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DLC Asia Limited
衍匯亞洲有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8210)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

The board (the "**Board**") of directors (the "**Directors**") of DLC Asia Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (together as the "**Group**") for the year ended 31 March 2019. This announcement, containing the full text of the 2019 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcements of annual results. The printed version of the Company's 2019 annual report will be dispatched to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company's website at www.derivaasia.com in due course in the manner as required by the GEM Listing Rules.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the "**Branch Share Registrar**"), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

* *For identification purpose only*

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 August 2019 to Monday, 26 August 2019 (both days inclusive) for the purpose of determining the right to attend and vote at the AGM to be held on Monday, 26 August 2019. In order to be entitled to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all the share transfer documents together with the relevant share certificates are lodged with the Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) no later than 4:30 p.m. (Hong Kong time) on Tuesday, 20 August 2019.

By Order of the Board
DLC Asia Limited
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 13 June 2019

As at the date of this announcement, the executive Directors are Mr. Lau Ming Yeung, Lambert, Mr. Choi Man Ho, Mr. Lee Tik Man, Dick, Mr. Fung Wai Yip, Patrick and Mr. Ng Yu Fai; the non-executive Director is Mr. Yu Kwok Tung; and the independent non-executive Directors are Mr. Voon David Hian-fook, Mr. Or Kevin and Mr. Wu Ping Lam Michael David.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at "www.hkgem.com" for at least seven days from the date of its publication and on the Company's website at "www.derivaasia.com".

DLC ASIA LIMITED
衍匯亞洲有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock code : 8210

ANNUAL REPORT 2019

* For identification purpose only

CHARACTERISTICS OF GEM ("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.

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

*This report, for which the directors (the "**Directors**") of DLC Asia Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LAU Ming Yeung, Lambert (Chairman)
Mr. CHOI Man Ho (Chief Executive Officer)
Mr. LEE Tik Man, Dick
Mr. FUNG Wai Yip, Patrick
Mr. NG Yu Fai

Non-executive Director

Mr. YU Kwok Tung

Independent Non-executive Directors

Mr. VOON David Hian-fook
Mr. OR Kevin
Mr. WU Ping Lam Michael David

AUDIT COMMITTEE

Mr. OR Kevin (Chairman)
Mr. VOON David Hian-fook
Mr. WU Ping Lam Michael David

REMUNERATION COMMITTEE

Mr. VOON David Hian-fook (Chairman)
Mr. WU Ping Lam Michael David
Mr. LAU Ming Yeung, Lambert

NOMINATION COMMITTEE

Mr. WU Ping Lam Michael David (Chairman)
Mr. VOON David Hian-fook
Mr. LAU Ming Yeung, Lambert

COMPANY SECRETARY

Mr. Wong Tin Yu, ACS, ACIS

COMPLIANCE OFFICER

Mr. CHOI Man Ho

AUTHORIZED REPRESENTATIVES

(for the purpose of the GEM Listing Rules)
Mr. LAU Ming Yeung, Lambert
Mr. CHOI Man Ho

COMPLIANCE ADVISER

Red Sun Capital Limited

LEGAL ADVISER

Michael Li & Co.

AUDITOR

SHINEWING (HK) CPA Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2601–3, Tai Tung Building
8 Fleming Road, Wanchai
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong
(up to 10 July 2019)
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong
(with effect from 11 July 2019)

PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

8210.HK

WEBSITE

www.derivaasia.com

Chairman's Statement

On behalf of the Board, I hereby present to the Shareholders the annual report of the Company for the FY2019.

Our Group's revenue for the FY2019 was amounted to approximately HK$65.1 million (FY2018: HK$76.8 million), representing a year-on-year decrease of 15.2%, and its profit after taxation was HK$0.2 million (FY2018: HK$4.8 million). The Company recorded non-recurring listing expenses of approximately HK$5.0 million during the FY2019 (FY2018: HK$10.6 million). Excluding the non-recurring listing expenses, the Group's adjusted profit for the FY2019 would be approximately HK$5.2 million (FY2018: HK$15.4 million), representing a year-on-year decrease of 66.2%.

It has been a challenging year for the Group. During the FY2019, the uncertainties and fears surrounding the US-China trade war, combined with rising interest rates in the USA and slowdown in global economic growth, have affected the risk appetites of our clients, which resulted in an unexpected drawback of the trading activities across our client base. Hence, the commission revenue decreased significantly in the third and fourth quarters for the FY2019. Post-listing expenses are also another factor affecting our profit for the FY2019 as the Company incurred additional costs such as compliance advisory fee, audit fee, and related professional fees for compliance and administration requirement as a listed company.

Looking forward, as major macroeconomic risks continue to linger, we are prepared for a potentially bumpy year in 2020. Despite a challenging environment ahead, the Board believes, leveraging from the listing proceeds and our listing position, that the Company is now in a better position financially to broaden our product suite. New products will not only help to enhance our margin but also offer diversification to our revenue stream.

As an enterprise based in Hong Kong, the Company is committed to becoming a leading inter-dealer broker in the region. We will strive to strike a balance between stability and innovation to sustain high-quality service for our clients and returns for our Shareholders.

On behalf of the Board
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 13 June 2019

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is an interdealer broker in Hong Kong providing derivatives brokerage services to the Professional Investors (as defined under the SFO) through its wholly-owned subsidiary, De Riva, which is a licensed corporation under the SFO and a HKFE Exchange Participant. De Riva is licensed by the Securities and Futures Commission of Hong Kong (the "**SFC**") to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities in Hong Kong for Professional Investors without providing any margin financing services. Under the licensing condition, De Riva can only provide services to Professional Investors.

The principal business of the Group is derivatives brokerage, which involves matching and/or executing and settling derivatives trade orders for the customers. When the customers place a trade order, it usually involves a combination of futures and options and other derivatives products, which are typically viewed as a single product by the customers in the derivatives market. During the FY2019, the Group derived all of the revenue from commission income for derivatives brokerage services provided to the customers.

For the FY2019, the trade orders involved listed derivatives products which were either executed on the Hong Kong Exchanges and Clearing Limited (the "**HKEx**") or Singapore Exchange (the "**SGX**"), and non-listed derivatives products which were all executed over-the-counter ("**OTC**"). The Group has, through De Riva, entered into arrangements with a number of execution brokers to provide derivative services for SGX listed derivatives and HKEx listed single stock options as De Riva does not have the relevant trading rights. Hence, De Riva acted as an agent to arrange for and match up trade orders without providing any execution, settlement or clearing services, and trading parties are directly responsible for all risks involved in the OTC transactions.

For the FY2019, the revenue was approximately HK$65.1 million, representing a decrease of approximately 15.2% when compared with the revenue of approximately HK$76.8 million of the FY2018.

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately HK$76.8 million for the FY2018 to approximately HK$65.1 million for the FY2019, representing a drop of approximately 15.2%. The decrease was mainly due to the decrease in trade volume.

The following table sets forth the revenue breakdown for the FY2019, together with the comparative results for the FY2018:

	For the year ended 31 March			
	2019 (Audited)		2018 (Audited)	
	HK$'000	**%**	HK$'000	%
HKEx	**49,964**	**76.7**	64,033	83.4
SGX	**9,403**	**14.4**	8,016	10.5
OTC	**5,781**	**8.9**	4,710	6.1
TOTAL	**65,148**	**100.0**	76,759	100.0

Staff costs

Staff costs comprise salaries, provident fund contribution and other allowance. The staff cost decreased from approximately HK$42.0 million for the FY2018 to approximately HK$37.2 million for the FY2019, representing a drop of approximately 11.4%. The decrease was mainly attributable to the decrease in bonus which was in line with the decrease in revenue of the Group and netting off by the increase in number of staff compared with the FY2018.

Other operating expenses

The other operating expenses increased from approximately HK$16.6 million for the FY2018 to approximately HK$21.1 million for the FY2019, representing a growth of approximately 27.1%. The increase was mainly due to the increase in office rent, business entertainment expenses, legal and professional fee, repair and maintenance expenses, insurance expenses, auditor's remunerations and depreciation expenses.

The office rent for the FY2019 was approximately HK$2.0 million, representing an increase of approximately HK$0.9 million or 81.8% (FY2018: HK$1.1 million). It was due to the reallocation of office in April 2018.

The business entertainment expenses for the FY2019 was approximately HK$3.0 million, representing an increase of approximately HK$0.7 million or 30.4% (FY2018: approximately HK$2.3 million). It was mainly due to the increase in number of traders onboarded in 2019.

The legal and professional fee for the FY2019 was approximately HK$1.3 million, representing an increase of approximately HK$1.1 million or 550.0% (FY2018: approximately HK$0.2 million). It was due to the professional fee for listing and the ongoing professional fee after the Listing during the FY2019.

The repair and maintenance expenses for the FY2019 was approximately HK$602 thousand, representing an increase of approximately HK$136 thousand or 29.2% (FY2018: approximately HK$466 thousand). It was due to office reinstallation in April 2018.

The insurance expenses for the FY2019 was approximately HK$832 thousand, representing an increase of approximately HK$254 thousand or 43.9% (FY2018: approximately HK$578 thousand). It was due to the increase in number of staff and improved insurance policy during the FY2019.

The auditor's remuneration for the FY2019 was approximately HK$744 thousand, representing an increase of approximately HK$664 thousand or 830.0% (FY2018: approximately HK$80 thousand). It was due to the auditor's remuneration for the group companies under the Listing during the FY2019.

The depreciation expenses for the FY2019 was approximately HK$574 thousand, representing an increase of approximately HK$423 thousand or 280.1% (FY2018: approximately HK$151 thousand). It was due to the decoration and purchase of new furniture and fixture for the new office and improvement of IT infrastructure during the FY2019 pursuant to the proposed use of proceeds of the Company from its Listing.

Income tax expense

Income tax expense for the FY2019 was approximately HK$1.1 million, representing a decrease of approximately HK$1.9 million, or 63.3% from approximately HK$3.0 million for the FY2018. Such decrease was in line with the drop in net profit before tax during the FY2019.

Profit for the year

The Group recorded a profit of approximately HK$0.2 million for the FY2019 (FY2018: HK$4.8 million), which was mainly due to the recognition of non-recurring listing expenses of approximately HK$5.0 million for the FY2019 (FY2018: HK$10.6 million). If the non-recurring listing expenses were excluded, our profit for the FY2019 would be adjusted to approximately HK$5.2 million (FY2018: HK$15.4 million), the drop of profit was mainly due to the decrease in revenue and increase in other operating expenses during the FY2019 as discussed above.

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 March 2019 (Audited) HK$'000	**As at 31 March 2019 (Audited) (Adjusted note v) HK$'000**	As at 31 March 2018 (Audited) HK$'000	As at 31 March 2018 (Audited) (Adjusted note v) HK$'000
Current Assets	**86,047**	**86,047**	53,596	53,596
Current Liabilities	**4,777**	**4,777**	13,351	13,351
Current Ratio (times) (Note i)	**18.0**	**18.0**	4.0	4.0
Interest Coverage (times) (Note ii)	**44.3**	**211.9**	206.3	485.5
Gearing Ratio (times) (Note iii)	**N/A**	**N/A**	1.7%	1.7%
Debt to equity ratio (Note iv)	**Net cash**	**Net cash**	Net cash	Net cash

Notes:

(i) The calculation of current ratio is based on current assets divided by current liabilities.

(ii) Interest coverage is based on profit before interest and finance cost for the year.

(iii) The calculation of gearing ratio is based on the total loans and borrowings divided by total equity.

(iv) Debt to equity ratio is calculated by dividing net debt (total loans and borrowings net of cash and cash equivalent) by total equity and expressed in percentage.

(v) The ratios are calculated by adjusted net profit from the non-recurring listing expenses incurred for the respective period/year. Adjusted net profit for the period/year represents our profit for the period/year excluding listing expenses. Adjusted net profit is not a measure of performance under HKFRs measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRs.

The Group recorded a current ratio of approximately 18.0 times as at 31 March 2019 (as at 31 March 2018: 4.0 times), reflecting the financial competence of the Group.

As at 31 March 2019, the Group's cash and bank balances amounted to approximately HK$59.1 million (as at 31 March 2018: HK$21.4 million). The Group recorded interest coverage of approximately 44.3 times (as at 31 March 2018: 206.3 times). The adjusted interest coverage after excluding listing expenses would be approximately 211.9 times (as at 31 March 2018: 485.5 times). The Group has sufficient resources to satisfy its working capital and sustain its business.

As at 31 March 2019, overall interest bearing liabilities of the Group are nil (as at 31 March 2018: HK$758 thousand), therefore the gearing ratio was not applicable to the Group (as at 31 March 2018: 1.7%). The Company does not have any long term liabilities.

The Group recorded net cash positions as at 31 March 2019 and 31 March 2018 respectively and therefore debt to equity ratio analysis was not applicable.

ERROR EXPENSES AND FACILITATION EXPENSES

The Group's error expenses and facilitation expenses for the new error report filings are as follows:

	Error Expenses HK$'000 (Unaudited)	Facilitation Expenses HK$'000 (Unaudited)
April 2018	–	206
May 2018	75	96
June 2018	–	190
July 2018	–	126
August 2018	–	218
September 2018	–	195
October 2018	35	201
November 2018	13	228
December 2018	–	120
January 2019	–	111
February 2019	–	171
March 2019	–	234

Note: The new error report filings were put into practice on 13 December 2017.

The error trades are generally resulted from unintentional human errors. The Directors consider that the error trades are not in material amount and the daily business operations are closely monitored by the management team.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the FY2019. To manage liquidity risk, the Group monitors the liquidity position daily to ensure that the liquidity structure of the Group's assets, liabilities and other commitment can meet the funding and SFC regulatory requirement.

