Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

EFT Solutions Holdings Limited
俊盟國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8062)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

*This announcement, for which the directors (the "**Directors**") of EFT Solutions Holdings Limited (the "**Company**"), and together with its subsidiaries, (the "**Group**", "**we**" or "**our**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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.*

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board of Directors of the Company (the "**Board**") is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2018, together with the comparative figures for the year ended 31 March 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	4	**94,148**	53,282
Cost of goods sold and services		**(45,315)**	(31,234)
Gross profit		**48,833**	22,048
Other income	6	**564**	193
Other losses		**(257)**	(183)
Administrative expenses		**(21,522)**	(7,678)
Operating profit		**27,618**	14,380
Listing expenses		**–**	(13,078)
Finance costs	7	**(13)**	(168)
Share of results of an associate		**(214)**	–
Profit before tax		**27,391**	1,134
Income tax expense	8	**(5,693)**	(2,429)
Profit (loss) and total comprehensive income (expense) for the year	9	**21,698**	(1,295)
Earnings (loss) per share			
– Basic (HK cents)	11	**4.52**	(0.31)
– Diluted (HK cents)	11	**4.46**	(0.31)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,785**	1,080
Investment in an associate		**4,937**	–
Deposits	12	**8,306**	246
		15,028	1,326
CURRENT ASSETS			
Inventories		**6,326**	960
Trade and other receivables	12	**66,855**	14,667
Tax recoverable		**–**	445
Bank balances and cash		**22,626**	46,420
		95,807	62,492
CURRENT LIABILITIES			
Trade and other payables	13	**16,022**	5,397
Bank borrowings		**5,000**	314
Tax payable		**3,749**	–
		24,771	5,711
NET CURRENT ASSETS		**71,036**	56,781
NET ASSETS		**86,064**	58,107
CAPITAL AND RESERVES			
Share capital		**4,800**	4,800
Share premium and reserves		**81,264**	53,307
TOTAL EQUITY		**86,064**	58,107

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Share capital *HK$'000*	Share premium *HK$'000*	Special reserve *HK$'000* *(Note)*	Share options reserve *HK$'000*	Accumulated profits *HK$'000*	Total *HK$'000*
As at 1 April 2016	–	–	–	–	11,285	11,285
Loss and total comprehensive expense for the year	–	–	–	–	(1,295)	(1,295)
Effect of group reorganisation *(Note)*	–	10,228	(10,228)	–	–	–
Issue of shares	960	52,800	–	–	–	53,760
Transaction costs attributable to issue of shares	–	(5,643)	–	–	–	(5,643)
Capitalisation issue	3,840	(3,840)	–	–	–	–
As at 31 March 2017	**4,800**	**53,545**	**(10,228)**	**–**	**9,990**	**58,107**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**21,698**	**21,698**
Equity-settled share-based payment transactions	**–**	**–**	**–**	**9,585**	**–**	**9,585**
Forfeiture of share options	**–**	**–**	**–**	**(3,734)**	**408**	**(3,326)**
As at 31 March 2018	**4,800**	**53,545**	**(10,228)**	**5,851**	**32,096**	**86,064**

Note: Special reserve represents the difference between the entire issued shares of EFT Solutions Limited ("**EFT**") acquired by the Group amounting to HK$100 and the consideration for acquiring EFT by EFT Solutions International Limited, a wholly-owned subsidiary of the Group, amounting to approximately HK$10,228,000 pursuant to the Reorganisation (as defined in Note 2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 26 May 2016. Its registered office is located at Estera Trust (Cayman) Limited, Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at Workshops B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong.

The Company's shares (the "**Shares**") were listed on GEM of the Stock Exchange on 15 December 2016 (the "**Listing**").

The Company is an investment holding company and its subsidiaries are principally engaged in sourcing of electronic fund transfer at point-of-sale ("**EFT-POS**") terminals and peripheral devices, and provision of EFT-POS system support services and software solution services. Its parent and ultimate holding company is LCK Group Limited ("**LCK**"), a private company incorporated in the British Virgin Islands (the "**BVI**"). Its ultimate controlling party is Mr. Lo Chun Kit, Andrew ("**Mr. Lo**").

