments)	159	–	–	159
Segment assets	98,349	351,336	720	450,405
Segment liabilities	(16,858)	(548)	(29)	(17,435)

Notes:

(i) Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both years.

(ii) The accounting policies of the operating segments are same as the Group's accounting policies described in note 4. Segment results represents the profit earned or the loss incurred by each segment without allocation of corporate income and central administrative costs. This is the measure reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment.

(b) Reconciliation of reportable segment (loss)/profit, assets and liabilities

	2018	2017
	HK$'000	HK$'000
(Loss)/profit before income tax expense credit/(expense)		
Reportable segment (loss)/profit	**(14,212)**	34,979
Unallocated interest income	**1,167**	1,137
Unallocated employee benefit expenses	**(6,208)**	(4,783)
Unallocated depreciation	**(2,498)**	(1,609)
Unallocated finance costs	**(1,005)**	(1,600)
Unallocated other expenses	**(3,199)**	(2,810)
Consolidated (loss)/profit before income tax expense credit/(expense)	**(25,955)**	25,314
Assets		
Reportable segment assets	**476,192**	450,405
Unallocated property, plant and equipment	**5,336**	4,515
Unallocated available-for-sale investments	**25,000**	25,000
Unallocated pledged bank deposits	**106,524**	54,062
Unallocated deposit	**20,000**	–
Unallocated cash and bank balances	**204,493**	17,291
Unallocated corporate assets	**231**	256
Consolidated total assets	**837,776**	551,529
Liabilities		
Reportable segment liabilities	**(25,475)**	(17,435)
Unallocated finance lease liabilities	**(2,312)**	(3,859)
Unallocated bank borrowings	**(100,000)**	(51,898)
Unallocated corporate liabilities	**(1,295)**	(1,852)
Consolidated total liabilities	**(129,082)**	(75,044)

(c) Geographical segment information

All of the revenue from external customers and non-current assets of the Group are derived from activities or located in Hong Kong. Accordingly, no geographical information is presented.

(d) Information about major customer

For the years ended 31 March 2018 and 2017, none of the customers contributed 10% or more of the revenue of the Group.

8. OTHER INCOME

	2018 HK$'000	2017 HK$'000
Reimbursement of expenses	**622**	1,290
Interest income	**1,167**	1,137
Others	**662**	428
	2,451	2,855

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2018 HK$'000	2017 HK$'000
Wages and salaries	**33,005**	31,123
Contributions on defined contribution retirement plans	**902**	882
Other benefits	**1,791**	1,641
	35,698	33,646

10. (LOSS)/PROFIT BEFORE INCOME TAX CREDIT/(EXPENSE)

	2018	2017
	HK$'000	HK$'000
(Loss)/profit before income tax credit/(expense) is arrived at after charging/(crediting):		
Auditor's remuneration	**770**	1,397
Depreciation of property, plant and equipment	**2,665**	1,788
Written-off of property, plant and equipment	**28**	–
Amortisation of intangible assets	**2,167**	2,223
Exchange (gain)/loss, net	**(205)**	3,566
Consultancy fee	**1,652**	2,603
Impairment loss on loans and interests receivable	**5,597**	14,262
Recovery of impairment loss on loans and interests receivable	**(1,631)**	–
Impairment loss on trade and other receivables	**21,757**	3,427
Recovery of impairment loss on trade and other receivables	**(264)**	–
Operating lease charges in respect of buildings (note)	**5,571**	4,556

Note: For the years ended 31 March 2018 and 2017, operating lease charges in respect of buildings included rental expenses for the Group's office premises. Rental expenses are included in "other expenses" in the consolidated statement of comprehensive income.

11. FINANCE COSTS

	2018	2017
	HK$'000	HK$'000
Interest on bank borrowings	**906**	1,449
Interest on finance leases	**99**	151
	1,005	1,600

12. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the year.

	2018	2017
	HK$'000	HK$'000
Current tax — Hong Kong Profits Tax		
Tax for the year	**1,312**	4,458
Over-provision in respect of prior year	**(137)**	(160)
	1,175	4,298
Deferred tax (note 28)		
Credit for the year	**(1,582)**	(233)
	(407)	4,065

The income tax credit/(expense) for the year can be reconciled to the (loss)/profit before income tax credit/(expense) per the consolidated statement of comprehensive income as follows:

	2018	2017
	HK$'000	HK$'000
(Loss)/profit before income tax credit/(expense)	**(25,955)**	25,314
Tax on (loss)/profit before income tax credit/(expense) , calculated at the rates applicable to profits in the tax jurisdiction concerned	**(4,283)**	4,177
Tax effect of non-deductible expenses	**1,783**	347
Tax effect of non-taxable revenue	**(2)**	(188)
Tax effect of temporary differences not recognised	**280**	111
Tax effect of tax losses not recognised	**2,077**	113
Utilisation of tax loss previously not recognised	**(25)**	(648)
Over-provision in respect of prior year	**(137)**	(160)
Others	**(100)**	313
Income tax (credit)/expense	**(407)**	4,065

Deferred tax asset of HK$1,281,000 (2017: nil) is recognised for tax losses carried forward to extent that realisation of related tax benefit through future taxable profits is probable. The Group has not recognised deferred tax asset in respect of the unused tax losses due to the unpredictability of future profit streams. The unused tax losses of HK$21,141,000 (2017: HK$8,705,000) can be carried forward indefinitely.

13. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2018 (2017: nil).

14. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	HK$'000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	**(25,548)**	21,249
	'000	'000 (restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share (notes (a), (b) &(c))	**1,989,120**	1,322,461

Notes:

(a) Weighted average of 1,989,120,000 ordinary shares for the year ended 31 March 2018 are derived from 4,999,853,300 ordinary shares issued at 1 April 2017 after taking into account the effects of the share consolidation being completed on 19 October 2017 (note 29(a)) and the rights issue of 1,874,944,986 rights shares being completed on 17 November 2017 (note 29(b)).