CAPITAL STRUCTURE

On 30 July 2018, the Company increased its authorised share capital to HK$50 million divided into 5,000,000,000 ordinary Shares of HK$0.01 each.

The Shares were subsequently listed on GEM of the Stock Exchange on 27 August 2018. There has been no change in the capital structure of the Group since then. The share capital of the Company only comprises ordinary Shares.

As at the date of this report, the Company's issued share capital was HK$8 million divided into 800,000,000 ordinary Shares of HK$0.01 each.

OPERATING LEASE COMMITMENTS

The operating lease commitments of the Group were primarily related to the leases of its office premise. The Group's operating lease commitments amounted to approximately HK$3.5 million as at 31 March 2019 (as at 31 March 2018: approximately HK$5.5 million).

CAPITAL COMMITMENTS

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

SIGNIFICANT INVESTMENT

The Group did not acquire or hold any significant investment during the FY2019.

EVENT AFTER THE REPORTING DATE

On 21 May 2019, De Riva, an indirect wholly-owned subsidiary of the Company, recorded a material human error trade resulting a loss of approximately HK$2,700,000. It is expected that the loss will have a material impact to the unaudited net profit/loss of the Group for its first quarterly results (i.e. the three months ending 30 June 2019). Details of the event are set out in the announcement of the Company dated 21 May 2019.

Save for the event mentioned above, there was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the FY2019 and up to the date of this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2019, the Group did not have other plans for material investments and capital assets save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the FY2019, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

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

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group's revenue generating operations are mainly transacted in HK$ and US$. The Directors consider the impact of foreign exchange exposure to the Group to be minimal.

PLEDGE OF ASSETS

As at 31 March 2019 and 31 March 2018, the Group did not pledge any of its assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had 31 staff (as at 31 March 2018: 25) in total. The Group's remuneration policy is based on the duties, responsibilities, experiences, skills, time commitment, performance of the relevant director or member of senior management of the Group and are made with reference to those paid by comparable companies. The employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 31 March 2019 is set out below:

Objectives	Implementation plan	Actual business progress up to 31 March 2019
To use for office expansion plan	– To repay the loan used for payment of rental deposit and advances of the new office, decoration of new office and purchase of furniture and fixture, paying removal cost of existing equipment, reinstate our existing office, pay IT infrastructure cost, employing IT consultant and developing in-house software	– Approximately HK$5.3 million of the net proceeds has been utilised for office expansion plan
To introduce Eurex MSCI derivatives products	– To employ two senior licensed brokers and one junior licensed broker for the business development of OTC Eurex MSCI derivatives market	– Approximately HK$0.7 million of the net proceeds has been utilised for employing one senior licensed broker for the development of OTC Eurex MSCI derivatives market in January 2019

USE OF PROCEEDS

The Shares were listed on GEM on 27 August 2018. The net proceeds from the initial public offering and placing of new Shares were approximately HK$27.3 million after deduction of listing related expenses.

Since the Listing Date and up to 31 March 2019, approximately HK$6.0 million of the net proceeds has been utilised as follows:

	Planned use of net proceeds						Actual use of net proceeds
	Up to 30 September 2018	For the six months ended 31 March 2019	For the six months ending 30 September 2019	For the six months ending 31 March 2020	For the six months ending 30 September 2020	Total	Up to 31 March 2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
To apply for becoming a Clearing Participant	–	–	11,040	480	480	12,000	–
To expand our OTC product coverage	–	1,104	1,897	2,128	2,128	7,257	660
To use for office expansion plan	6,028	–	–	–	–	6,028	5,301
To expand our licensed broker team	–	–	665	665	665	1,995	–
	6,028	1,104	13,602	3,273	3,273	27,280	5,961

All unutilised proceeds are deposited into interest-bearing bank accounts with licensed banks and/or financial institutions in Hong Kong.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lau Ming Yeung Lambert ("Mr. Lau"), aged 40, joined the Group as a managing director of De Riva in June 2017 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018 and appointed as the Chairman of the Board on 4 December 2017. He is also a member of the Nomination Committee and the Remuneration Committee. Mr. Lau is responsible for overseeing the overall strategic development and operations, business development, financial performance, risk management and compliance matters of the Group and is responsible for formulating and implementing strategic plans and assigning responsibilities to the senior management of De Riva.

After graduating from Columbia University in the City of New York in the USA with a degree of Bachelor of Science in Operations Research in 2000, Mr. Lau obtained a degree of Master of Science in Financial Engineering in 2001. Mr. Lau has accumulated more than fifteen years of experience in derivatives trading. From July 2001 to February 2016, he worked at Goldman Sachs (Asia) L.L.C. (or its affiliates) ("**Goldman Sachs**"), with his last held position being managing director of the Securities Division. He was primarily responsible for managing businesses across single stock flow derivatives, warrants, convertibles and corporate derivatives, serving on various risks, technology and operational committees within the group and being responsible for risk management and large size pricings for the business.

Mr. Lau is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 1 November 2017. He passed Series 3 (National Commodity Futures Examination), Series 7 (General Securities Representative Examination) and Series 63 (Uniform Securities Agent State Law Examination), which are qualifying exams administered by The Financial Industry Regulatory Authority, Inc. (FINRA) in the USA in 2001.

Mr. Lau was also an authorised trader of Goldman Sachs and did place and execute trade orders of derivatives through De Riva when he was working in Goldman Sachs.

Mr. Lau is the brother of Mr. Lau Ming Hong, Henry, the sole shareholder of Santo Global Investments Limited, one of the substantial Shareholders.

Mr. Choi Man Ho ("Mr. Choi"), aged 43, joined the Group as a derivatives broker of De Riva in March 2013 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018 and appointed as the chief executive officer of the Group on 4 December 2017. Mr. Choi is responsible for (i) overseeing and monitoring the daily operations, financial performance, risk management and internal control of the Group; and (ii) handling compliance matters of the Group. He is also responsible for managing and overseeing the operation of the broking team for delta one products of De Riva.

Mr. Choi completed his secondary education in Ireland in 1993. He has since then accumulated more than ten years of experience in derivatives trading. From December 2005 to January 2008, he worked as an equity derivatives broker of MF Global Hong Kong Limited, and was responsible to act as an interdealer broker of Hong Kong OTC equity derivatives products (indices & single stock). From January 2008 to February 2013, he worked as an equity derivatives broker (Asia Pacific excluding Japan) of BGC Securities (Hong Kong) LLC, and was responsible to act as a broker dealer of Asia Pacific ex Japan OTC equity derivative delta one products.

Mr. Choi is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 6 August 2018.

Mr. Lee Tik Man Dick ("Mr. Lee"), aged 44, joined the Group as a derivatives broker of De Riva in March 2013 and is also a director of De Riva. He was appointed as a Director on 1 November 2017 and re-designated as an executive Director on 30 July 2018. Mr. Lee is primarily responsible for overseeing the overall operations of the Group and acting as the co-head of single stocks derivatives team and overseeing the single stocks operation for De Riva.

After graduating from University of Western Ontario in Canada with a degree of Bachelor of Arts with a major in Economics in 1999, Mr. Lee began his career at Hong Kong Futures Exchange Limited where he worked as a market operator. Mr. Lee has accumulated more than fifteen years of experience in derivatives trading.

From March 1999 to November 1999, he worked as a market operator (open outcry department) of Hong Kong Futures Exchange Limited, where he was responsible for conducting price reporting and supervising market trading for Hang Seng Index Futures and Options market.

From November 1999 to March 2006, he worked as a sales manager (international market) of Fimat Hong Kong Limited (also known as Newedge Broker Limited), and was responsible for trading of major global futures index, commodities futures and options products.

From March 2006 to January 2008, he worked as a sales manager (Asia equity derivatives) of MF Global Hong Kong Limited, where he was responsible for trading of major Asia index futures and options products and managing client relations.

From February 2008 to February 2013, he worked as a manager (equity derivatives Asia) of BGC Securities (Hong Kong) LLC, where he was responsible for acting as a broker dealer of Hong Kong listed derivatives and a key relationship officer.

Mr. Lee is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 18 June 2013.

Mr. Fung Wai Yip Patrick ("Mr. Fung"), aged 45, joined the Group as a derivatives broker of De Riva in March 2013 and is also a director of De Riva. He was appointed as a Director on 1 November 2017 and re-designated as an executive Director on 30 July 2018. Mr. Fung is primarily responsible for overseeing the overall operations of the Group and acting as the co-head of single stocks derivatives team and overseeing the single stocks operation for De Riva.

Mr. Fung graduated from Hawaii Pacific University in the USA with a degree of Bachelor of Science in Business Administration with a major in Computer Information Systems and Finance in 1998. He has accumulated more than ten years of experience in derivatives trading.

From May 2000 to February 2004, he worked as an assistant officer (derivatives markets development & operations) of Hong Kong Exchanges and Clearing Limited and was responsible of performing OMnet Application Programming Interface certification test for basic and tailor-made functionalities, assisting with the implementation of new systems, handling trading queries and complaints from Exchange Participants and preparing management reports to internal and external auditors and the SFC for review.

From August 2004 to November 2004, he worked as a settlement assistant (equity derivatives operations department) of BNP Paribas, and was responsible for assisting with position reconciliation for Hong Kong listed stocks and stock options, preparing funding for Murex, arranging margin call and withdrawal and preparing and reviewing position limit report.

From January 2005 to April 2005, he worked as a trade support (equity operations/middle office) of Credit Suisse First Boston, and was responsible for performing trade amendments on equity products, assisting the front office with booking, preparing pricing supplement for equity-linked securities and verifying brokerages and fees.

From June 2005 to April 2007, he worked as a senior officer (derivatives market department) of Hong Kong Exchanges and Clearing Limited, and was responsible for supervising Hong Kong listed derivatives markets and participating in various projects.

From April 2007 to September 2007 and from November 2007 to January 2008, he worked as a derivatives sales trader of CLSA Futures Limited and MF Global Hong Kong Limited respectively, and was responsible for acting as a broker dealer of Hong Kong listed derivatives.

From February 2008 to February 2013, he worked as a manager of BGC Securities (Hong Kong) LLC, and was responsible for acting as a broker dealer of Hong Kong listed derivatives.

Mr. Fung is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 29 April 2014.

Mr. Ng Yu Fai ("Mr. Ng"), aged 43, joined the Group as an index derivatives senior broker of De Riva in July 2013 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018. Mr. Ng is the desk manager of the index listed derivatives team and is primarily responsible for managing and overseeing the operation of the broking team for listed Hong Kong derivatives products. He is also responsible for managing client accounts with major investment banks, developing new client accounts across Asia and Europe and overseeing the risk management of De Riva.

Mr. Ng completed his secondary education in Hong Kong in 1992 and has accumulated more than fifteen years of experience in derivatives and securities trading.

From August 2005 to January 2008, he worked as a vice president (equity derivatives Asia) of MF Global Hong Kong Limited, where he was responsible for acting as a broker dealer of Hong Kong listed derivatives.

From February 2008 to April 2013, he worked as a manager (equity derivatives Asia) of BGC Securities (Hong Kong) LLC, and was responsible for acting as a broker dealer of Hong Kong listed derivatives and a key relationship officer.

Mr. Ng is currently licensed by the SFC to act as a Licensed Representative to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Licensed Representative of De Riva since 22 July 2013.

Mr. Ng is the director and sole shareholder of Dense Jungle Limited, a substantial Shareholder.

NON-EXECUTIVE DIRECTOR

Mr. Yu Kwok Tung ("Mr. Yu"), aged 62, one of the Controlling Shareholders, was appointed as a Director on 29 November 2017 and re-designated as a non-executive Director on 30 July 2018. Mr. Yu is primarily responsible for advising the Board on strategy, policy, performance, accountability, resources and standard of conduct.

Mr. Yu graduated from the University of Brighton (formerly known as Brighton Polytechnic) in the United Kingdom with a degree of Bachelor of Science in Combined Sciences in July 1982.

Prior to joining the Group, from 1985 to 1990, Mr. Yu was a sales and account manager of Telerate Financial Networks Limited, and was responsible for managing sales and accounts in Hong Kong and China, formulating business development plans and coordinating the installation and launching of new trading platform and system for foreign exchange between global banks.

From 1991 to 1997, he worked as a business director (Asia Pacific) of AP Dow Jones Inc., and was responsible for overseeing and managing sales, distribution, business development and human resources in the Asia Pacific region, formulating annual budget, business and strategic planning and managing and coordinating new product development editorial coverage with Dow Jones news wire.

Since 1997, Mr. Yu has been self-employed and involved in managing personal investments through a number of companies in Hong Kong. These companies are principally engaged in the business of property investments, retail and distribution and renewable energy business.

Mr. Yu is the director and sole shareholder of Oasis Green Ventures Limited and Pacific Asset Limited, substantial Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Voon David Hian-fook ("Mr. Voon"), aged 53, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Voon is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

After graduating from University of California, Berkeley in the USA with a degree of Bachelor of Arts with a major in Economics in 1988, Mr. Voon obtained a Juris Doctor degree from Harvard University in 1991. Mr. Voon joined Shearman & Sterling LLP after graduating from Harvard University and thereafter he joined Goldman Sachs in 1993. Throughout Mr. Voon's career in Goldman Sachs. Mr. Voon had been engaged in various roles including Head of Asia ex-Japan Equity Derivatives Sales and Trading Department, Head of Fixed Income, Currency & Commodities and Equities Structured Products and Head of Asia Private Wealth Management Department and was a member of Goldman Sachs Asia Management Committee.

From September 1991 to November 1993, he was an associate (corporate finance department) of Shearman & Sterling LLP, and was responsible for providing legal services to clients in connection with equity initial public offerings and private placement of debt securities.

From 2001 to 2004, he was a managing director at Goldman Sachs and from 2004 to 2011, he was a partner of Goldman Sachs. As a partner, he was responsible for heading the Asia Private Wealth Management Department.