The presentation currency of the consolidated financial statements is Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Group.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the reorganisation in preparation for the Listing of the Shares, the Company became the holding company of the subsidiaries now comprising the Group on 20 June 2016 (the "**Reorganisation**"), the details of which are set out in the prospectus of the Company dated 5 December 2016 (the "**Prospectus**"). Accordingly, the comparative figures of the consolidated financial statements have been prepared on a combined basis as if the current group structure had been in existence since 1 April 2016, or since the respective dates of incorporation of the relevant entity.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules 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.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRS 2015–2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which is relevant to the Group is in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under Hong Kong Accounting Standard ("**HKAS**") 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, the directors of the Company (the "**Directors**") anticipated that the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

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

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the Directors do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the operating lease payments are currently presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of HK$1,716,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

Except as described above, the Directors do not expect the application of the other new and amendments to HKFRSs in issue but not yet effective in the current year will have material impact on the Group's financial performance and positions and/or on the disclosures set out in the consolidated financial statements.

4. REVENUE

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

	2018	2017
	HK$'000	*HK$'000*
Sourcing of EFT-POS terminals and peripheral devices	**31,386**	23,781
EFT-POS system support services	**36,223**	27,246
Software solution services	**26,539**	2,255
	94,148	53,282

5. SEGMENT INFORMATION

Information reported to Mr. Lo, being the chief operating decision maker ("**CODM**"), for the purpose of resource allocation and assessment of segment performance, focuses on types of goods delivered or services provided.

Specifically, the Group's reportable and operating segments are as follows:

Sale of hardware devices	–	Sourcing of EFT-POS terminals and peripheral devices
System support and software solution services	–	Provision of EFT-POS system support and software solution services

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment information about these reportable and operating segments is presented below:

Year ended 31 March 2018

	Sale of hardware devices	System support and software solution services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue – external customers	**31,386**	**62,762**	**94,148**
Segment results	**12,062**	**37,065**	**49,127**
Other income			**45**
Finance costs			**(13)**
Share of results of an associate			**(214)**
Unallocated expenses			**(21,554)**
Profit before tax			**27,391**

Year ended 31 March 2017

	Sale of hardware devices	System support and software solution services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue – external customers	23,781	29,501	53,282
Segment results	10,911	10,904	21,815
Other income			143
Finance costs			(168)
Listing expenses			(13,078)
Unallocated expenses			(7,578)
Profit before tax			1,134

Segment results represent the profit earned by each segment without allocation of certain other income, finance costs, central administrative costs, listing expenses, share of results of an associate and other unallocated expenses including depreciation expenses and directors' remuneration that are not directly attributable to segments as disclosed in the above table. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2018	2017
	HK$'000	*HK$'000*
Segment assets		
Sale of hardware devices	**14,566**	7,194
System support and software solution services	**35,615**	7,012
Total segment assets	**50,181**	14,206
Unallocated assets:		
Property, plant and equipment	**1,785**	1,080
Investment in an associate	**4,937**	–
Prepayment and deposits	**31,306**	1,667
Tax recoverable	**–**	445
Bank balances and cash	**22,626**	46,420
Consolidated assets	**110,835**	63,818
Segment liabilities		
Sale of hardware devices	**9,252**	1,509
System support and software solution services	**6,591**	1,196
Total segment liabilities	**15,843**	2,705
Unallocated liabilities:		
Other payables and accrued expenses	**5,179**	2,692
Bank borrowings	**–**	314
Tax payable	**3,749**	–
Consolidated liabilities	**24,771**	5,711

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, investment in an associate, certain prepayment and deposits, tax recoverable and bank balances and cash that are not attributable to respective segment.

- all liabilities are allocated to operating segments other than certain other payables and accrued expenses, bank borrowings and tax payable that are not attributable to respective segment.