(b) Weighted average of 1,322,461,000 ordinary shares for the year ended 31 March 2017 (restated) are derived from 4,999,853,300 ordinary shares issued during the year after taking into account the effects of the share consolidation being completed on 19 October 2017 (note 29(a)) and the right issue of 1,874,944,986 rights shares being completed on 17 November 2017 (note 29(b)).

(c) The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market price for shares for both years.

15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to the GEM Listing Rules and disclosure requirements of the Hong Kong Companies Ordinance are as follows:

	Fees HK$'000	Salaries, allowance and other benefits HK$'000	Contributions to defined contribution retirement plans HK$'000	Total HK$'000
Year ended 31 March 2018				
Executive directors				
Mr. Luk Kee Yan Kelvin	**–**	**274**	**2**	**276**
Mr. Yue Kwai Wa Ken	**–**	**2,804**	**18**	**2,822**
Ms. Chan Hong Nei Connie	**–**	**2,000**	**18**	**2,018**
Dr. Cheung Wai Bun Charles, *J.P.*	**326**	**–**	**–**	**326**
	326	**5,078**	**38**	**5,442**
Non-executive directors				
Mr. Yim Wai Ning	**130**	**–**	**–**	**130**
Mr. Ng Man Kung	**76**	**–**	**–**	**76**
Mr. So Wing On	**76**	**–**	**–**	**76**
Dr. Lam Lee G.	**58**	**–**	**–**	**58**
	340	**–**	**–**	**340**
Independent non-executive directors				
Mr. Ko Wai Lun Warren	**120**	**–**	**–**	**120**
Mr. Lou Ming	**25**	**–**	**–**	**25**
Mr. Wong Tat Keung	**120**	**–**	**–**	**120**
Mr. Choi Wai Tong Winton	**95**	**–**	**–**	**95**
Ms. Li Tak Yin	**66**	**–**	**–**	**66**
	426	**–**	**–**	**426**
	1,092	**5,078**	**38**	**6,208**
Year ended 31 March 2017				
Executive directors				
Mr. Luk Kee Yan Kelvin	–	2,344	18	2,362
Mr. Yue Kwai Wa Ken	–	2,043	18	2,061
	–	4,387	36	4,423
Independent non-executive directors				
Mr. Ko Wai Lun Warren	120	–	–	120
Mr. Lou Ming	120	–	–	120
Mr. Wong Tat Keung	120	–	–	120
	360	–	–	360
	360	4,387	36	4,783

Mr. Luk Kee Yan Kelvin resigned as an executive director on 20 April 2017.

Ms. Chan Hong Nei Connie was appointed as an executive director on 20 April 2017 and resigned on 31 May 2018 with effect from 1 June 2018 and Mr. Li Sheung Him Michael was appointed as an executive director on 31 May 2018.

Dr. Cheung Wai Bun Charles, *J.P.* and Mr. Yim Wai Ning were appointed as an executive director and a non-executive director, respectively, on 2 June 2017 and resigned with effect from 18 December 2017.

Mr. Lou Ming resigned as an independent non-executive director on 16 June 2017 and Mr. Choi Wai Tong Winton was appointed as an independent non-executive director on 16 June 2017.

Mr. Ng Man Kung and Mr. So Wing On were appointed as non-executive directors on 24 August 2017 and resigned with effect from 18 December 2017.

Dr. Lam Lee G. was appointed as a non-executive director on 13 September 2017 and resigned with effect from 11 December 2017.

Ms. Li Tak Yin was appointed as an independent non-executive director on 13 September 2017.

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 March 2018 and 31 March 2017.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2017: two) were directors of the Company whose emoluments are included in the disclosures in note 15(a) above. The emoluments of the remaining three (2017: three) individuals were as follows:

	2018 **HK$'000**	2017 HK$'000
Salaries, allowances and other benefits	**5,201**	4,063
Contributions on defined contribution retirement plans	**54**	54
	5,255	4,117

The remuneration paid to each of the above non-director highest paid individuals fell within the following bands:

	Number of individuals	
	2018	2017
HK$1,000,001 to HK$2,000,000	**2**	3
HK$2,000,001 to HK$3,000,000	**1**	–

During the year, no emolument was paid by the Group to the directors and the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2017: nil).

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	**Furniture, fixtures and office equipment HK$'000**	**Motor vehicles HK$'000**	**Total HK$'000**
Cost				
At 1 April 2016	2,285	1,079	7,863	11,227
Additions	17	108	–	125
At 31 March 2017 and 1 April 2017	2,302	1,187	7,863	11,352
Additions	3,318	52	–	3,370
Written-off	(2,302)	(103)	–	(2,405)
At 31 March 2018	**3,318**	**1,136**	**7,863**	**12,317**
Accumulated depreciation				
At 1 April 2016	2,259	587	1,781	4,627
Depreciation	38	179	1,571	1,788
At 31 March 2017 and 1 April 2017	2,297	766	3,352	6,415
Depreciation	926	167	1,572	2,665
Written-off	(2,302)	(75)	–	(2,377)
At 31 March 2018	**921**	**858**	**4,924**	**6,703**
Net book value				
At 31 March 2018	**2,397**	**278**	**2,939**	**5,614**
At 31 March 2017	5	421	4,511	4,937

The Group's motor vehicles are acquired under finance leases.

17. INTANGIBLE ASSETS

	Customer relationship HK$'000	Database HK$'000	Accounting and management software HK$'000	Valuation software HK$'000	Total HK$'000
Cost					
At 1 April 2016	4,200	15,400	68	6,059	25,727
Additions	–	–	50	–	50
At 31 March 2017, 1 April 2017 and 31 March 2018	**4,200**	**15,400**	**118**	**6,059**	**25,777**
Amortisation					
At 1 April 2016	816	898	31	1,277	3,022
Amortisation	700	770	15	738	2,223
At 31 March 2017 and 1 April 2017	1,516	1,668	46	2,015	5,245
Amortisation	700	770	21	676	2,167
At 31 March 2018	**2,216**	**2,438**	**67**	**2,691**	**7,412**
Net book value					
At 31 March 2018	**1,984**	**12,962**	**51**	**3,368**	**18,365**
At 31 March 2017	2,684	13,732	72	4,044	20,532

18. GOODWILL AND CONTINGENT CONSIDERATION RECEIVABLES

(a) Goodwill

	HK$'000
At 1 April 2016, 31 March 2017, 1 April 2017 and 31 March 2018	25,329

The goodwill was acquired through business combination during the year ended 31 March 2015 and it is solely allocated to the CGU, namely the Bonus Boost Group comprising Bonus Boost International Limited and its subsidiary, which is principally engaged in the provision of valuation and consultancy services in Hong Kong.