Since April 2013 and March 2013, he has been a vice chairman of the Manhasset Bay Group, Inc. and TransAsia Private Capital Limited respectively, and is responsible for acting as strategic advisor on business issues.

Since August 2015, he has been the chairman and a director of Oski Capital Partners Limited, where he is the co-founder and key decision-maker of the company.

Since July 2018, he has been the chief executive officer of LabyRx Immunologic Therapeutics Limited, and is responsible for managing the overall business, with focus on strategic timelines, financing, personnel and risk control issues.

Mr. Voon was admitted as a member of the American Bar Association in 1991. He was licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities. He passed Series 3 (National Commodity Futures Examination) and Series 7 (General Securities Representative Examination) in 1993, and Series 9 (General Securities Sales Supervisor – Options Module Examination) and Series 10 (General Securities Sales Supervisor – General Module Examination) in 2013, which are qualifying exams administered by The Financial Industry Regulatory Authority, Inc. (FINRA) in the USA.

Mr. Or Kevin ("Mr. Or"), aged 47, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Audit Committee. Mr. Or is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

In 1994, Mr. Or graduated from Royal Melbourne Institute of Technology now known as RMIT University in Australia with a degree of Bachelor of Business. He began his career at PricewaterhouseCoopers Limited in 1996 and has since accumulated more than twenty years of experience in the audit field.

From November 1996 to December 2016, he worked at PricewaterhouseCoopers Limited (with his last held position as senior manager), where he is responsible for provision of assurance services and advising small and medium-sized enterprises, entrepreneurs and companies seeking listing in Hong Kong. Since December 2016, he has been an associate director of Linkers CPA Limited, and is responsible for heading the Assurance and Learning & Development Divisions of the firm.

Mr. Or was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in 1997 and a member of Hong Kong Society of Accountants in 1998.

Mr. Or has also been appointed as an independent non-executive director of Kato (Hong Kong) Holdings Limited (stock code: 2189, a company listed on the Main Board of the Stock Exchange on 13 June 2019) on 20 May 2019.

Mr. Wu Ping Lam Michael David, aged 37, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. He is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

After graduating from Cornell University in the City of New York in the USA with a degree of Bachelor of Arts and Sciences with a major in Economics and Psychology in 2004, he obtained a degree of Masters of Engineering in 2005 also from Cornell University.

From July 2005 to February 2014, he was an executive director (equity division) of Goldman Sachs, where he was responsible for providing liquidity on option market to hedge funds and domestics institutions through market making activities and managing and hedging proprietary risks of the company using OTC and listed option markets. Since April 2013, he has been the chief executive officer of Veritas Wine Trading Limited, and is responsible for formulating and implementing strategic plans of the company and overseeing the overall operations, business development and financial performance of the company.

He passed Series 7 (General Securities Representative Examination) and Series 63 (Uniform Securities Agent State Law Examination) in 2005 and Series 3 (National Commodity Futures Examination) in 2011, which are qualifying exams administered by The Financial Industry Regulatory Authority, Inc. (FINRA) in the USA.

SENIOR MANAGEMENT

Mr. Lau Ming Yeung Lambert, aged 40, is the Chairman of the Board and an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Choi Man Ho, aged 43, is an executive Director and the chief executive officer of the Group. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Lee Tik Man Dick, aged 44, is an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Fung Wai Yip Patrick, aged 45, is an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Ng Yu Fai, aged 43, is an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Ms. Yui Ka Lee ("Ms. Yui"), aged 35, joined the Group in August 2013. As the chief financial officer, Ms. Yui is responsible for the review of the Group's finance and accounting functions, as well as the administrative function. She has over ten years of experience in the accounting field. Prior to joining the Group, Ms. Yui had worked as an accountant in Hutchison Telecommunications (Hong Kong) Limited from April 2013 to July 2013. From December 2012 to March 2013, Ms. Yui worked in Pinestone Capital Group Limited with her last position as senior accountant. She worked in Rifa Securities Limited (formerly known as Daily Growth Securities Limited) with her last position as senior accountant between April 2012 and December 2012. From March 2010 to March 2012, Ms. Yui worked as an accountant in Vision Investment Management (Asia) Limited. She worked in BDO Limited with her last position as senior associate from February 2008 to March 2010. From June 2006 to February 2008, Ms. Yui worked in FTW CPA (Practising) Limited as a trainee accountant. Ms. Yui was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 2010. Ms. Yui graduated with a degree of Bachelor of Arts with a major in accountancy and a minor in corporate finance from the Hong Kong Polytechnic University in December 2006.

COMPLIANCE OFFICER

Mr. Choi Man Ho is the compliance officer of the Company. For details of his biography, please refer to the paragraph in the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company has applied the principles as set out in the CG Code since the Listing Date.

The Board considers that during the period from the Listing Date to 31 March 2019 (the "**Report Period**"), the Company has complied with all the code provisions set out in the CG Code. Key corporate governance principles and practices of the Company are summarised below.

A THE BOARD

A1. Responsibilities and Delegation

The Board is the highest decision-making and managing body of the Company which is responsible for the leadership, control and management of the Company, establishing and delivering the Company's strategies and objectives, including formulating long-term corporate strategy and setting business development plans, supervising and monitoring performance of the management, and overseeing the Group's business, strategic decisions and performances in the attainment of the objectives of ensuring effective functioning and growth of the Group and enhancing value to investors. All the Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and its Shareholders at all times.

The Board has power to make its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The senior management is delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above-mentioned officers. The Board has the full support of the senior management to discharge its responsibilities.

A2. Board Composition

The composition of the Board during the Report Period is as follows:

Executive Directors

Mr. Lau Ming Yeung, Lambert	*(Chairman of the Board, member of both the Remuneration Committee and the Nomination Committee)*
Mr. Choi Man Ho	*(Chief Executive Officer)*
Mr. Lee Tik Man, Dick	
Mr. Fung Wai Yip, Patrick	
Mr. Ng Yu Fai	

Non-executive Director

Mr. Yu Kwok Tung

Independent Non-executive Directors

Mr. Voon David Hian-fook	*(Chairman of the Remuneration Committee and member of both the Audit Committee and the Nomination Committee)*
Mr. Or Kevin	*(Chairman of the Audit Committee)*
Mr. Wu Ping Lam Michael David	*(Chairman of the Nomination Committee and member of both the Audit Committee and the Remuneration Committee)*

Throughout the Report Period, the Board has met the requirements of the GEM Listing Rules 5.05 and 5.05A of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. Executive Directors are responsible for the business and functional division of the Group in accordance with their expertise. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participation in Board meetings, and taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in Rule 5.09 of the GEM Listing Rules.

The biographical details of the Directors and the relationships between Board members, if any, are set out under the section headed "Biographical Details of Directors and Senior Management" in this annual report.

A3. Chairman and Chief Executive Officer

The Company supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer in order to ensure a balance of power and authority and preserve a balanced judgement of views. Currently, Mr. Lau Ming Yeung, Lambert takes up the role of the Chairman of the Board and is responsible for the management of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. Mr. Choi Man Ho is the Chief Executive Officer, who takes care of the day-to-day management of the Group's business and implementing the Group's strategic plans and business objectives.

A4. Appointment and Re-election of Directors

All Directors are appointed for a specific term. Each of the executive Directors is engaged on a service contract for an initial term of 3 years, and shall be automatically renewable for successive terms of one year each commencing from the next day after the expiry of the current term unless or until terminated by either party by giving to the other not less than 3 months' notice in writing. Each of the non-executive and independent non-executive Directors is appointed for an initial term of 3 years, unless terminated by either party by giving to the other not less than 3 months' notice in writing.

The procedures and process of appointment and removal of Directors are laid down in Company's Articles. According to the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

At the 2019 AGM, Mr. Lau Ming Yeung, Lambert, Mr. Choi Man Ho and Mr. Ng Yu Fai shall retire by rotation pursuant to the Articles provisions stated in the foregoing paragraph. Both retiring Directors, being eligible, will offer themselves for re-election at the 2019 AGM. The Board and the Nomination Committee recommended their re-appointment. The circular of the Company, sent together with this report, contains detailed information of these three Directors as required by the GEM Listing Rules.

A5. Training and Continuing Development for Directors

Each newly appointed Director shall receive formal induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their studying and reference.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. According to the training records currently maintained by the Company, during the Report Period, the Directors have complied with the code provision A.6.5 of the CG Code on participation in continuous professional training as follows:

	Type of training/education	
	Attending training on regulatory development, directors' duties or other relevant topics	**Reading regulatory updates or corporate governance related materials or materials relevant to directors' duties**
Mr. Lau Ming Yeung, Lambert	✔	✔
Mr. Choi Man Ho	✔	✔
Mr. Lee Tik Man, Dick	✔	✔
Mr. Fung Wai Yip, Patrick	✔	✔
Mr. Ng Yu Fai	✔	✔
Mr. Yu Kwok Tung	✔	✔
Mr. Voon David Hian-fook	✔	✔
Mr. Or Kevin	✔	✔
Mr. Wu Ping Lam Michael David	✔	✔

In addition, the Directors have attended, prior to the Report Period, a training session conducted by the Company's then legal advisor on Directors' duties and responsibilities under the GEM Listing Rules and other applicable laws and regulations.

A6. Directors' Attendance Records at Meetings

Under code provision A.1.1 of the CG Code, the board of directors of any issuer should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals and under code provision A.2.7 of the CG Code, the chairman of the board should at least annually hold meeting with the independent non-executive directors without the executive directors present.

The Company was listed on GEM on 27 August 2018, and 8 Board meetings were held during the Report Period, in which the Board, among others, has reviewed and approved (i) the unaudited interim results of the Group for the six months ended 30 September 2018, and (ii) the unaudited third quarterly results of the Group for the nine months ended 31 December 2018. The attendance records of each Director at the Board and Board committee meetings and general meeting of the Company held during the Report Period are set out below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors:					
Mr. Lau Ming Yeung, Lambert	8/8	N/A	2/2	0/0	0/0
Mr. Choi Man Ho	8/8	N/A	N/A	N/A	0/0
Mr. Lee Tik Man, Dick	8/8	N/A	N/A	N/A	0/0
Mr. Fung Wai Yip, Patrick	8/8	N/A	N/A	N/A	0/0
Mr. Ng Yu Fai	8/8	N/A	N/A	N/A	0/0
Non-executive Director:					
Mr. Yu Kwok Tung	6/8	N/A	N/A	N/A	0/0
Independent Non-executive Directors:					
Mr. Voon David Hian-fook	7/8	2/2	2/2	0/0	0/0
Mr. Or Kevin	8/8	2/2	N/A	N/A	0/0
Mr. Wu Ping Lam Michael David	8/8	2/2	2/2	0/0	0/0

In the future, the Board would meet at least four times a year, at approximately quarterly intervals, and the Chairman of the Board would hold at least one meeting a year with the independent non-executive Directors without the executive Directors present.

Schedules for regular Board meetings are normally agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors are given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying meeting papers will be sent to all Directors in a timely manner and at least three days in advance of every regular Board meeting.

No general meeting was held by the Company during the Report Period.

A7. Directors' Securities Transactions

The Company has adopted the Required Standard of Dealings as its own code of conduct regarding the Directors' dealings in the Company's securities. Specific enquiries have been made to all the Directors and all Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Report Period.

The Company has also established written guidelines on no less exacting terms than the Required Standard of Dealings (the "**Securities Dealing Code**"), governing securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Securities Dealing Code by relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

A8. Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code. The Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the required standard of dealings and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

B. BOARD COMMITTEES

The Board has established four Board committees, namely, the Executive Committee, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website and the Company's website. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Executive Committee

The Executive Committee comprises all the executive Directors with the Chairman of the Board, Mr. Lau Ming Yeung, Lambert, acting as the chairman. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decisions. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

B2. Audit Committee

The Company has met the GEM Listing Rules requirements regarding the composition of the Audit Committee throughout the Report Period. The Audit Committee comprises a total of 3 members, being the 3 independent non-executive Directors, namely Mr. Or Kevin (chairman of the Audit Committee), Mr. Voon David Hian-fook and Mr. Wu Ping Lam Michael David. Mr. Or Kevin possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee are reviewing and monitoring integrity of the financial information and reports of the Group, and considering any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making relevant recommendation to the Board; and reviewing the Company's financial reporting system, risk management and internal control systems.

The Company was listed on GEM on 27 August 2018, and the Audit Committee has held two meetings during the Report Period (the attendance records of each Committee member are set out in section A6 above) and performed the following major works:

- Reviewed and discussed the unaudited consolidated interim financial statements, interim results announcement and interim report for the six months ended 30 September 2018 and the relevant review findings of the Company's external auditor; and

- Reviewed and discussed the unaudited consolidated third quarterly financial statements, third quarterly results announcement and third quarterly report for the nine months ended 31 December 2018 and the relevant review findings of the Company's external auditor.

The external auditor has attended one of the above meetings and discussed with the Audit Committee members on the interim results.

Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

B3. Nomination Committee

The Nomination Committee comprises a total of 3 members, namely Mr. Wu Ping Lam Michael David (chairman of the Nomination Committee), Mr. Lau Ming Yeung, Lambert and Mr. Voon David Hian-fook. Throughout the Report Period, the Company has met the code provision A.5.1 of the CG Code of having a majority of the Nomination Committee members being independent non-executive Directors, and having the Nomination Committee chaired by an independent non-executive Director.

The principal responsibilities of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience required) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify and nominate appropriate candidates to fill casual vacancies of Directors for the Board's approval; assess the independence of independent non-executive Directors; and review succession planning for the chairman of the Board, the chief executive as well as the senior management of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

The Company also recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. To comply with Rule 17.104 of the GEM Listing Rules, a Board diversity policy was adopted and revised by the Company on 5 November 2018, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendations to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their effectiveness in determining the optimum composition of the Board. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained during the Report Period.