Other segment information

Year ended 31 March 2018

	Sale of hardware devices *HK$'000*	**System support and software solution services** *HK$'000*	**Consolidated** *HK$'000*
Allowance for doubtful debts	**8**	**160**	**168**

Year ended 31 March 2017

	Sale of hardware devices *HK$'000*	System support and software solution services *HK$'000*	Consolidated *HK$'000*
Allowance for doubtful debts	1	160	161

Geographical information

Non-current assets by geographical location

An analysis of the Group's non-current assets by geographical location is as follows:

	2018 *HK$'000*	2017 *HK$'000*
Hong Kong	**10,091**	1,326
Australia	**4,937**	–
	15,028	1,326

Revenue by geographical location

An analysis of the Group's revenue from external customers by geographical location, determined based on the shipment destination for the sale of hardware devices and the location of services rendered for system support and software solution services are detailed below:

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**86,208**	48,578
Macau	**5,957**	2,242
Australia	**1,935**	2,462
Others	**48**	–
	94,148	53,282

Information about major customers

Revenue from customers that individually contributing over 10% of the total revenue of the Group during the year are as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A from system support and software solution services segment	**17,827**	15,031
Customer B from sale of hardware devices and system support and software solution services segments	**9,517**	N/A *(Note)*
Customer C from sale of hardware devices and system support and software solution services segments	**N/A** *(Note)*	7,462

Note: The corresponding revenue did not contribute over 10% of the total sales of the Group for the current year or previous year.

6. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Interest income from a director	**–**	19
Management income from a related company	**20**	60
Rental income from a related company	**21**	47
Bank interest income	**4**	17
Income from delivery cost recharged to customers	**519**	50
	564	193

7. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on bank borrowings	**13**	168

8. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
– Current year	**5,693**	2,454
– Overprovision in prior year	**–**	(25)
	5,693	2,429

The Group is subject to Hong Kong Profits Tax at a rate of 16.5% for both years.

Taxation arising from other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision for oversea profits tax has been made as the Group did not generate any assessable profits arising for both years.

9. PROFIT (LOSS) FOR THE YEAR

	2018	2017
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging:		
Directors' remuneration	**11,462**	1,828
Other staff costs		
– salaries and allowances	**14,993**	11,340
– discretionary bonus	**1,449**	1,856
– retirement benefits scheme contribution	**676**	545
– share-based payment expenses	**408**	–
Total employee benefits expenses (including directors' emoluments)	**28,988**	15,569
Auditor's remuneration	**600**	800
Cost of inventories recognised as expense	**19,208**	12,785
Depreciation of property, plant and equipment	**864**	857

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year (2017: nil), nor has any dividend been proposed since the end of the reporting period.

11. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share for both years is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Earnings (loss)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share	**21,698**	(1,295)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**480,000**	412,142
Effect of dilutive potential ordinary shares on share options	**6,439**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**486,439**	412,142

The weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share has been determined based on the assumption that the Reorganisation and capitalisation issue had been effective on 1 April 2016.

12. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Current assets		
Trade receivables *(Note)*	**42,716**	13,092
Prepayment and other deposits	**24,139**	1,575
Total	**66,855**	14,667

Note: Included in the trade receivables above, approximately HK$1,000 (2017: nil) represented the trade receivables from Guangzhou EFTPay Limited, of which Mr. Lo ultimately holds 100% of its shareholdings.

	2018	2017
	HK$'000	*HK$'000*
Non-current asset		
Rental deposits paid to the Lo's Family and Mr. Lo Chun Wa *(Note a)*	**246**	246
Rental deposits paid to an independent landlord	**60**	–
Investment deposit *(Note b)*	**8,000**	–
Total	**8,306**	246

Notes:

(a) The properties owned by Mr. Lo and his spouse, Ms. Lam Ching Man ("**Ms. Lam**", collectively referred to as the "**Lo's Family**") and Mr. Lo Chun Wa are used as the office premises of the Group in Hong Kong.

(b) Investment deposit represented the deposit paid to Hung Wai Holdings Limited ("**Hung Wai**") as an earnest money for the proposed investment, of which Mr. Lo holds 25% of its shareholdings.

The Group allows credit periods of 30 days to its trade customers from sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**7,796**	8,412
31–60 days	**5,133**	4,098
61–90 days	**10,710**	74
91–180 days	**9,688**	342
181–365 days	**9,263**	166
Over 365 days	**126**	–
	42,716	13,092

Included in the Group's trade receivables balance are debtors as at 31 March 2018 with an aggregate carrying amount of approximately HK$34,919,000 (2017: HK$4,680,000) which are past due at the end of reporting period which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances. All of the trade receivables that are neither past due nor impaired have good credit quality assessed by the Group.