The recoverable amount of the goodwill has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3% (2017: 3%).

	2018	2017
Discount rate	**16%**	15%
Operating margin*	**34%–45%**	41%–45%
Growth rate within the five-year period	**3%–20%**	0%–11%

* defined as profit before income tax expense divided by revenue

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on management expectation and the result of the market research and prediction.

(b) Contingent consideration receivables

Pursuant to the sale and purchase agreement in relation to the Group's acquisition of Bonus Boost Group, the vendor has warranted and guaranteed that the actual aggregate net profit of the Bonus Boost Group in the audited financial statements for (i) the period commencing from the date of the completion of such acquisition to the year ended 31 March 2016; and (ii) the year ended 31 March 2017 (the "Guaranteed Period") shall not be less than HK$2,800,000 (the "Guaranteed Profit") for each period ended 31 March 2016 and 2017 respectively. If there is a shortfall on the Guaranteed Profit, there will be cash compensation of 15 times of the shortfall from the vendor to the Group. The Guaranteed Profit has been met for the Guaranteed Period, so that there was no contingent consideration receivables recognised for the cash compensation as at 31 March 2017.

19. AVAILABLE-FOR-SALE INVESTMENTS

The balance represented the Group's strategic investments of a 19.9% equity interest in Greater China Appraisal Limited. The investment was not accounted for in an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

The balance was measured at cost less impairment at the end of reporting period because it does not have quoted market price in an active market and the directors are of the opinion that its fair value cannot be measured reliably. The Directors intended to hold it for long term investment purpose.

20. LOANS AND INTERESTS RECEIVABLE

	2018	2017
	HK$'000	HK$'000
Loans and interests receivable (net of impairment loss)	**202,083**	312,844
Current portion included in current assets	**(200,355)**	(303,399)
Amounts due after one year included in non-current assets	**1,728**	9,445

As at 31 March 2018, loans and interests receivable with an aggregate carrying amount of approximately HK$78.8 million (2017: approximately HK$241.6 million) were secured by assets under legal charges.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at contract rates ranging approximately 8%–36% per annum (2017: approximately 6%–36% per annum).

The directors of the Company consider that the fair values of loans and interests receivable are not materially different from their carrying amounts.

A maturity profile of the loans and interests receivable based on the maturity date at the end of reporting period is as follows:

	2018	2017
	HK$'000	HK$'000
Within 1 year	**200,355**	303,399
1 to 5 years	**1,036**	7,687
Over 5 years	**692**	1,758
	202,083	312,844

The ageing analysis of loans and interests receivable (net of impairment loss) based on the loan drawdown date at the end of reporting period is as follows:

	2018 HK$'000	2017 HK$'000
0 to 30 days	**74,329**	–
31 to 60 days	**20,000**	350
61 to 90 days	**–**	5,000
91 to 180 days	**72,450**	102,872
181 to 360 days	**15,800**	185,255
Over 360 days	**19,504**	19,367
	202,083	312,844

The ageing analysis of loans and interests receivable (net of impairment loss) based on due date at the end of reporting period is as follows:

	2018 HK$'000	2017 HK$'000
Neither past due nor impaired	**190,730**	294,894
1 to 90 days past due	**109**	2,960
91 to 180 days past due	**–**	8
181 to 360 days past due	**–**	11,879
Over 360 days past due	**11,244**	3,103
	202,083	312,844

Loans and interests receivable that were past due but not impaired related to customers that have good repayment records with the Group. Based on past experience, the directors of the Company are of the opinion that no provision 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.

The table below reconciles the impairment loss on loans and interests receivable for the year:

	2018 HK$'000	2017 HK$'000
At 1 April	**24,090**	9,828
Impairment loss recognised	**5,597**	14,262
Recovery of impairment loss previously recognised	**(1,631)**	–
At 31 March	**28,056**	24,090

The Group recognised impairment loss based on accounting policy stated in note 4(g).

21. TRADE RECEIVABLES

The Group generally grants credit terms of 0–90 days to the customers. The ageing analysis of trade receivables (net of impairment loss) based on invoice date at the end of reporting period is as follows:

	2018	2017
	HK$'000	HK$'000
0 to 30 days	**4,747**	10,121
31 to 60 days	**1,906**	889
61 to 90 days	**401**	655
91 to 180 days	**1,984**	690
181 to 360 days	**2,020**	7,442
Over 360 days	**3,601**	5,554
	14,659	25,351

The ageing analysis of trade receivables (net of impairment loss) based on due date at the end of reporting period is as follows:

	2018	2017
	HK$'000	HK$'000
1 to 90 days past due	**7,054**	11,665
91 to 180 days past due	**1,984**	690
181 to 360 days past due	**2,020**	7,442
Over 360 days past due	**3,601**	5,554
	14,659	25,351

Trade receivables that were past due but not impaired related to a number of independent customers that had a good track record of credit with the Group. At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. Based on past credit history, management believes that no impairment loss is necessary in respect of trade receivables that were past due but not impaired as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral as security or other credit enhancement over the trade receivables.

The table below reconciles the impairment loss on trade receivables for the year:

	2018	2017
	HK$'000	HK$'000
At 1 April	**3,783**	1,746
Impairment loss recognised	**11,098**	2,037
Recovery of impairment loss previously recognised	**(210)**	–
At 31 March	**14,671**	3,783

The Group recognised impairment loss based on the accounting policy stated in note 4(g).

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	HK$'000	HK$'000
Accrued revenue (note (a))	**7,507**	17,196
Prepayments	**1,105**	2,282
Deposits (note (b))	**21,597**	1,933
Other receivables	**201,630**	42,603
	231,839	64,014

Notes:

(a) Included in the balances were accrued interests of HK$2,552,000 (2017: HK$8,490,000).