In making recommendations for appointment and re-appointment of Directors, the Nomination Committee may consider certain factors such as the diversity on the Board, the competency, business, technical, or specialised skills and experience of Board member/potential Board member, and the ability, time, commitment and willingness of a new Board member to serve and an existing Board member to continue service.

For the nomination process of new Director, the Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

During the Report Period, in response to the amendment to the CG Code effective on 1 January 2019, the Company has also adopted the Director Nomination Policy. Such policy, devising the criteria and process of selection and performance evaluation, provides guidance to the Board on nomination and appointment of directors of the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

As the Company was listed on GEM on 27 August 2018, no Nomination Committee meeting was held by the Company during the Report Period. Subsequent to the Report Period, the Nomination Committee has held one meeting, in which the Nomination Committee members (i) reviewed the structure, size and composition of the Board to ensure that it has a balance of skills, knowledge and experience appropriate to the Group's corporate strategy; (ii) assessed the independence of all the independent non-executive Directors; and (iii) recommended the re-election of the Directors at the forthcoming AGM.

B4. Remuneration Committee

The Remuneration Committee comprises a total of 3 members, namely Mr. Voon David Hian-fook (chairman of the Remuneration Committee), Mr. Lau Ming Yeung, Lambert and Mr. Wu Ping Lam Michael David. Throughout the Report Period, the Company has met the GEM Listing Rules requirements of having the majority of the Remuneration Committee members being independent non-executive Directors, as well as having the Remuneration Committee chaired by an independent non-executive Director.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure, and the remuneration packages of Directors and members of senior management (i.e. the model described in the code provision B.1.2(c)(ii) of the CG Code is adopted). The Remuneration Committee is also responsible for establishing a formal and transparent procedure for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual, salaries paid by comparable companies, responsibilities and employment conditions of the Group.

The Company was listed on GEM on 27 August 2018, and the Remuneration Committee has held two meetings during the Report Period, in which the existing remuneration policy and structure of the Company and the remuneration packages of Directors and senior management of the Company were reviewed and relevant recommendations were made to the Board.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management (including the executive Directors) by band for the year ended 31 March 2019 is set out below:

Remuneration band (HK$)	Number of individual(s)
0-1,000,000	–
1,000,001-2,000,000	3
2,000,001-3,000,000	–
3,000,001-4,000,000	2
4,000,001-5,000,000	–
5,000,001-6,000,000	1

Details of the remuneration of each Director for the FY2019 are set out in note 14 to the Consolidated Financial Statements contained in this annual report.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the FY2019.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems and makes relevant recommendations. The Board reviews the effectiveness of the risk management and internal control systems as well as the internal audit function of the Company for each financial year on an annual basis through the Audit Committee.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, finance, human resources and information technology. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. The management, in coordination with department heads, assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress. The Company has engaged an external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Report Period. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure that prompt remediation and subsequent actions are taken to improve the situations.

Based on the reports submitted by the management and the various management controls put in place, the Board, with the support of the Audit Committee, reviewed the risk management and internal control systems (including the financial, operational and compliance controls) for the FY2019, and considered that such systems are effective and adequate. Such review of the risk management and internal control systems is conducted annually. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has developed a policy for handling and dissemination of inside information. The policy provides a general guide to the directors and employees of the Group in handling confidential information and monitoring information disclosure.

E. COMPANY SECRETARY

Ms. Chan Mei Hing ("**Ms. Chan**") of Tricor Services Limited ("**Tricor**"), an external service provider, acted as the Company Secretary. The primary contact person at the Company with Ms. Chan and Tricor is Ms. Yui Ka Lee, the Chief Financial Officer of the Company.

Ms. Chan and Tricor are responsible for providing advice to the Board on corporate governance matters. Ms. Chan has confirmed that she has taken no less than 15 hours of relevant professional training during the FY2019.

On 13 June 2019, Mr. Wong Tin Yu of Tricor has been appointed as the Company Secretary in replacement of Ms. Chan of Tricor.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the FY2019 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to SHINEWING (HK) CPA Limited, the Company's auditor, in respect of audit service and non-audit services for the FY2019 are analyzed below:

Type of services provided by the external auditor	**Fees paid/ payable** HK$
Audit service – audit fee for the FY2019	610,000
Non-audit services –	
– Review of interim results for the six months ended 30 September 2018	150,000
– Agreed-upon procedures of third quarterly results for the nine months ended 31 December 2018	20,000
– Preparation of Environmental, Social and Governance Report	80,000
– Internal audit review	100,000
TOTAL:	960,000

G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparent and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decision.

The Company also strives to provide quality information to Shareholders regarding its latest developments whilst ensuring that relevant information is equally and simultaneously provided and accessible to all interested parties. The Company maintains a website at www.derivaasia.com as a communication platform with Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. Shareholders and investors may also send written enquiries or requests to the Company as follows:

Address: Units 2601–3, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong

Email: admin@dlcasia.com

Tel: (852) 2811 8281

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. Board members and senior staff will be available to answer questions raised by the Shareholders at general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

H. SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholders' meeting.

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting 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. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

For the avoidance of doubt, Shareholders must provide their full names, contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of Shareholders may be disclosed as required by law.

With respect to the Shareholders right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

I. CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the then Shareholders passed on 30 July 2018, the Articles was adopted with effect from the Listing Date. Save as disclosed above, during the FY2019, there was no significant change in the memorandum and articles of association of the Company.

The amended and restated memorandum and articles of association of the Company is available on the websites of the Stock Exchange and the Company.

J. DEED OF NON-COMPETITION

In respect of the compliance of the provisions of the Deed of Non-competition by the controlling Shareholders, please refer to the section headed "Deed of Non-competition" in the Directors' Report of this annual report.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

The Environmental, Social and Governance ("**ESG**") Report published by DLC Asia Limited (the"**Company**") provides an overview of the policies and performance of the Company and its subsidiaries (collectively the "**Group**" or "**we**") for the period between 1 April 2018 and 31 March 2019 (the "**Year**") in achieving sustainable development and fulfilling its corporate social responsibilities.

Scope of the Report

The ESG Report covers the Group's performance in terms of environmental management and social responsibility for the Year. The environmental key performance indicators ("**KPIs**") as disclosed in the ESG Report are based on the performance of the principal office of the Group in Hong Kong. For details of corporate governance, please refer to the Corporate Governance Report on pages 16 to 28 of this Annual Report.

Reporting Standard

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" set out in Appendix 20 to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

Information and Feedback

Your opinions on the Group's ESG performance are highly valued. Should you have any advice or suggestions, please contact the Company through the following email address: admin@dlcasia.com.

2. STAKEHOLDER ENGAGEMENT

The Group believes that the opinions of stakeholders will allow a clearer understanding on our performance in environmental and social development. Therefore, we actively communicate with our key stakeholders through diversified channels, such as meetings, announcements, company websites, and emails, to understand their concerns and expectations regarding ESG aspects, which could help the Group to formulate and implement short-term and long-term sustainability strategies.

The following table sets out our key stakeholders, their requirements and expectations for the Group, and the corresponding response and communication channels.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Government and Regulators	• Compliance with national policies, laws and regulation • Support for local economic growth • Contribution in local employment • Tax Payment in full and on time	• Regular information reporting • Regular meetings with regulators • Dedicated reports
Shareholders	• Returns • Compliance operation • Rise in company value • Transparency and effective communication	• General meetings • Announcements • Email, telephone communication and company website • Dedicated reports • Site visits
Customers	• Performance of contracts • Operation with integrity	• Collection of feedback
Environment	• Energy saving and emission reduction	• ESG reporting
Employees	• Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares	• Meetings with employees • Employee mailbox • Training and workshops • Employee activities
Community and the public	• Transparency	• Company website • Announcements

In preparation of the ESG report for the Year, the Group has also commissioned an independent third-party consultant to assist the Group in conducting internal materiality assessments. The internal investigation process helps us to distinguish the material topics at early stage and acts as a basis for conducting materiality assessments that involve internal and external stakeholders in the future.

3. ENVIRONMENTAL PROTECTION

As a responsible corporation, the Group spares no effort in improving environmental quality and reducing its impact on the environment. We strictly comply with applicable local environmental related laws and regulations, such as the *Air Pollution Control Ordinance* and *Waste Disposal Ordinance*. Despite the fact that our business does not engage in activities that would cause significant impacts on the environment and natural resources, the Group still attaches great importance to implementing different policies which regulate waste management, and water, energy and resource usage in the course of our business operations.

Emission Management

As a financial service provider, the Group is not involved in any manufacturing process and it does not own any vehicles, thus neither air nor water pollutants were emitted from our business operations during the Year.

The Group's office operation generates greenhouse gas through three separate scopes: scope 1 – direct emissions from the use of refrigerants; scope 2 – energy indirect emissions from purchased electricity; and scope 3 – other indirect emissions from outbound business trips by employees and methane gas generation at landfill due to disposal of paper waste. The greenhouse gas emission data of the Group during the Year are as follows:

Greenhouse Gas Emission	
Total emission of greenhouse gas (tons CO_2e)	55
Scope 1: Direct emissions (tons CO_2e)	4
Scope 2: Energy indirect emissions (tons CO_2e)	49
Scope 3: Other indirect emissions (tons CO_2e)	2
Emission of greenhouse gas per employee (tons CO_2e/employee)	1.78

Generation of solid waste is another source of emission from the Group. Non-hazardous waste produced by the Group comprises of wastepaper and other garbage from day-to-day office operation, while hazardous waste includes used batteries. All wastes are collected by the property management department of the commercial building and are handled in an environmentally acceptable manner. The data of waste generation of the Group during the Year are as follows:

Waste	
Hazardous waste produced (g)	600
Hazardous waste produced per employee (g/employee)	19.36
Non-hazardous waste produced (kg)	1470
Non-hazardous waste produced per employee (kg/employee)	47.42

Use of Resources

Apart from monitoring and managing greenhouse gas emission and waste production, the Group is also committed to reducing energy and water consumption, as well as the utilization of office equipments. Energy consumption of the Group is mainly attributable to purchased electricity, while water consumption mainly comes from toilet usage. As the water supply and discharge is managed by the property management department of the commercial building, the data of water consumption is not available for disclosure. Besides, due to our business nature, the Group did not generate or use any packaging materials during the Year. The data of resource usage of the Group during the Year are as follows:

Use of Resources	
Total energy consumption (MWh)	62
Energy consumption per employee (MWh/employee)	2.0

Green Operation

The Group recognizes the importance of safeguarding the natural environment and is dedicated to promoting green office strategies to maintain an environmentally-friendly operation.

As a way to control the consumption of energy, water and other resources, the Group has implemented a series of resource saving measures in the workplace. We ensure all lightings, air-conditioners, and other electrical appliances, such as computers and printers, are switched off when they are not in use. We have also separated the office area into different light zones, and installed dimmers for adjusting light intensity, in order to use lighting flexibly and optimise energy saving. In addition, we use air conditioners with Grade I Energy Efficient Label, and allow employees to dress casually under hot weather and on Fridays, to reduce the energy consumption from air conditioning. To conserve water, we remind our employees to turn off the faucet tightly and inform the property management department of the commercial building to fix dripping taps immediately once they are spotted.

The Group seeks to reduce the amount of waste generated by adopting the principle of 4Rs. We encourage our staff to (i) reuse envelopes, folders, and file cards; (ii) recycle waste paper, plastics, coffee capsules and waste batteries; (iii) reduce the use of disposable and non-recyclable products; and (iv) replace the use of paper with the use of electronic files.

We strive to pursue a paperless office by using electronic systems to conduct administrative processes and disseminate information wherever possible. When using a printer, we encourage duplex copying and setting printing quota for users to monitor printing volume regularly.

Minimizing greenhouse gas emissions is another major commitment of the Group in the fight against the potential threats brought by climate change. To avoid unnecessary outbound business travels, we encourage the use of telephone or video conferencing. We choose direct flights for unavoidable business trips, and encourage the use of public transportation for staff commuting, in a bid to reduce carbon footprint on transportation.

4. EMPLOYMENT AND LABOUR PRACTICES

Employee is regarded as the Group's most valuable asset as our competitive strengths come from our experienced senior management with a strong customer base. The Group abides by applicable local labour-related laws and regulations, such as the *Employment Ordinance*, *Minimum Wage Ordinance*, and *Employment of Children Regulations*. We invest in our employees and provide them with career opportunities so as to build a strong team and strengthen our business.

Employment

As an equal opportunity employer, the Group offers fair and open recruitment, promotion, and training in respect of the employee's competency, experience, skills, and academic, professional and technical qualifications, regardless of age, gender, marital status, nationality and religion. We require employees to provide documents for personal identification and verification during recruitment processes to ensure there is no child labour practice. Clear job descriptions, duties and welfare entitlements are stated in the employment contract before the commencement of employment to prevent any forced labour . In case of resignation, interview by the human resource department will be conducted to gather information relevant to the circumstances of and reasons for the resignation, and to collect feedback which may be useful for improvement on the Group's operation. The data of employment of the Group during the Year are as follows:

Indicators	
Total workforce	31
By gender	
Female	7
Male	24
By employment type	
Full-time	30
Part-time	1
By age group	
< 30 years old	4
30–50 years old	22
> 50 years old	5
Turnover rate (%)	
By gender	
Female	43
Male	8
By age group	
< 30 years old	50
30–50 years old	14
> 50 years old	0

The Group has a well-established appraisal system for our employees as a way to provide incentives for continuous performance improvement and to retain talents. Annual evaluation is performed by department head for all employees, and staff promotion and salary increments will be determined in respect of the employee's performance under criteria such as product knowledge level, problem solving skills and quality of work.