(b) Included in the balances were deposit paid for investment of HK$20,000,000 (2017: nil). Pursuant to an announcement of the Company dated 12 January 2018, the Group entered into the agreement to conditionally acquire 7.5% equity interest in an investee at cash consideration of HK$116,000,000 on the same day and paid a refundable earnest money of HK$20,000,000. On 31 May 2018, being the extended long stop date according to the Company's announcement dated 29 March 2018, conditions precedent to the completion of the acquisition were not satisfied or waived, accordingly the agreement ceased. As at 31 May 2018, the vendor has returned the refundable earnest money to the Group by way of cheque. Please refer to the announcements of the Company dated 12 January 2018, 29 March 2018 and 31 May 2018 for further details.

The ageing analysis of financial assets included in accrued revenue, deposits and other receivables (net of impairment loss) based on due date at the end of reporting period is as follows:

	2018	2017
	HK$'000	HK$'000
Neither past due nor impaired	**205,139**	49,734
1 to 90 days past due	**16,351**	75
91 to 180 days past due	**75**	10,821
181 to 360 days past due	**150**	175
Over 360 days past due	**9,019**	927
	230,734	61,732

Financial assets included in accrued revenue, deposits and other receivables that were neither past due nor impaired related to a wide range of debtors that have good track records with the Group.

Financial assets included in accrued revenue, deposits and other receivables that were past due but not impaired related to debtors that have good track records with the Group. Based on past experience, the directors of the Company are of the opinion that no provision 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.

The table below reconciles the impairment loss on prepayments, deposits and other receivables for the year:

	2018 HK$'000	2017 HK$'000
At 1 April	**5,172**	3,782
Impairment loss recognised	**10,659**	1,390
Recovery of impairment loss previously recognised	**(54)**	–
At 31 March	**15,777**	5,172

The Group recognised impairment loss based on the accounting policy stated in note 4(g).

23. PLEDGED BANK DEPOSITS

Pledged bank deposits represented cash at bank held by the Company and a subsidiary pledged for bank borrowings (2017: a bank borrowing) (note 27).

24. TRADE PAYABLES

At the end of the reporting period, the Group was granted by its suppliers credit periods ranging from 0 to 30 (2017: 0 to 30) days. The ageing analysis of the trade payables based on invoice date at the end of reporting period is as follows:

	2018 HK$'000	2017 HK$'000
0 to 30 days	**78**	13
Over 360 days	**294**	294
	372	307

25. ACCRUED LIABILITIES AND OTHER PAYABLES AND RECEIPT IN ADVANCE

	2018 HK$'000	2017 HK$'000
Accrued liabilities and other payables	**9,221**	2,697
Receipt in advance	**14,263**	12,902
	23,484	15,599

26. FINANCE LEASE LIABILITIES

The Group leased 3 (2017: 4) motor vehicles as at 31 March 2018. The leases of motor vehicles were classified as finance lease as the rental period amounted to the estimated useful economic life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments as at 31 March 2018 and 2017 are due as follows:

	2018		
	Minimum lease payments HK$'000	**Interest HK$'000**	**Present value HK$'000**
Not later than one year	**1,347**	**(51)**	**1,296**
Later than one year and not later than five years	**1,039**	**(23)**	**1,016**
	2,386	**(74)**	**2,312**

	2017		
	Minimum lease payments HK$'000	Interest HK$'000	Present value HK$'000
Not later than one year	1,645	(98)	1,547
Later than one year and not later than five years	2,386	(74)	2,312
	4,031	(172)	3,859

The present value of future lease payments are analysed as:

	2018 HK$'000	2017 HK$'000
Current liabilities	**1,296**	1,547
Non-current liabilities	**1,016**	2,312
	2,312	3,859

27. BANK BORROWINGS

	2018	2017
	HK$'000	HK$'000
Current		
Interest bearing		
— bank borrowings due for repayment within one year (notes (a), (b) & (c))	**100,000**	51,898

Notes:

(a) The bank borrowings of HK$100,000,000 (2017: HK$50,000,000) were secured by bank deposits of HK$106,524,000 (2017: HK$54,062,000) placed by the Company and a subsidiary in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate ("HIBOR") +1% (2017: HIBOR+2%) per annum.

(b) As at 31 March 2017, the bank borrowing of HK$231,000 was secured by guarantee from Mr. Luk Kee Yan Kelvin, who resigned as an executive Director on 20 April 2017 and confirmed in writing of his intention to provide guarantee for the bank borrowing until the Group has repaid the bank borrowing, and Mr. Yue Kwai Wa Ken an executive Director, the chief executive officer and the company secretary. Interest is charged at 0.55% per month.

(c) As at 31 March, 2017, the bank borrowing of HK$1,667,000 was secured by guarantees from the Company and Mr. Luk Kee Yan Kelvin, who resigned as an executive Director on 20 April 2017 and confirmed in writing of his intention to provide guarantee for bank borrowing until the Group has repaid the bank borrowing. Interest is charged at HK$ prime rate quoted by the bank minus 0.5% per annum.

The above banking facilities of the loans are subject to the fulfillment of covenants relating to minimum requirement of pledged bank deposits and compliance of the bank's administrative requirements, as are commonly found in lending arrangements with financial institutions in Hong Kong. If the subsidiary was to breach the covenants, the drawn down facility would become repayable on demand.

At 31 March 2018 and 2017, the bank borrowings were scheduled to repay within one year or on demand.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 37(d). As at 31 March 2018, none of the covenants relating to drawn down facilities had been breached.