Training and Development

With the belief that employees' career growth and development determines our future prospect, the Group endeavors to provide a diverse range of training and development program, in a bid to foster a culture of continuous learning within the Group. Yearly training programs and plans are tailored to equip our employees with necessary knowledge and skills so that they can keep pace with the dynamic business environment. Trainings are classified into internal training and external training . Internal training involves on-the-job training, while external training comes in the form of external courses and seminars. We also require all licensed employees to undertake a minimum of 5 continuous professional training hours per calendar year for each regulated activity. Education allowance and tuition reimbursement are available for our employees as an encouragement to advance their career. Data of employee training of the Group during the Year are as follows:

Indicators	
Percentage of employee trained (%)	
By gender	
Female	43
Male	63
By employee category	
Senior management	75
Middle management	69
Other employees	30
Average training hours per employee (h)	
By gender	
Female	3
Male	6
By employee category	
Senior management	8
Middle management	7
Other employees	1

Health and Safety

The Group lays strong emphasis on employee's health and well-being. We strictly follow applicable local health and safety related laws and regulations, such as the *Occupational Safety and Health Ordinance*, and have put in a lot of effort to provide a healthy and safe workplace for our employees.

Internal regulations regarding occupational health and safety, such as maintaining a pleasant and organised workplace, keeping adequate first aid facilities, and arranging rescue, fire and evacuation drills annually, are in place to make sure that all employees are safe from injuries or risks to their health. We also require our employees to attend related trainings to identify and mitigate potential hazards that they may be exposed to. In case of any occurrence of injuries or illness being reported, the Group will conduct prompt investigation under internal guidelines, and to file a response. During the Year, no work-related fatalities or lost days due to work injuries were reported.

Welfare and Benefits

The Group offers our employees with a wide range of welfare and benefits in order to provide a harmonious and supportive working environment. We adopt the work schedule of 8 working hours per day and 5 working days per week. All employees are entitled to public holidays, as well as annual leave, sick leave, maternity leave, marriage leave, jury service leave and compensation leave. We also aim to offer competitive remuneration to our staff with considerations on market pay levels, pay trends, and supply and demand in the labour market. Other benefits of employees include discretionary bonuses, medical allowance, and contributions under the Mandatory Provident Fund Scheme.

The Group values the idea of work-life balance. Therefore, we have organised leisure activities such as Christmas party and spring dinner to provide opportunities for employees to relax and interact.

5. OPERATION PRACTICES

As the Group is principally engaged in providing financial services, our success highly hinges on market reputation and customers' satisfaction. We adhere to a high standard of business ethics and aim to serve our customers with quality services.

Supply Chain Management

The Group does not have any major supplier due to our business nature. Our suppliers are mainly involved in delivering office equipments, such as stationery, paper and toners. We give priority to products with improved recyclability, reduced packaging, great durability and high energy efficiency.

Product and Service Quality

The Group has exerted itself to provide professional service and create satisfying customer experiences. As regulated by the *Securities and Futures Ordinance*, we have obtained all necessarily required licenses, permits, certificates and participantships, and the majority of our employees are properly licensed as Responsible Officers or Licensed Representatives to carry out the relevant regulated activities.

Our services are dependent on our ability to accurately execute and monitor a large number of transactions, which involve complicated operational procedures. In light of this, we have put in place an internal system for quality management of our trading system, from on boarding a new customer to completing a service agreement. For instance, our settlement department is dedicated to ensure all trade orders are properly recorded and efficiently handled.

Data Privacy

We understand that protecting the customers privacy is core to the financial service industry. The Group stringently abides by the *Personal Data (Privacy) Ordinance*, and pays close attention to the confidentiality of our customer's personal data. We collect customer's personal data as and when necessary, and use the information in a responsible manner. Our employees are required to respect the confidentiality of information acquired as a result of business relationships and are prohibited from disclosing such information to third parties without proper and specific authority from management or customers.

The Group constantly monitors and upgrades the information technology infrastructure as a means of securing customer's personal data. Access controls are practiced so that access to the system is required to be authorized by senior management. The computer system and information processing facilities are protected by firewalls and anti-virus software to detect and prevent any potential threats by computer viruses and other malicious software.

Anti-corruption

The Group strictly complies with relevant local anti-corruption related laws and regulations, such as the *Prevention of Bribery Ordinance* and *Anti-Money Laundering and Counter-Terrorist Financing Ordinance*, and takes a zero-tolerance approach towards corruption, bribery, extortion, fraud and money laundering. We have set up control procedures to verify the identities of our customers, closely monitor their activities and identify any unusual transactions. In case of any suspicious transaction or source of funding being detected, we will file reports to the Joint Financial Intelligence Unit for further investigation.

Our employees adhere to the Code of Conduct to ensure the Group runs the business with a high integrity standard. A policy in respect of the giving and receiving of gifts and hospitality is in place to prevent bribery. No employee is allowed to abuse the authority or power for any personal gain. Moreover, to avoid conflict of interests, transactions of employees' accounts are required to be reported and actively monitored by responsible officers who do not have any beneficial or interest in the transactions . During the Year, the Group was not aware of any breach of laws and regulations in relation to bribery, corruption, extortion, fraud and money laundering.

6. COMMUNITY INVESTMENT

The Group hopes to serve the community and create positive impacts to society. We encourage our employees to participate in different charitable events to create a loving atmosphere in our community. We will continue to make contributions to the community so as to support the sustainable growth of our society in the years ahead.

APPENDIX: KPI REPORTING GUIDE

KPIs	Description	Chapters	Page No.
Environment			
A1 Emissions			
A1.1	The types of emissions and respective emissions data.	Emission Management	31
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	Emission Management	31
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emission Management	31
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emission Management	31
A1.5	Description of measures to mitigate emissions and results achieved.	Green Operation	32
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emission Management; Green Operation	31, 32
A2 Use of Resources			
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	32
A2.2	Water consumption in total and intensity.	*No relevant disclosure for the Year*	–
A2.3	Description of energy use efficiency initiatives and results achieved.	Green Operation	32
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Operation	32
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources	32
A3 The Environment and Natural Resources			
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission Management; Use of Resources; Green Operation	31, 32

KPIs	Description	Chapters	Page No.
Social			
B1 Employment			
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment	33
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	33
B2 Health and Safety			
B2.1	Number and rate of work-related fatalities.	Health and Safety	35
B2.2	Lost days due to work injury.	Health and Safety	35
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	35
B3 Development and Training			
B3.1	The percentage of employees trained by gender and employee category.	Training and development	34
B3.2	The average training hours completed per employee by gender and employee category.	Training and development	34
B4 Labour Standards			
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment	33
B4.2	Description of steps taken to eliminate such practices when discovered.	*No relevant disclosure for the Year*	–
B5 Supply Chain Management			
B5.1	Number of suppliers by geographical region.	*No relevant disclosure for the Year*	–
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	35

KPIs	Description	Chapters	Page No.
B6 Product Responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	*No relevant disclosure for the Year*	–
B6.2	Number of products and service related complaints received and how they are dealt with.	*No relevant disclosure for the Year*	–
B6.3	Description of practices relating to observing and protecting intellectual property rights.	*No relevant disclosure for the Year*	–
B6.4	Description of quality assurance process and recall procedures.	Product and Service Quality	35
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy	36
B7 Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	36
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	36
B8 Community Investment			
B8.1	Focus areas of contribution.	*No relevant disclosure for the Year*	–
B8.2	Resources contributed to the focus area.	*No relevant disclosure for the Year*	–

Directors' Report

The Directors present the annual report with the audited Consolidated Financial Statements of the Group for the FY2019.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 1 November 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the corporate reorganisation (the "**Reorganisation**") of the structure of the Group in preparation of the Listing, the Company became an investment holding company holding the entire shareholding interest in De Riva, the key operating subsidiary, indirectly through the intermediary company, DLS Capital Limited on 3 August 2018. Further details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. The Shares were listed on GEM on 27 August 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in providing derivatives brokerage services to Professional Investors as an interdealer broker. Details of the principal activities of its subsidiaries are set out in the note 1 to the Consolidated Financial Statements. There were no significant changes in the nature of the Group's principal activities during the FY2019.

BUSINESS REVIEW

A review of the Group's business during the FY2019, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the FY2019, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. A discussion on relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report" in this annual report. In addition, a description of the environmental policies and performance of the Company is set out in the section headed "Environmental, Social and Governance Report" in this annual report. These discussions form part of this directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

For the FY2019, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

RESULTS AND DIVIDEND

The consolidated results of the Group for the FY2019 are set out on pages 53 to 97 of this report.

The Board has resolved not to recommend payment of any final dividend for the FY2019 (FY2018: nil).

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") which sets out the principles and guidelines in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles and all applicable laws and regulations and the factors including without limitation to:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans; and
- interests of Shareholders.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles. The Board will review the Dividend Policy as appropriate from time to time.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The Company's 2019 AGM will be held on Monday, 26 August 2019. In order to determine Shareholders' entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Wednesday, 21 August 2019 to Monday, 26 August 2019 (both days inclusive). In order to be entitled to attend and vote at 2019 AGM, unregistered holders of Shares should ensure that all the share transfer documents together with the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) no later than 4:30 p.m. (Hong Kong time) on Tuesday, 20 August 2019.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on page 98.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the FY2019 are set out in note 18 to the Consolidated Financial Statements.

BORROWINGS

As at 31 March 2019 and 31 March 2018, the Group was in net cash position with no bank borrowings.

SHARE CAPITAL

Details of movements in the share capital of the Group during the FY2019 are set out in note 25 to the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENTS

During the FY2019, other than the Share Option Scheme as set out in the section headed "Share Option Scheme" and note 28 to the Consolidated Financial Statements, the Company has not entered into any equity-linked agreement.

RESERVES

Details of movements in the reserves of the Company and the Group during the FY2019 are set out in note 31 to the Consolidated Financial Statements and the Consolidated Statement of Changes in Equity on page 55 respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2019 and 31 March 2018, the Company did not have any reserve available for distribution.

DIRECTORS

The Directors during the FY2019 and up to the date of this annual report were as follows:

Executive Directors	Non-executive Director	Independent Non-executive Directors
Mr. Lau Ming Yeung, Lambert *(Chairman)* (re-designated on 30 July 2018)	Mr. Yu Kwok Tung (re-designated on 30 July 2018)	Mr. Voon David Hian-fook (appointed on 30 July 2018)
Mr. Choi Man Ho *(Chief Executive Officer)* (re-designated on 30 July 2018)		Mr. Wu Ping Lam Michael David (appointed on 30 July 2018)
Mr. Ng Yu Fai (re-designated on 30 July 2018)		Mr. Or Kevin (appointed on 30 July 2018)
Mr. Lee Tik Man, Dick (re-designated on 30 July 2018)		
Mr. Fung Wai Yip, Patrick (re-designated on 30 July 2018)		

In accordance with the Articles, Mr. Lau Ming Yeung, Lambert, Mr. Choi Man Ho and Mr. Ng Yu Fai will retire at the 2019 AGM and all of them, being eligible, will offer themselves for re-election at the 2019 AGM.

DIRECTORS' AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Biographical Details of Directors and Senior Management".

DIRECTORS' SERVICES CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company on 30 July 2018 for an initial term of three years commencing from the Listing Date, renewable automatically for successive terms of one year each commencing from the day next after the expiry, unless terminated by not less than three months' notice in writing. The termination provision and provision on retirement by rotation of Directors are set out in the Articles.

Each of the independent non-executive Directors and non-executive Director has entered into a letter of appointment with the Company on 30 July 2018 for an initial term of three years commencing from the Listing Date, provided that either party may terminate such appointment at any time by giving at least three months' notice in writing.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DONATIONS

During the FY2019, the Group did not make any charitable donations (FY2018: nil).

PENSION SCHEME

Details of the pension scheme of the Company are set out in note 26 to the Consolidated Financial Statements.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the FY2019.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted during or at the end of the FY2019.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates (as defined in the GEM Listing Rules) that competes or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the FY2019.

None of the Directors, the controlling Shareholders or substantial Shareholders or any of their respective close associates has engaged in or has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the FY2019.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, each of Oasis Green Ventures Limited, Pacific Asset Limited and Mr. Yu Kwok Tung (together as the "**Controlling Shareholders**") had entered into a deed of non-competition dated 30 July 2018 (the "**Deed of Non-competition**") in favor of the Company (for itself and as trustee for the benefit of each of the members of our Group from time to time) that with effect from the Listing Date and during the term of the Deed of Non-competition (the "**Restricted Period**"), among other matters, he/it shall not, and shall procure that their respective close associates (other than any member of our Group) not to, whether on his/its own account or in conjunction with or on behalf of any person, firm or company, whether directly or indirectly, (i) engage in, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by our Group (including but not limited to providing derivatives brokerage services to Professional Investors in Hong Kong and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on business mentioned above from time to time (the "**Restricted Business**")); and (ii) take any action which constitutes an interference with or a disruption of the Restricted Business including, but not limited to, solicitation of our Group's customers, service providers or personnel of any member of our Group.

In order to ensure each of the Controlling Shareholders has complied with the Deed of Non-competition, the following actions have been taken:

(1) the Company has enquired with the Controlling Shareholders, from time to time, on whether he/it or any of his/its associates has engaged in any Restricted Business or is given any business opportunity relating to the Restricted Business;

(2) the Company has required each of the Controlling Shareholders to give confirmation to the Company on an annual basis as to whether he/it and his/its associates have complied with the Deed of Non-competition;

(3) each of the Controlling Shareholders has provided to the Company such written confirmation in respect of the compliance with the Deed of Non-competition by his/it and his/its associates for the FY2019; and

(4) the INEDs of the Company have reviewed the status of compliance by the Controlling Shareholders with the undertakings in the Deed of Non-competition during the FY2019 and confirmed that, so far as they can ascertain, each of the Controlling Shareholders has complied with the Deed of Non-competition.