28. DEFERRED TAX

The movement on deferred tax assets and liabilities during the year is as follows:

	Tax loss	Fair value adjustments arising from business combination	Accelerated tax depreciation	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2016	–	2,951	–	2,951
(Credit)/charge to profit or loss for the year	–	(243)	10	(233)
At 31 March 2017 and 1 April 2017	–	2,708	10	2,718
Credit to profit or loss for the year	(1,281)	(243)	(58)	(1,582)
At 31 March 2018	**(1,281)**	**2,465**	**(48)**	**1,136**

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2018	2017
	HK$'000	HK$'000
Deferred tax assets	**1,329**	–
Deferred tax liabilities	**(2,465)**	(2,718)
	(1,136)	(2,718)

29. SHARE CAPITAL

	Number of ordinary shares at HK$0.016 each	Number of ordinary shares at HK$0.064 each	HK$'000
Authorised			
At 1 April 2016, 31 March 2017 and 1 April 2017	5,000,000,000	–	80,000
Effect of share consolidation (note (a))	(5,000,000,000)	1,250,000,000	–
Increase in authorised share capital (note (a))	–	7,750,000,000	496,000
At 31 March 2018	–	9,000,000,000	576,000
Issued			
At 1 April 2016, 31 March 2017, and 1 April 2017	4,999,853,300	–	79,998
Effect of share consolidation (note (a))	(4,999,853,300)	1,249,963,325	–
Effect of rights issue (note (b))	–	1,874,944,986	119,996
At 31 March 2018	–	3,124,908,311	199,994

Notes:

(a) Pursuant to the share consolidation being completed on 19 October 2017, every four of the then existing issued and unissued shares of par value of HK$0.016 each in the share capital of the Company was consolidated into one consolidated share of par value of HK$0.064 each. Upon the share consolidation becoming effective, the authorised share capital of the Company increased from HK$80,000,000 divided into 1,250,000,000 consolidated shares to HK$576,000,000 divided into 9,000,000,000 consolidated shares by the creation of an additional 7,750,000,000 consolidated shares.

(b) Pursuant to the rights issue being completed on 17 November 2017, a total of 1,874,944,986 rights shares were issued on the basis of three rights shares for every two consolidated shares as at 26 October 2017 at HK$0.15 per rights share.

30. NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Bank borrowings (note 27) HK$'000	**Finance lease liabilities (note 26)** HK$'000	**Total** HK$'000
At 1 April 2017	51,898	3,859	55,757
Changes from cash flows:			
Proceeds from bank borrowings	50,000	–	50,000
Repayment of bank borrowings	(1,898)	–	(1,898)
Repayments of finance lease liabilities	–	(1,547)	(1,547)
At 31 March 2018	100,000	2,312	102,312

31. RESERVES

THE GROUP

Share premium

Amount subscribed for share capital in excess of nominal value.

Capital reserve

Capital reserve represents the difference between the nominal value of shares issued and the nominal value of the share capital of the subsidiaries acquired as part of a group reorganisation which resulted in existing group structure.

Share option reserve

Cumulative expenses recognised on the granting of share options to the employees over the vesting period.

Retained earnings

Retained earnings represent the cumulative gain recognised.

THE COMPANY

	Share premium HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2016	272,298	1,345	19,633	293,276
Share options lapsed (note 32(b))	–	(923)	923	–
Transactions with owners	–	(923)	923	–
Loss and total comprehensive income for the year	–	–	(1,911)	(1,911)
At 31 March 2017 and 1 April 2017	272,298	422	18,645	291,365
Share options lapsed (note 32(a))	–	(422)	422	–
Rights issue, net of expenses (note 29(b))	137,761	–	–	137,761
Transactions with owners	137,761	(422)	422	137,761
Loss and total comprehensive income for the year	–	–	(3,383)	(3,383)
At 31 March 2018	410,059	–	15,684	425,743

32. SHARE-BASED PAYMENTS

The Company operates 2 share option schemes providing incentives or rewards to eligible persons of the Group for their contribution to the Group, including a share option scheme (the "Share Option Scheme") and a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme"). Details of these 2 share option schemes are summarised below.

(a) Share Option Scheme

The Share Option Scheme was approved by the shareholder of the Company on 26 September 2011 for providing incentives or rewards to eligible persons of the Group for their contribution to the Group. The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the shares of the Company which may be issued pursuant to the exercise of options grant under the Share Option Scheme.

The Share Option Scheme will be valid and effective for a period of 10 years commencing on the Listing Date.

The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 10% of the shares of the Company in issue as at the Listing Date (the "Scheme Mandate Limit") provided that options lapsed in accordance with the terms of the Share Option Scheme or other share option schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. As at 31 March 2018, the total number of shares in respect of which options may be granted under the Share Option Scheme of the Company shall not exceed 106,896,333 ordinary shares, being 10% of the total number of ordinary shares in issue as at 25 September 2015 (the date of annual general meeting passing of an ordinary resolution by the shareholders of the Company to approve the refreshment of the scheme mandate limit).

Eligible persons under the Share Option Scheme include employees and other members of the Group, including any executive, non-executive and independent non-executive directors, advisors and consultants of the Group.

The offer of a grant of share options under the Share Option Scheme may be accepted within a period of 28 days from the date of which the option is granted, upon payment of a nominal consideration of HK$1 by the grantee.

The subscription price for the shares subject to the options will be a price determined by the board of directors and shall be the highest of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading date; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant of the options; and (iii) the nominal value of a share.

Subject to the following vesting periods, 2,266,000 share options granted under the Share Option Scheme may be exercised at any time after the price of the share of the Company as stated in the Stock Exchange's daily quotations sheet reaches 2 times or above the exercise price, i.e. HK$0.441, from 25 April 2013 to 24 April 2023 ("Batch 1 Share Options") while the remaining 20,396,000 share options granted under the Share Option Scheme may be exercised at any time on the condition that (i) the price of the share of the Company as stated in the Stock Exchange's daily quotations sheet reaches 2.5 times or above the exercise price, i.e. HK$0.441; and (ii) the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet have increased for 7 consecutive days during the period commencing on 25 April 2013 and ending on the day falling on the fourth anniversary of the date of grant ("Batch 2 Share Options") (adjusted to take into account the effects of share subdivision on 6 March 2014, bonus issue on 23 May 2014, share consolidation on 25 November 2014 and the rights issue of 3,183,112,500 rights shares on 30 December 2014):