The Company is not aware of any other matters regarding the compliance of the Deed of Non-competition that are required to be brought to the attention of the Shareholders, and there has not been any change in terms of the Deed of Non-competition for the FY2019.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the FY2019 are set out in note 29 to the Consolidated Financial Statements. None of the related party transactions constituted a connected transaction or continuing connected transaction subject to independent Shareholder's approval, annual review and all disclosure requirements in Chapter 20 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date up to 31 March 2019.

MANAGEMENT CONTRACT

No contracts, other than the Directors' service agreements and appointment letters, concerning management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2019.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 30 July 2018. The purpose of the Share Option Scheme is to enable the Company to grant share options to the eligible participants as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 80,000,000 Shares, representing 10% of the total issued share capital of the Company as at the date of this annual report.

No share option has been granted by the Company under the Share Option Scheme since its adoption.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

(A) Long position in the ordinary Shares

Name of Director	Capacity/nature of interest	Number of Shares involved	Approximate percentage+ of shareholding in the Company
Mr. Yu Kwok Tung	Interest of controlled corporations	414,000,000 (Note 1)	51.75%
Mr. Ng Yu Fai	Interest of controlled corporation	54,000,000 (Note 2)	6.75%
Mr. Choi Man Ho	Interest of controlled corporation	36,000,000 (Note 3)	4.5%

Notes:

1. These Shares are held by Oasis Green Ventures Limited, a company wholly owned by Pacific Asset Limited, which is in turn wholly owned by Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung and Pacific Asset Limited are deemed to be interested in these Shares held by Oasis Green Ventures Limited.

2. These Shares are held by Dense Jungle Limited, which is wholly owned by Mr. Ng Yu Fai. By virtue of the SFO, Mr. Ng Yu Fai is deemed to be interested in these Shares held by Dense Jungle Limited.

3. These Shares are held by Beyond Delta Limited, which is wholly owned by Mr. Choi Man Ho. By virtue of the SFO, Mr. Choi Man Ho is deemed to be interested in these Shares held by Beyond Delta Limited.

+ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 31 March 2019.

(B) Long position in the shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of shares involved	Approximate percentage+ of shareholding in the respective associated corporation
Mr. Yu Kwok Tung	Pacific Asset Limited	Beneficial owner	1	100%
	Oasis Green Ventures Limited	Interest of controlled corporation	1	100%

Note: The relations between Mr. Yu Kwok Tung and the above associated corporations are set out in note 1 of part (A) of the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation". Oasis Green Ventures Limited holds more than 50% of the issued share capital of the Company, and Oasis Green Ventures Limited is wholly owned by Pacific Asset Limited. In this connection, Oasis Green Ventures Limited and Pacific Asset Limited are associated corporations of the Company within the meaning of Part XV of the SFO.

+ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares of the respective associated corporation of the Company as at 31 March 2019.

Save as disclosed above, as at 31 March 2019, neither the Directors nor the chief executive of the Company had any interests and/or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

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

As at 31 March 2019, the following corporations or persons (other than a Director or chief executive of the Company) had interest or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the ordinary Shares

Name of Shareholder	Capacity/nature of interest	Number of Shares involved	Approximate percentage+ of shareholding in the Company
Oasis Green Ventures Limited	Beneficial owner	414,000,000 (Note 1)	51.75%
Pacific Asset Limited	Interest of controlled corporation	414,000,000 (Note 1)	51.75%
Ms. Yip Shui Chi Rowena	Interest of spouse	414,000,000 (Notes 1, 2)	51.75%
Jolly Ocean Global Limited	Beneficial owner	96,000,000 (Note 3)	12.0%
Santo Global Investments Limited	Interest of controlled corporation	96,000,000 (Note 3)	12.0%
Mr. Lau Ming Hong Henry	Interest of controlled corporations	96,000,000 (Note 3)	12.0%
Ms. Lo Ying	Interest of spouse	96,000,000 (Note 3)	12.0%
Dense Jungle Limited	Beneficial owner	54,000,000 (Note 4)	6.75%

Notes:

1. These interests are also disclosed as the interest of Mr. Yu Kwok Tung in the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation".

2. Ms. Yip Shui Chi Rowena is the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Ms. Yip Shui Chi Rowena is taken to be interested in the same number of Shares in which Mr. Yu Kwok Tung is interested.

3. These Shares are held by Jolly Ocean Global Limited, a company wholly owned by Santo Global Investments Limited, which is in turn wholly owned by Mr. Lau Ming Hong Henry. By virtue of the SFO, Mr. Lau Ming Hong Henry and Santo Global Investments Limited are deemed to be interested in these Shares held by Jolly Ocean Global Limited. Ms. Lo Ying is the spouse of Mr. Lau Ming Hong Henry. By virtue of the SFO, Ms. Lo Ying is taken to be interested in the same number of Shares in which Mr. Lau Ming Hong Henry is interested.

4. These interests are also disclosed as the interest of Mr. Ng Yu Fai in the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation".

+ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 31 March 2019.

Save as disclosed above, as at 31 March 2019, other than the Directors and the chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, no person had interest or short position in the Shares or underlying Shares which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, there is sufficient public float as required under the GEM Listing Rules (i.e. at least 25% of the Shares in issue are held by the public) from the Listing Date and as at the date of this report.

PRE-EMPTIVE RIGHTS

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

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Red Sun Capital Limited to be its compliance adviser. As notified by Red Sun Capital Limited, as at 31 March 2019, neither Red Sun Capital Limited, nor its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Audit Committee was established on 30 July 2018 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently consists of three members, namely Mr. Or Kevin, Mr. Voon David Hian-fook and Mr. Wu Ping Lam Michael David, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications. None of the members of the Audit Committee are former partners of the Company's existing external auditors.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the FY2019.

INDEPENDENT AUDITOR

The Consolidated Financial Statements for the FY2019, has been audited by independent auditor of the Company, SHINEWING (HK) CPA Limited (the "**SHINEWING**"), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of SHINEWING as the independent auditor of the Company will be proposed to the Shareholders at the forthcoming AGM.

There has been no change in the independent auditor of the Company since the incorporation of the Company and up to the date of this report.

On behalf of the Board
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 13 June 2019

Independent Auditor's Report

信永中和 ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF DLC ASIA LIMITED
(A company incorporated in Cayman Islands as an exempted company with limited liability)

OPINION

We have audited the consolidated financial statements of DLC Asia Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 53 to 97, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KEY AUDIT MATTERS

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

VALUATION OF TRADE RECEIVABLES

Refer to Note 20 to the consolidated financial statement and the accounting policies on pages 65 to 68.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2019, the Group had trade receivables of HK$14,465,000, representing 17% of the Group's total current assets. Loss allowance for trade receivables is estimated based on lifetime expected credit losses ("ECL") model, which is estimated by taking into account the credit loss experience and forward looking information including both current and forecast general economic conditions. We have identified valuation of trade receivables as a key audit matter because the impairment assessment of trade receivables involved a significant degree of management estimation and may be subject to management bias.	Our audit procedures were designed to assess the assumptions and judgements of the Group's ECL model on impairment assessment of trade receivables. We have assessed the reasonableness of management's estimates for loss allowance by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information. We have also inspected cash received from debtors after year end relating to trade receivables balance as at 31 March 2019 on a sample basis.

RESPONSIBILITY OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 of the Company.

- Conclude on the appropriateness of the Company's 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 those charged with governance 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kwan Chi Fung.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Kwan Chi Fung
Practising Certificate Number: P06614

Hong Kong
13 June 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2019

	NOTES	2019 HK$'000	2018 HK$'000
Revenue	8	**65,148**	76,759
Other income and gains, net	10	**105**	455
Total revenue and other income		**65,253**	77,214
Depreciation		**(574)**	(151)
Staff costs		**(37,167)**	(41,974)
Listing expenses		**(5,039)**	(10,610)
Provision for expected credit losses on trade receivables		**(73)**	–
Other operating expenses		**(21,069)**	(16,641)
Finance costs	11	**(30)**	(38)
Profit before tax	12	**1,301**	7,800
Income tax expense	13	**(1,136)**	(3,022)
Profit and total comprehensive income for the year attributable to the owners of the Company		**165**	4,778
Earnings per share (HK cents)			
Basic and diluted	17	**0.02**	0.80

Consolidated Statement of Financial Position

As at 31 March 2019

	NOTES	2019 HK$'000	2018 HK$'000
Non-current assets			
Property and equipment	18	**4,240**	205
Intangible assets	19	**1,000**	1,000
Deposits	21	**567**	567
Deposits paid for acquisitions of property and equipment		**–**	1,530
		5,807	3,302
Current assets			
Trade receivables	20	**14,465**	21,211
Prepayments, deposits and other receivables	21	**10,240**	11,024
Tax recoverable		**2,199**	–
Cash and cash equivalents	22	**59,143**	21,361
		86,047	53,596
Current liabilities			
Other payables and accruals	23	**4,777**	11,956
Tax payable		**–**	637
Bank overdrafts	22	**–**	758
		4,777	13,351
Net current assets		**81,270**	40,245
Non-current liability			
Deferred tax liability	24	**436**	–
Net assets		**86,641**	43,547
Capital and reserves			
Share capital	25	**8,000**	6,800
Reserves		**78,641**	36,747
Total equity		**86,641**	43,547

The consolidated financial statements on pages 53 to 97 were approved and authorised for issue by the Board of Directors on 13 June 2019 and are signed on its behalf by:

Lau Ming Yeung, Lambert
Director

Choi Man Ho
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2019

	Attributable to the owners of the Company				
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000 (Note)	Retained profits HK$'000	Total HK$'000
As at 1 April 2017	6,800	–	–	31,969	38,769
Profit and total comprehensive income for the year	–	–	–	4,778	4,778
As at 31 March 2018	6,800	–	–	36,747	43,547
Profit and total comprehensive income for the year	–	–	–	165	165
Issue of shares upon reorganisation (the "Reorganisation") (Note 25(c))	–*	–	–*	–	–*
Capitalisation issue (Note 25(e))	6,000	(6,000)	–	–	–
Issue of share upon share offer (Note 25(f))	2,000	49,000	–	–	51,000
Arising from Reorganisation	(6,800)	–	6,800	–	–
Transaction costs in connection with the issue of shares upon share offer	–	(8,071)	–	–	(8,071)
As at 31 March 2019	**8,000**	**34,929**	**6,800**	**36,912**	**86,641**

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

Note:

Other reserve represented the difference between the nominal amount of the share capital of De Riva Asia Limited ("De Riva") and the nominal amount of the share capital issued by the Company pursuant to the Reorganisation.

Consolidated Statement of Cash Flows
For the year ended 31 March 2019

	2019 HK$'000	2018 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**1,301**	7,800
Adjustments for:		
Depreciation of property and equipment	**574**	151
Write-off of property and equipment	**24**	–
Provision for expected credit losses on trade receivables	**73**	–
Interest income	**(74)**	(1)
Interest paid	**30**	38
Operating cash flows before movements in working capital	**1,928**	7,988
Decrease (increase) in trade receivables	**6,673**	(5,766)
Decrease (increase) in prepayments, deposits and other receivables	**784**	(2,801)
(Decrease) increase in other payables and accruals	**(7,179)**	6,699
Cash generated from operations	**2,206**	6,120
Hong Kong Profit Tax paid	**(3,536)**	(2,054)
Interest paid	**(30)**	(38)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	**(1,360)**	4,028
INVESTING ACTIVITIES		
Deposits paid for acquisitions of property and equipment	**–**	(1,530)
Purchase of property and equipment	**(3,103)**	(89)
Interest received	**74**	1
NET CASH USED IN INVESTING ACTIVITIES	**(3,029)**	(1,618)
FINANCING ACTIVITIES		
Proceeds from issue of shares	**51,000**	–
Transaction costs in connection with the issue of shares upon share offer	**(8,071)**	–
Dividends paid	**–**	(4,000)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**42,929**	(4,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**38,540**	(1,590)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**20,603**	22,193
CASH AND CASH EQUIVALENTS AT THE END OF YEAR, represented by cash and cash equivalents	**59,143**	20,603
Analysis of components of cash and cash equivalents (Note 22):		
Cash and cash equivalents	**59,143**	21,361
Bank overdrafts	**–**	(758)
	59,143	20,603

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 1 November 2017 and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited on 27 August 2018. Its immediate holding company is Oasis Green Ventures Limited ("**Oasis Green**"), a company with limited liability incorporated in the British Virgin Islands. Its ultimate beneficial owner is Mr. Yu Kwok Tung ("**Mr. Yu**").

The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Units 2601–3 Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong respectively.

The Company is an investment holding company. Its major operating subsidiary, De Riva, was involved in the business of dealing in securities and futures contracts as a futures non-clearing dealer.

The functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") is Hong Kong dollar ("**HK$**"), which is the same as the presentation currency of the consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the Reorganisation as detailed in the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 14 August 2018 (the "**Prospectus**"), the Company became the holding company of the companies now comprising the Group on 3 August 2018. The Group, comprising the Company and its subsidiaries, resulting from the Reorganisation, was directly and/or beneficially owned by the same ultimate beneficial owner, Mr. Yu, before and after the Reorganisation.

As such, this Reorganisation is effectively interspersing a shell company over the subsidiaries and there was a continuation of risks and benefits to the ultimate beneficial owner. Accordingly, the Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The consolidated financial statements of the Group have been prepared as if the Company had always been the holding company of the companies now comprising the Group for the years ended 31 March 2019 and 2018.

The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows included the results and cash flows of the companies now comprising the Group as if the current group structure had been in existence for the years ended 31 March 2019 and 2018 or since their respective dates of incorporation. The consolidated statements of financial position of the Group as at 31 March 2018 has been prepared to present the assets and liabilities of the companies comprising the Group using the carrying amounts as if the current group structure had been in existence as at that date. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**"), amendments and Interpretations ("**Int(s)**"), issued by the HKICPA.