Vesting date of the options	**Percentage of options vested**
The first anniversary of the date of grant	30% of the total number of options granted ("Lot a")
The second anniversary of the date of grant	30% of the total number of options granted ("Lot b")
The third anniversary of the date of grant	40% of the total number of options granted ("Lot c")

	Number of share options				
Grantee	**As at 1 April 2017**	**Granted during the year**	**Lapsed during the year**	**Exercised during the year**	**As at 31 March 2018**
Employees					
In aggregate	**7,705,250**	**–**	**(7,705,250)**	**–**	**–**
Weighted average exercise price (HK$)	**0.441***	**N/A**	**0.441***	**N/A**	**N/A**

	Number of share options				
Grantee	As at 1 April 2016	Granted during the year	Lapsed during the year	Exercised during the year	As at 31 March 2017
Employees					
In aggregate	7,705,250	–	–	–	7,705,250
Weighted average exercise price (HK$)	0.441*	N/A	0.441*	N/A	0.441*

* At the date of grant, the exercise price of the share options was HK$1. The exercise price was adjusted to HK$0.441 following the share subdivision on 6 March 2014, the bonus issue on 23 May 2014, the share consolidation on 25 November 2014 and the rights issue of 3,183,112,500 rights shares on 30 December 2014.

As at 31 March 2017, the number of and weighted average exercise price of share options exercisable at the end of the reporting period are 7,705,000 and HK$0.441, respectively.

As at 31 March 2017, the weighted average remaining contractual life for share options outstanding at the end of reporting period is 0.07 years. All share options were lapsed as at 31 March 2018.

The fair value of the share option granted under the Share Option Scheme as at the date of grant, i.e. 25 April 2013, recognised was HK$1,465,000. During the year, the Group did not recognise any share-based payment compensation (2017: nil).

The fair value of the share options granted was estimated as at the date of grant, using Monte Carlo Simulation model, taking into account certain market based terms and conditions which the share options were granted. A Monte Carlo Simulation model is a valuation model that relies on random sampling and is often used when modeling systems with a large number of inputs and where there is significant uncertainty in the future value of inputs and where the movement of the inputs can be independent of each other. The following key inputs were used in the valuation:

	Batch 1 Share Options	**Batch 2 Share Options**		
		Lot a	**Lot b**	**Lot c**
Risk-free rate	0.881%	0.231%	0.231%	0.231%
Contractual life	10 years	4 years	4 years	4 years
Expected volatility	53.94%	55.46%	55.46%	55.46%
Dividend yield	0%	0%	0%	0%
Number of options	1,000,000	2,700,000	2,700,000	3,600,000

As at 31 March 2018, the Group had no share options outstanding under the Share Option Scheme. As at 31 March 2017, the Group had 7,705,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would result in the issue of 7,705,000 additional shares of the Company.

(b) Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was approved by written resolutions by the shareholder of the Company on 26 September 2011 for providing incentives and rewards to the Group's employees and consultants for their future contribution and to aid the Company in retaining key and senior employees of the Group. The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Share Option Scheme set out in note 32(a).

The Pre-IPO Share Option Scheme shall take effect subject to and is conditional on the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the shares of the Company which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

The Pre-IPO Share Option Scheme shall be valid and effective for a period commencing on 26 September 2011 and ending on the date immediately prior to the day on which the bulk print of the prospectus for the purpose of listing on the Stock Exchange takes place, after which period no further options will be granted but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in all other respect and options which are granted during the life of the Pre-IPO Share Option Scheme may continue to be exercisable in accordance with the terms of issue.

The subscription price for the shares under the Pre-IPO Share Option Scheme will be an amount representing 90% of the placing price as set out in the prospectus (i.e., HK$0.3), subject to any adjustment made in the manner as contemplated under the Pre-IPO Share Option Scheme.

Subject to the following vesting periods, any option granted under the Pre-IPO Share Option Scheme may be exercised at any time after the price of the share of the Company as stated in the Stock Exchange's daily quotations sheet reaches 3 times or above the subscription price during the period commencing on the Listing Date and ending on the day failing on the fourth anniversary of the Listing Date:

Vesting date of the options	**Percentage of options vested**
The first anniversary of the Listing Date	30% of the total number of options granted ("Lot 1")
The second anniversary of the Listing Date	30% of the total number of options granted ("Lot 2")
The third anniversary of the Listing Date	40% of the total number of options granted ("Lot 3")

Grantee	Number of share options As at 1 April 2016	Granted during the year	Lapsed during the year	Exercised during the year	As at 31 March 2017
Directors					
Executive directors					
— Mr. Luk Kee Yan Kelvin (note 15(a))	12,691,000	–	(12,691,000)	–	–
— Mr. Yue Kwai Wa Ken	7,252,000	–	(7,252,000)	–	–
Independent non-executive directors					
— Mr. Chan Ka Kit (note (a))	951,825	–	(951,825)	–	–
Subtotal	20,894,825	–	(20,894,825)	–	–
Employees					
In aggregate	54,958,100	–	(54,958,100)	–	–
Total	75,852,925	–	(75,852,925)	–	–
Weighted average exercise price (HK$)	0.119*	N/A	0.119*	N/A	N/A

* The exercise price of the share options was HK$0.27, being 90% of the placing price as set out in the prospectus. The exercise price was adjusted to HK$0.119 following the share subdivision on 6 March 2014, the bonus issue on 23 May 2014, the share consolidation on 25 November 2014 and the rights issue of 3,183,112,500 rights shares on 30 December 2014.

Note:

(a) Mr. Chan Ka Kit resigned as an independent non-executive director on 7 March 2016 and his options will lapse in June 2016.

The number of and weighted average exercise price of share options exercisable as at 1 April 2016 are 75,853,000 and HK$0.119, respectively.

The weighted average remaining contractual life for share options outstanding as at 1 April 2016 is 0.91 years. All share options were lapsed as at 31 March 2017.

The fair value of the share option granted under the Pre-IPO Share Option Scheme as at the date of grant, i.e. 26 September 2011, was HK$453,000. During the year, the Group did not recognise any share-based payment compensation (2017: nil).

33. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries at the end of reporting period are as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Attributable equity interest held by the Company Directly	Attributable equity interest held by the Company Indirectly	Principal activities
United Brilliant Limited	BVI/Hong Kong	10,000 shares of US Dollars ("US$") 1 each	100%	–	Investment holding
Chariot Success Limited	BVI/Hong Kong	10 shares of US$1 each	–	100%	Investment holding
Gertino Limited	BVI/Hong Kong	10 shares of nil par value	–	100%	Investment holding
Roma Appraisals Limited	Hong Kong	HK$10,000	–	100%	Provision of valuation and consultancy services
Roma Oil and Mining Associates Limited	Hong Kong	HK$100	–	100%	Provision of natural resources valuation and technical advisory services
M Success Finance Limited	Hong Kong	HK$1	–	100%	Provision of financing services
Gaia Wine Cellar Limited	Hong Kong	HK$1	–	100%	Dormant
Project P Enterprise Limited	Hong Kong	HK$1	–	100%	Dormant
Charleton Holdings Limited	BVI/Hong Kong	1 share of US$1 each	–	100%	Investment holding
Roma Surveyors and Property Consultants Limited	Hong Kong	HK$1	–	100%	Provision of valuation on real estate and agency services

Name	Place of incorporation/ operation	Issued and fully paid share capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
Roma Credit and Risk Evaluation Limited	Hong Kong	HK$1	–	100%	Provision of credit reports services
Ascendant Success Limited	BVI/Hong Kong	1 share of US$1 each	–	100%	Investment holding
Million Up Holdings Limited	BVI/Hong Kong	1 share of US$1 each	–	100%	Investment holding
Roma Strategic Marketing Limited	Hong Kong	HK$1	–	100%	Provision of marketing and event organisation services
Bonus Boost International Limited	BVI/Hong Kong	1 share of US$1 each	–	100%	Investment holding
B.I. Appraisals Limited	Hong Kong	HK$1,000,000	–	100%	Provision of valuation and consultancy services
Charming Global Group Limited	BVI/Hong Kong	10 shares of US$1 each	–	100%	Dormant
Glorious Sky Group Limited	BVI/Hong Kong	10 shares of US$1 each	–	100%	Dormant

None of the subsidiaries of the Company had issued any debt securities at 31 March 2018 or any time during the year (2017: nil).

34. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	**2018** **HK$'000**	2017 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	33	**1,335**	1,335
Current assets			
Prepayments, deposits and other receivables		**155**	199
Amounts due from subsidiaries		**455,459**	370,874
Cash and bank balances		**171,207**	9
		626,821	371,082
Current liabilities			
Accrued liabilities		**735**	56
Amounts due to subsidiaries		**1,684**	998
		2,419	1,054
Net current assets		**624,402**	370,028
Total assets less current liabilities/net assets		**625,737**	371,363
EQUITY			
Share capital	29	**199,994**	79,998
Reserves	31	**425,743**	291,365
Total equity		**625,737**	371,363

On behalf of the Board

Mr. Yue Kwai Wa Ken
Director

Mr. Li Sheung Him Michael
Director

35. OPERATING LEASE COMMITMENTS

As a lessee

The Group leases office premises under operating leases. Each of the leases runs for initial periods of 2 to 3 years (2017: 2 to 3 years) and the leases do not include contingent rentals. The total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	2018	2017
	HK$'000	HK$'000
Within one year	**4,493**	4,971
In the second to fifth year	**4,616**	8,662
	9,109	13,633

36. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere in these financial statements, the Group had the following significant transactions with related parties during the year:

Key management personnel remuneration

Key management of the Group are members of the Board. Key management personnel remuneration includes the following expenses:

	2018	2017
	HK$'000	HK$'000
Directors' fees	**1,092**	360
Salaries, allowances and other benefits	**5,078**	4,387
Contributions on defined contribution retirement plans	**38**	36
	6,208	4,783

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not have written risk management policies. However, the directors meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

The Group has not used any derivatives or other instruments for hedging purposes. The most significant risks to which the Group is exposed to are described below.

(a) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk is limited to its bank balances denominated in Renminbi ("RMB") as majority of the Group's transactions, monetary assets and liabilities are denominated in HK$ and US$.

As US$ is pegged to HK$, the Group does not expect any significant movements in the US$/HK$ exchange rates. No sensitivity analysis in respect of the Group's financial assets and liabilities denominated in US$ is presented as in the opinion of the directors, such sensitivity analysis does not give additional value in view of the insignificant movement in the US$/HK$ exchange rates at the end of reporting period.

The carrying amounts of the Group's material monetary assets that are denominated in RMB at the end of reporting period are as follows:

	Assets	
	2018	2017
	HK$'000	HK$'000
RMB	**19,867**	35

Sensitivity analysis

The following table indicates the approximate change in the Group's results for the year in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. A positive number below indicates an increase in profit or decrease in loss.

	Effect on results for the year	
	2018	2017
	HK$'000	HK$'000
RMB to HK$:		
Appreciates by 3%	**596**	1
Depreciates by 3%	**(596)**	(1)

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of reporting period and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date.

(b) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and bank borrowings. The Group currently does not use any derivative contracts to hedge its loans to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

The following table details the interest rate profile of the Group's financial assets and liabilities as at the end of the reporting period based upon which the Group's management evaluates the interest rate risk:

	2018		2017	
	Effective interest rate (% per annum)	**Amount HK$'000**	Effective interest rate (% per annum)	Amount HK$'000
Financial assets				
Fixed rate receivables				
— pledged bank deposits	**0.08%–3.25%**	**106,524**	0.01%–3.25%	54,062
— loans and interests receivable	**8%–36%**	**202,083**	6%–36%	312,844
Floating rate receivables				
— cash at bank	**0.001%–0.01%**	**204,493**	0.001%–0.01%	17,291
Financial liabilities				
Fixed rate borrowing				
— bank borrowings	**–**	**–**	6.6%	231
— finance lease liabilities	**1.6%–1.8%**	**2,312**	1.6%–1.8%	3,859
Floating rate borrowing				
— bank borrowings	**1.55%–1.99%**	**100,000**	1.44%–4.75%	51,667

The following table demonstrates the effect of sensitivity to reasonably possible changes in interest rates, with all other variables held constant, on the Group's (loss)/profit after income tax expense in the next accounting period:

	2018		2017	
	Increase/ (decrease) in basis points	**(Increase)/ decrease in loss after income tax HK$'000**	Increase/ (decrease) in basis points	Increase/ (decrease) in profit after income tax HK$'000
Floating rate financial assets				
Increase in floating rate	**10**	**171**	10	14
Decrease in floating rate	**(10)**	**(171)**	(10)	(14)
Floating rate financial liabilities				
Increase in floating rate	**10**	**(84)**	10	(43)
Decrease in floating rate	**(10)**	**84**	(10)	43

(c) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operation and its loans and interests receivable.