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

The impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers have been summarised below. The application of other new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in retained profits as at 1 April 2018.

The Group's accounting policies for the classification and measurement of financial instruments and the impairment of financial assets are disclosed in detail in Note 4 below.

(a) Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets and liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

(b) Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking expected credit loss ("**ECL**") model. The directors of the Company reviewed and assessed the Group's existing financial assets for impairment as at 1 April 2018 by using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement under HKFRS 9.

It is concluded that, as at 1 April 2018, no additional credit loss allowance has been recognised against retained earnings as the estimated allowance under the ECL model were not significantly different to the impairment losses previously recognised under HKAS 39.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue.

The Group's accounting policies for its revenue streams are disclosed in detail in Note 4 below.

The impact of transition to HKFRS 15 was insignificant on the retained earnings at 1 April 2018.

The adoption of HKFRS 15 did not have material impact on the consolidated statement of profit or loss and other comprehensive income for the current year and the consolidated statement of financial position at 31 March 2019, by comparing the amounts reported under HKAS 18 and related interpretations that were in effect before the change. The adoption of HKFRS 15 did not have material impact on the Group's operating, investing and financing cash flow.

New and revised HKFRSs issued but not yet effective

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

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

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

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 16 Leases

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

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

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

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

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

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$3,540,000 as disclosed in Note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise right-of-use assets and corresponding liabilities in respect of all these leases unless they are exempt from the reporting obligations under HKFRS 16. The directors of the Company expect that, apart from the changes in the measurement, presentation and disclosure as indicated above, the adoption of HKFRS 16 will not have other material impact on amounts reported in the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

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

Consolidation of a subsidiary begins when the Company obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from date the Group gains control until the date when the Group ceases to control the subsidiary.

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

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements include the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss/profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period unless the combining entities or businesses first came under common control at a later date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Policy applicable for the year ended 31 March 2019 (with application of HKFRS 15)

Revenue is recognised to depict the transfer of promised goods and services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services to a customer. Specifically, the Group uses a five-step approach to recognise revenue:

- 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 the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligations is transferred to customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

The Group recognised revenue from commission income for dealing in securities and futures contracts as a futures non-clearing dealer.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Policy applicable for the year ended 31 March 2019 (with application of HKFRS 15) (Continued)

Contract assets and contract liabilities (Continued)

Commission income from dealing in securities and futures contracts as a futures non-clearing dealer are recognised at a point in the time when the services for the transactions are completed under the terms of each engagement and the revenue can be measured reliably, since only by that time the Group has a present right to receive payment from the customers for the service performed. Payment of the transaction is due immediately when the dealing in securities and futures contracts as a futures non-clearing dealer are rendered to the customers. The Group has the primary responsibility for providing the services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the services ordered by the customer.

Policy applicable for the year ended 31 March 2018

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

Commission income is recognised when the services are rendered; and

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

Financial instruments

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

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

Under HKFRS 9 (applicable on or after 1 April 2018)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKFRS 9 (applicable on or after 1 April 2018) (Continued)

Financial assets (Continued)

Financial assets at amortised cost

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income from debt securities are recognised in profit or loss and is included in the "other income and gains, net" (Note 10).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKFRS 9 (applicable on or after 1 April 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKFRS 9 (applicable on or after 1 April 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

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

- when there is a breach of financial covenants by the debtor; or

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

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKFRS 9 (applicable on or after 1 April 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

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

Measurement and recognition of ECL

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

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKFRS 9 (applicable on or after 1 April 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKAS 39 (applicable before 1 April 2018)

Financial instruments

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis.

Loans and receivables

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

Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKAS 39 (applicable before 1 April 2018) (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

Financial liabilities and equity instruments

Classification of debt or equity

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

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

Other financial liabilities

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

Effective interest method

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

Interest is recognised on an effective interest basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under HKAS 39 (applicable before 1 April 2018) (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

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

Derecognition

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

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

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

Leasing

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

The Group as lessee

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

Property and equipment

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

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

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

Intangible assets

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible assets and intangible assets

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

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

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

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

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

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

Taxation

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

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

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

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

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

Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Cash and cash equivalents

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key source of estimation uncertainty

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

Provision for ECL on trade receivables

The provision for ECL on trade receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2019 and 1 April 2018, the carrying amounts of the trade receivables were approximately HK$14,465,000 and HK$21,211,000 respectively, net of accumulated losses allowance for ECL trade receivables of approximately HK$73,000 and nil respectively. More details are given in Note 20 to the consolidated financial statements.

6. CAPITAL RISK MANAGEMENT

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

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

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Categories of financial instruments

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Financial assets		
At amortised cost/loans and receivables (including cash and cash equivalents)	**83,190**	52,641
Financial liabilities		
Financial liabilities at amortised cost	**4,777**	12,714

b) Financial risk management objectives and policies

The Group's major financial instruments include deposits paid for acquisitions of property and equipment, trade receivables, deposits and other receivables, cash and cash equivalents, other payables and accruals and dividend payable.

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

(i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets include trade receivables, other receivables and bank balances.

As at 31 March 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

Starting from 1 April 2018, for trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on an individual basis for customer with significant balances and/or collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors consider that the Group's credit risk is significantly reduced.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

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

For other non-traded related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

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

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

Management considered amounts due from a subsidiary to be low credit risk and thus the impairment provision recognised during the year was limited to 12-month ECL.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant increase in credit risk on other financial instruments of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades are disclosed in respective notes.

31 March 2019	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK$000	Loss allowance HK$000	Net carrying amount HK$000
Trade receivables	20	N/A	Lifetime ECL (simplified)	14,538	(73)	14,465
Deposits and other receivables	21	Performing	12-month ECL	9,582	–	9,582
				24,120	(73)	24,047

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk

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

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

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

(iii) Currency risk

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

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

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

	Assets		Liabilities	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000
JPY	1,024	1,060	–	–
SGD	1,309	1,625	–	–
USD	15,018	14,227	354	301
EUR	3	3	–	–
AUD	14	15	–	–
GBP	2	2	247	253

The management considered that the currency between HK$ and USD are subject to a sensitivity rate of 1%. The sensitivity analysis includes only outstanding USD denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in USD rates. For a 1% weakening of HK$ against the USD, as at 31 March 2019, the increase in post-tax profit was approximately HK$122,000 (2018: HK$116,000).

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Financial risk management objectives and policies (Continued)

(iii) Currency risk (Continued)

The following table details the Group's sensitivity to a 5% change in Hong Kong dollars against the respective foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a increase in post-tax profit and equity where Hong Kong dollars weaken against the respective foreign currencies. For a 5% strengthening of Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the post-tax profit and equity and the numbers below would be negative.

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Increase (decrease) in post-tax profit		
JPY impact	**43**	44
SGD impact	**55**	68
EUR impact	**–***	–*
AUD impact	**1**	1
GBP impact	**(10)**	(10)

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

(iv) Liquidity risk

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

All financial liabilities are non-interest bearing and their maturity dates are either within one year or repayable on demand.

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

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

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

8. REVENUE

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

	Year ended 31 March	
	2019	2018*
	HK$'000	HK$'000
Commission income from dealing in securities and futures contracts as a futures non-clearing broker	**65,148**	76,759

All revenue are recognised at a point of time during the year ended 31 March 2019.

* The amounts for the year ended 31 March 2018 were recognised under HKAS 18.

9. SEGMENT INFORMATION

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

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

Information about major customers

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

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Customer A	**6,854**	7,688
Customer B	**9,792**	N/A*

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

10. OTHER INCOME AND GAINS, NET

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Bank interest income	**74**	1
Exchange gain, net	**31**	265
Sundry income	**–**	189
	105	455

11. FINANCE COSTS

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Overdraft interest	**30**	38

12. PROFIT BEFORE TAX

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Profit for the year has been arrived at after charging:		
Directors' emoluments (Note 14)		
Fees	**810**	–
Emoluments	**15,812**	20,400
Contributions to retirement benefits scheme (Note)	**90**	86
	16,712	20,486
Other staff costs	**20,186**	21,237
Contributions to retirement benefits scheme (Note)	**269**	251
	20,455	21,488
Total staff costs	**37,167**	41,974
Auditor's remuneration	**744**	80
Write-off of property and equipment	**24**	–
Depreciation	**574**	151
Operating lease rental payments for rented premises	**2,007**	1,116

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

13. INCOME TAX EXPENSE

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Current tax:		
Hong Kong	**720**	3,052
Tax exemption for the year	**(20)**	(30)
	700	3,022
Deferred tax (Note 24)	**436**	–
	1,136	3,022

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. For the year ended 31 March 2019, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. For the year ended 31 March 2018, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

The income tax expense for the years ended 31 March 2019 and 2018 can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Profit before tax	**1,301**	7,800
Tax at domestic income tax rate of 16.5%	**215**	1,287
Tax effect of expenses not deductible	**933**	1,756
Tax effect of income not taxable	**(6)**	–*
Tax effect of temporary difference not recognised	**–**	9
Utilisation of deductible temporary difference not recognised	**(71)**	–
Tax effect of tax losses not recognised	**250**	–
Effect of two-tiered profits tax rates regime	**(165)**	–
Tax effect of tax exemption granted	**(20)**	(30)
Income tax expense for the year	**1,136**	3,022

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

Tax exemptions represented reduction of Hong Kong Profits Tax for the year of assessment of 2018/2019 and 2017/2018 by 75%, subject to a ceiling of HK$20,000 and HK$30,000 per case respectively.

As at 31 March 2019 and 2018, the Group has unrecognised deductible temporary differences of approximately nil and HK$431,000 respectively.

14. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors of the Company during the year ended 31 March 2019 was as follows:

	Fees HK$'000	Salaries and other allowances[i] HK$'000	Discretionary Bonus[ii] HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors:					
Mr. Lee Tik Man Dick	120	738	982	18	1,858
Mr. Fung Wai Yip Patrick	120	738	932	18	1,808
Mr. Lau Ming Yeung Lambert	120	2,030	1,550	18	3,718
Mr. Choi Man Ho	120	1,200	2,346	18	3,684
Mr. Ng Yu Fai	120	1,680	3,616	18	5,434
Non-executive director:					
Mr. Yu Kwok Tung	–	–	–	–	–
Independent non-executive directors:					
Mr. Voon David Hian-fook	70	–	–	–	70
Mr. Or Kevin	70	–	–	–	70
Mr. Wu Ping Lam Michael David	70	–	–	–	70
	810	6,386	9,426	90	16,712

14. DIRECTORS' EMOLUMENTS (CONTINUED)

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

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

Notes:

(i) No directors or chief executive waived or agreed to waive any emoluments during both years.

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

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

(iv) Mr. Lau Ming Yeung Lambert, Mr. Choi Man Ho ("**Mr. Choi**") and Mr. Ng Yu Fai, the employees of De Riva during both years, were appointed as the Company's executive directors on 1 November 2017. Mr. Lee Tik Man Dick and Mr. Fung Wai Yip Patrick, the directors of De Riva during both years, were appointed as the Company's executive directors on 1 November 2017.

(v) Mr. Yu Kwok Tung, the controlling shareholder of the Company since the Reorganisation and De Riva during both years, was appointed as the Company's director on 29 November 2017 and re-designated as a non-executive director on 29 November 2017.

(vi) Mr. Voon David Hian-fook, Mr. Or Kevin and Mr. Wu Ping Lam Michael David were appointed as the Company's independent non-executive directors on 30 July 2018.

15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2018: four) of them were directors of the Company for the year ended 31 March 2019. The emoluments of the individuals other than the directors of the Company for both years were as follows:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Salaries, allowances, and other benefits	**2,160**	900
Discretionary bonuses	**3,205**	2,500
Contributions to retirement benefits scheme	**36**	18
	5,401	3,418

Their emoluments were within the following bands:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$3,000,000	**2**	–
HK$3,000,001 to HK$4,000,000	**–**	1

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

16. DIVIDEND

No dividend was paid or proposed subsequent to the end of the reporting period and up to the date of this report (2018: nil).

17. EARNINGS PER SHARE

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

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Profit		
Profit for the purpose of basic and diluted earnings per share for the year attributable to the owners of the Company	**165**	4,778

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**720,547,945**	600,000,000

The weighted average number of ordinary shares in issue during the year ended 31 March 2019 and 2018 used in the calculation of basic earnings per share is determined on the assumption that the 10,000 ordinary shares and the 599,990,000 ordinary shares issued upon the capitalisation issue and Reorganisation as described in the Prospectus had been in issue since 1 April 2018 and 1 April 2017 respectively.

Diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years.

18. PROPERTY AND EQUIPMENT

	Computer equipment HK$'000	Furniture and fixtures HK$'000	Leasehold improvements HK$'000	Office equipment HK$'000	Total HK$'000
COST					
At 1 April 2017	1,052	105	735	833	2,725
Additions	44	–	45	–	89
At 31 March 2018	1,096	105	780	833	2,814
Additions	2,270	215	1,447	701	4,633
Write-off	(175)	(23)	(735)	(686)	(1,619)
At 31 March 2019	**3,191**	**297**	**1,492**	**848**	**5,828**
ACCUMULATED DEPRECIATION					
At 1 April 2017	905	93	655	805	2,458
Charged for the year	82	6	46	17	151
At 31 March 2018	987	99	701	822	2,609
Charged for the year	103	41	284	146	574
Write-off	(175)	(21)	(718)	(681)	(1,595)
At 31 March 2019	**915**	**119**	**267**	**287**	**1,588**
CARRYING VALUES					
At 31 March 2019	**2,276**	**178**	**1,225**	**561**	**4,240**
At 31 March 2018	109	6	79	11	205

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

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

19. INTANGIBLE ASSETS

	Total HK$'000
Trading Rights	
COST	
At 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	1,000
CARRYING VALUES	
At 31 March 2019	**1,000**
At 31 March 2018	1,000

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

The trading rights held by the Group are considered by the directors of the Company as having indefinite useful lives because they are expected to contribute net cash inflows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whether there is an indication that they may be impaired.