The Group's policy is to deal with credit worthy counterparties. The Group generally grants credit terms of 0–90 days to the customers. In some cases, customers may be required to pay in advance or partial deposit. In addition, management is responsible for overseeing the credit quality of the Group's loan portfolio. Payment record of customers is closely monitored and management will determine appropriate recovery actions for overdue balances. Management reviews the recoverability of trade and loans and interests receivables individually or collectively at end of reporting period to ensure that provision for impairment is adequate for irrecoverable amounts.

As at 31 March 2018 and 31 March 2017, there was no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

As at 31 March 2018, the Group had certain concentrations of credit risk as 52% (2017: 58%) of the Group's loans and interests receivables were due from the five largest borrowers.

It is the Group's policy that all customers who wish to obtain loans from the Group are subject to management review. Receivable balances are monitored on an ongoing basis. The Group holds collaterals to cover its risks associated with certain loans and interests receivable.

Collaterals are obtained in respect of first mortgage loans and certain secured loans which made up to approximately 1% (2017: 1%) and 38% (2017: 77%) of the total loans and interests receivable, net of impairment loss, as at 31 March 2018, respectively. Such collaterals comprise residential properties, shares of listed and private companies and promissory notes issued by a limited company pledged against the balances. As at 31 March 2018, the fair value of collaterals for the first mortgage loans and those secured loans which are residential properties and shares of certain listed and private companies based on their prevailing market prices or valuation by income/market approach amounted to approximately HK$2,750,000 (2017: HK$6,975,000) and HK$390,832,000 (2017: HK$457,587,000), respectively. The promissory notes were held as collateral by the Group as at 31 March 2018 amounted to HK$20,000,000 (2017: HK$20,000,000).

The credit risk for liquid funds is considered negligible as the counterparties are reputable international banks with high quality external credit ratings.

The credit policies have been consistently applied by the Group and are considered effective in limiting the Group's exposure to credit risk to a desirable level.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financial obligations, and also in respect of its cash flow management. The cash management of all operating entities is centralised, including the raising of funds to cover expected cash demands. The Group's objective is to maintain sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
As at 31 March 2018					
Trade payables	**372**	**372**	**372**	**–**	**–**
Financial liabilities included in accrued liabilities and other payables	**9,032**	**9,032**	**9,032**	**–**	**–**
Bank borrowings	**100,000**	**100,000**	**100,000**	**–**	**–**
Finance lease liabilities	**2,312**	**2,386**	**1,347**	**733**	**306**
	111,716	**111,790**	**110,751**	**733**	**306**

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
As at 31 March 2017					
Trade payables	307	307	307	–	–
Financial liabilities included in accrued liabilities and other payables	2,549	2,549	2,549	–	–
Bank borrowings	51,898	51,907	51,907	–	–
Finance lease liabilities	3,859	4,031	1,645	1,347	1,039
	58,613	58,794	56,408	1,347	1,039

The liquidity policies have been consistently applied by the Group and are considered effective in managing the liquidity risk.

(e) Fair values

The fair values of the Group's financial assets and financial liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

38. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts presented in the consolidated statement of financial position of the Group relate to the following categories of financial assets and financial liabilities:

	2018	2017
	HK$'000	HK$'000
Financial assets		
Available-for-sale investments	**25,000**	25,000
Loans and receivables	**758,493**	471,280
Financial liabilities		
Financial liabilities measured at amortised cost	**111,716**	58,613

39. CAPITAL MANAGEMENT

The Group's capital management objectives 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, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns.

For capital management purpose, the directors of the Company regard the total equity presented on the consolidated statement of financial position as capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

40. EVENT AFTER THE REPORTING DATE

As disclosed in note 22(b), conditions precedent to the completion of the acquisition were not satisfied or waived by 31 May 2018, being the extended long stop date, accordingly the acquisition agreement ceased. The vendor has returned the refundable earnest money to the Group by way of cheque. Please refer to the announcements of the Company dated 31 May 2018 for further details.

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 31 May 2018.

RESULTS	Year ended 31 March **2018** HK$'000	2017 HK$'000	2016 HK$'000	2015 HK$'000	2014 HK$'000
Revenue	**65,140**	111,992	118,102	85,517	60,561
(Loss)/profit before income tax credit/(expense)	**(25,955)**	25,314	45,199	36,428	24,839
Income tax credit/(expense)	**407**	(4,065)	(8,612)	(7,237)	(4,808)
(Loss)/profit for the year	**(25,548)**	21,249	36,587	29,191	20,031

ASSETS AND LIABILITIES	As at 31 March **2018** HK$'000	2017 HK$'000	2016 HK$'000	2015 HK$'000	2014 HK$'000
Current assets	**760,411**	466,286	442,565	379,095	105,829
Non-current assets	**77,365**	85,243	90,710	70,065	8,431
Total assets	**837,776**	551,529	533,275	449,160	114,260
Current liabilities	**125,601**	70,014	70,998	48,740	41,394
Non-current liabilities	**3,481**	5,030	7,041	6,133	1,963
Total liabilities	**129,082**	75,044	78,039	54,873	43,357
Net assets	**708,694**	476,485	455,236	394,287	70,903
EQUITY					
Equity attributable to owners of the Company	**708,694**	476,485	455,236	394,287	70,903