No impairment loss on intangible assets is recognised during both years.

20. TRADE RECEIVABLES

	2019 HK$'000	2018 HK$'000
Trade receivables	**14,538**	21,211
Less: Loss allowance for trade receivables	**(73)**	–
	14,465	21,211

The Group's trade receivables arose from business of dealing in securities and the futures contracts during both years.

As at 31 March 2019, the gross amount of trade receivables arising from contracts with customer amounted to approximately HK$14,538,000 (1 April 2018: HK$21,211,000).

20. TRADE RECEIVABLES (CONTINUED)

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

The following is an ageing analysis of trade receivables net of loss allowance presented based on the invoice date.

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within 30 days	**5,958**	7,227
31–60 days	**3,212**	5,671
61–90 days	**1,724**	3,054
91–120 days	**1,029**	1,240
Over 120 days	**2,615**	4,019
	14,538	21,211

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

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

	As at 31 March
	2018
	HK$'000
Within 30 days	5,671
31–60 days	3,054
61–90 days	1,240
Over 90 days	4,019
Total	13,984

20. TRADE RECEIVABLES (CONTINUED)

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group recognised lifetime ECL for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

	Weighted average expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	HK'000	HK'000
Current (not past due)	–	5,958	–
Within 30 days	0.03	3,212	1
31-60 days	0.05	1,724	1
61-90 days	0.26	1,029	3
Over 90 days	2.60	2,615	68
		14,538	73

Movement in the loss allowance:

	2019	2018
	HK$'000	HK$'000
Balance at the beginning of the year	**–**	–
Provision for ECL recognised on trade receivables	**73**	–
Balance at the end of the year	**73**	–

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Prepayments	**1,225**	1,522
Deposits		
– Deposits placed in clearing brokers	**8,904**	9,083
– Rental deposits	**567**	888
– Others	**111**	91
	9,582	10,062
Other receivables	**–**	7
	10,807	11,591
Analysed as:		
Current	**10,240**	11,024
Non-current (rental deposit)	**567**	567
	10,807	11,591

22. CASH AND CASH EQUIVALENTS

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

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Cash and cash equivalents	**59,143**	21,361
Bank overdrafts	**–**	(758)
	59,143	20,603

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

Bank overdrafts carry interest at market rates of 1.28% per annum during both years.

23. OTHER PAYABLES AND ACCRUALS

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Other payables	**263**	264
Accruals	**4,514**	11,692
	4,777	11,956

24. DEFERRED TAX LIABILITY

The following is the major deferred tax liability recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000
As at 1 April 2017, 31 March 2018 and 1 April 2018	–
Charged to profit or loss (Note 13)	436
As at 31 March 2019	436

At 31 March 2019, the Group had unused tax loss of approximately HK$1,517,000 (2018: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax loss due to the unpredictability of future profit streams. All tax losses may be carried forward indefinitely.

25. SHARE CAPITAL

The Group

As the Reorganisation was not completed as at 31 March 2018, the share capital of the Group presented in the combined financial statements as at 31 March 2018 represented the combined share capital of the Company and its subsidiaries.

25. SHARE CAPITAL (CONTINUED)

The Company

	Notes	Number of shares	Share capital HK$
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 November 2017 (date of incorporation), 31 March 2018 and 1 April 2018	(a)	38,000,000	380,000
Increase during the year	(d)	4,962,000,000	49,620,000
At 31 March 2019		5,000,000,000	50,000,000
Issued and fully paid:			
At 1 November 2017 (date of incorporation)	(a)	1	–*
Issue of shares on 29 November 2017	(b)	4,999	50
At 31 March 2018 and 1 April 2018		5,000	50
Issue of shares upon Reorganisation	(c)	5,000	50
Capitalisation issue	(e)	599,990,000	5,999,900
Issue of shares upon share offer	(f)	200,000,000	2,000,000
At 31 March 2019		800,000,000	8,000,000

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

Notes:

(a) The authorised share capital of the Company as of the date of its incorporation was HK$380,000 divided into 38,000,000 shares of HK$0.01 each, of which one nil-paid share was allotted and issued to the initial subscriber on the date of incorporation and was transferred to Mr. Choi on the same day at nil consideration. On 29 November 2017, Mr. Choi transferred his one nil-paid share at par to Beyond Delta Limited ("**Beyond Delta**").

(b) On 29 November 2017, the Company allotted and issued, credited as fully paid, (i) 3,450 shares to Oasis Green; (ii) 800 shares to Jolly Ocean Global Limited ("**Jolly Ocean**"); (iii) 450 shares to Dense Jungle Limited ("**Dense Jungle**"); and (iv) 299 shares to Beyond Delta.

(c) On 3 August 2018, the Company acquired the entire issued share capital in DLS Capital Limited from Pacific Asset Limited, Santo Global Investments Limited, Mr. Ng Yu Fai and Mr. Choi, in consideration of the Company allotting and issuing 3,450 shares, 800 shares, 450 shares and 300 shares at par of HK$0.01 each (equivalent to HK$50 in aggregate), all being credited as fully paid to Oasis Green, Jolly Ocean, Dense Jungle and Beyond Delta, respectively.

(d) Pursuant to shareholders' written resolutions passed on 30 July 2018, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 shares of HK$0.01 each by the creation of an additional 4,962,000,000 shares.

(e) Pursuant to shareholders' written resolution passed on 30 July 2018, the directors of the Company were authorised to capitalise a sum of HK$5,999,900 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 599,990,000 shares for allotment and issue to the then shareholders of the Company as at 3 August 2018 in proportion of their then respective shareholdings in the Company.

(f) In connection with the Company's share offer and the listing, the Company issued 200,000,000 ordinary shares of HK$0.01 each at a price of HK$0.255 for a total consideration (before expenses) of HK$51,000,000. Dealings of the Company's shares on GEM commenced on 27 August 2018.

26. RETIREMENT BENEFITS SCHEME

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

The total cost charged to profit or loss of approximately HK$359,000 and HK$337,000 represents contributions payable to retirement benefits scheme contributions by the Group in respect of the years ended 31 March 2019 and 2018 respectively.

27. OPERATING LEASE COMMITMENTS

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

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within one year	**1,847**	2,007
In the second to fifth years inclusive	**1,693**	3,540
Total	**3,540**	5,547

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

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company conditionally adopted the Share Option Scheme (the "Scheme") on 30 July 2018. The purpose of the Share Option Scheme is to enable the Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of our Board, has contributed or may contribute to the Group (the "Eligible Participant") as incentive or reward for their contribution to the Group to subscribe for our Shares thereby linking their interest with that of the Group.

The Scheme will remain in force for a period of 10 years commenced on 27 August 2018.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the Listing Date, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue during any 12-month period, without prior approval from the Company's shareholders.

The offer of a grant of share options under the Scheme may be accepted within the period as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the offer date) upon payment of a consideration of HK$1 by the grantee.

28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company (Continued)

The subscription price per Share shall be determined by the directors and shall not be less than the highest of (a) the closing price of our Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the grant of the particular option, which must be a business day; (b) the average of the closing prices of our Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

An option may be exercised at any time during the period to be determined and notified by our Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

No share option has been granted since the Scheme since its adoption. As at 31 March 2019, there are no outstanding share options issued under the Scheme.

Share award scheme of the Company

The Group adopted a share award scheme on 4 April 2019, details of the share award scheme are set out in the Company's announcement dated 8 April 2019.

29. RELATED PARTY TRANSACTIONS

Compensation to key management personnel

The remuneration of directors and other key management personnel of the Group during both years were as follow:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Short-term benefits	**16,622**	20,400
Post-employment benefits	**90**	86
Total	**16,712**	20,486

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

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	1 April 2017	Financing cash flow	31 March 2018
	HK$'000	HK$'000	HK$'000
Dividend payable	4,000	(4,000)	–

There were no liabilities arising from financing activities during the year ended 31 March 2019.

31. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION

	Notes	2019 HK$'000	2018 HK$'000
Non-current asset			
Investment in subsidiaries	(a)	**43,188**	–
Current assets			
Prepayments, deposits and other receivables		**250**	–*
Amount due from a subsidiary		**1,033**	–
Bank balances		**24,979**	–
		26,262	–*
Current liability			
Other payables and accruals		**485**	–
Net current assets		**25,777**	–
Net assets		**68,965**	–*
Equity and reserve			
Share capital		**8,000**	–*
Reserves	(b)	**60,965**	–
Total equity		**68,965**	–*

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

(a) Investment in subsidiaries

	2019 HK$'000	2018 HK$'000
Unlisted shares, at cost	**43,188**	–

31. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

(a) Investment in subsidiaries (Continued)

As at 31 March 2019 and 2018, the Company has interest in the following subsidiaries:

Name of subsidiary	Country of incorporation/principal place of business	Class of shares held	Paid up issued ordinary share capital/ registered capital	Proportion of nominal value of issued capital held by the Company				Principal activities
				2019		2018		
				Directly	Indirectly	Directly	Indirectly	
DLS Capital Limited	British Virgin Islands	Ordinary	USD10,000/USD50,000 (2018: USD5,000/ USD50,000)	100%	-	100%	-	Investment holdings
De Riva	Hong Kong	Ordinary	HK$6,800,000/HK$6,800,000 (2018: HK$6,800,000/ HK$6,800,000)	-	100%	-	100%	Provision of services of dealing in securities and futures contracts as a futures non-clearing broker

(b) Reserve of the Company

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 November 2017 (date of incorporation) and 31 March 2018	–	–	–	–
Loss and total comprehensive expense for the year	–	–	(17,153)	(17,153)
Capitalisation issue (Note 25(e))	(6,000)	–	–	(6,000)
Issue of share upon share offer (Note 25(f))	49,000	–	–	49,000
Arising from Reorganisation	–	43,189	–	43,189
Transaction costs in connection with the issue of shares upon share offer	(8,071)	–	–	(8,071)
At 31 March 2019	34,929	43,189	(17,153)	60,965

Note: Other reserve represents the difference between the nominal value of the shares issued and the net asset value of the DLS Capital Limited at the date of acquisition.

32. EVENT AFTER THE REPORTING PERIOD

On 21 May 2019, De Riva, an indirect wholly-owned subsidiary of the Company, recorded a material human error trade resulting a loss of approximately HK$2,700,000. It is expected that the loss will have material impact to the unaudited net profit/loss of the Group for its first quarterly results (i.e. the three months ending 30 June 2019).

Financial Summary

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

	For the year ended 31 March			
	2019	2018	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**65,148**	76,759	59,752	60,206
Profit before income tax	**1,301**	7,800	14,222	16,147
Listing expenses	**(5,039)**	(10,610)	–	–
Profit and total comprehensive income for the year attributable to the owners of the Company	**165**	4,778	11,857	13,491
Profit and total comprehensive income for the year attributable to the owners of the Company (adjusted listing expenses)	**5,204**	15,388	11,857	13,491

	For the year ended 31 March			
	2019	2018	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**5,807**	3,302	1,267	1,424
Current assets	**86,047**	53,596	46,759	37,724
Current liabilities	**4,777**	13,351	9,257	8,236
Net current assets	**81,270**	40,245	37,502	29,488
Non-current liability	**436**	–	–	–
Net assets	**86,641**	43,547	38,769	30,912

No financial statements of the Group for the year ended 31 March 2015 has been published.

The financial information for the years ended 31 March 2018, 2017 and 2016 were extracted from the Prospectus.

Glossary

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	annual general meeting of the Company
"Articles"	the articles of association of our Company conditionally adopted on 30 July 2018 to take effect on the Listing Date, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	DLC Asia Limited
"Company Secretary"	the secretary of the Company
"Consolidated Financial Statements"	consolidated financial statements of the Company
"Director(s)"	the director(s) of the Company
"De Riva"	De Riva Asia Limited, a company incorporated in Hong Kong with limited liability on 27 July 2009 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation. De Riva is licensed by the SFC to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO in Hong Kong, and is the principal operating subsidiary of the Company
"Executive Committee"	the executive committee of the Company
"FY2018"	the year ended 31 March 2018
"FY2019"	the year ended 31 March 2019
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (as amended from time to time)
"Group"	the Company and its subsidiaries from time to time

Glossary

"HKFE Exchange Participant(s)"	a licensed corporation to carry on type 2 (dealing in futures contracts) regulated activity under the SFO who, in accordance with the rules of the Futures Exchange, may trade on or through the Futures Exchange and whose name is entered in a list, register or roll kept by the Futures Exchange as a person who may trade on or through the Futures Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Licensed Representative(s)"	an individual who is granted a licence under section 120(1) or 121(1) of the SFO to carry on one or more regulated activities for a licensed corporation to which he/she is accredited
"Listing"	the listing and the commencement of dealings of the Shares on GEM
"Listing Date"	27 August 2018, on which the Shares are listed and from which dealings therein are permitted to take place on GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Company
"Professional Investor(s)"	corporates or individuals as ascribed in Part I of Schedule I of SFO
"Prospectus"	the prospectus of the Company dated 14 August 2018
"Remuneration Committee"	the remuneration committee of the Company
"Required Standard of Dealings"	the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules
"Responsible Officer(s)"	a Licensed Representative who is also approved as a responsible officer under Section 126 of the SFO to supervise one or more regulated activities of the licensed corporation to which he/she is accredited
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the issued share capital of the Company
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on 30 July 2018
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USA" or "US"	United States of America
"US$"	United States dollars, the lawful currency of the USA
"%"	per cent