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

	2018	2017
	HK$'000	*HK$'000*
Overdue:		
1–30 days	**5,133**	4,098
31–60 days	**10,710**	74
61–90 days	**196**	5
91–180 days	**14,632**	337
181–365 days	**4,122**	166
Over 365 days	**126**	–
	34,919	4,680

Movement in the allowance for trade receivables

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Balance at beginning of the year	**161**	–
Impairment losses recognised on receivables	**7**	161
Balance at end of the year	**168**	161

Included in trade receivables as at 31 March 2018 are amounts net of individually impaired receivables amounting to approximately HK$168,000 (2017: HK$161,000). The management has reviewed the repayment history of these long overdue customers, considering their deteriorating credit quality and no amount had been settled subsequent to the end of the reporting period, accordingly, full impairment was recognised.

13. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**7,138**	1,560
Deferred revenue	**1,983**	312
Other payables and accrued expenses *(Note)*	**6,901**	3,525
	16,022	5,397

Note: Included in other payables and accrued expenses above, approximately HK$2.7 million (2017: nil) represented the deposits received from EFT Payments (Asia) Limited, of which Mr. Lo holds 100% of its shareholdings.

The average credit period on trade payables is 30 days. The aging analysis of the Group's trade payables below is presented based on the invoice date at the end of the reporting period.

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**2,102**	776
31–60 days	**168**	504
61–90 days	**4,837**	280
Over 90 days	**31**	–
	7,138	1,560

14. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the consolidated statement of financial position and other details disclosed elsewhere in the consolidated financial statements, the Group also entered into the following significant transactions with related parties during the year:

Name of related party	Nature of transactions	2018 *HK$'000*	2017 *HK$'000*
EFT Payments (Asia) Limited	Sourcing of EFT-POS terminals and peripheral devices	**7,579**	3,661
	Provision of EFT-POS system support services	**1,938**	795
	Management fee income received	**20**	60
	Rental income received	**21**	47
	Disposal of fixed asset	**57**	–
Mr. Lo	Interest income received	**–**	19
	Rental expense paid	**972**	972
Ms. Lam	Rental expense paid	**324**	324
Mr. Lo Chun Wa *(Note a)*	Rental expense paid	**180**	180
Guangzhou EFTPay Limited *(Note b)*	Provision of EFT-POS system support services	**1**	–
Hung Wai *(Note c)*	Purchasing cost of peripheral devices	**329**	–
Hung Wai Innovation Limited *(Note c)*	Purchasing cost of peripheral devices	**744**	–

Notes:

(a) Mr. Lo Chun Wa is an executive Director of the Company and the brother of Mr. Lo.

(b) Mr. Lo is the ultimate shareholder of Guangzhou EFTPay Limited.

(c) Hung Wai of which Mr. Lo holds 25%, became related company of the Group since April 2017. Hung Wai Innovation Limited is the wholly-owned subsidiary of Hung Wai Electronics (Huizhou) Limited, which is owned by Hung Wai as to 92.12% of its shareholdings. Accordingly, it is also a related company of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND STRATEGY

During the year ended 31 March 2018, the Group continued its efforts in developing the sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services and recorded a growth of approximately 76.5% in total revenue.

The Group is a leading EFT-POS solutions provider in Hong Kong and continued to maintain its position as the leading EFT-POS solution provider that focuses on providing total EFT-POS solutions including sourcing of EFT-POS terminals and peripheral devices services, together with developing software that comply with electronic payment standards acceptance certification, installation and ongoing maintenance and repair services of EFT-POS terminals and other related services. The Company was listed on GEM of the Stock Exchange on 15 December 2016. We strive for enlarging our market share and strengthen our market position in Hong Kong by engaging large scale projects with renowned corporations and banks in Hong Kong and overseas. To achieve such objectives, we intend to implement our business strategies, which are to expand and diversify our business offering to increase revenue streams. Our strategies are aimed to promote the business opportunities in the following areas:

Acquiring host software services – to capture this market opportunity by leveraging our years of operating experience in the EFT-POS industry, together with the technical know-how and software development capabilities accumulated from developing electronic payment standards applications and software solution services. As at 31 March 2018, the Group has actively participated in merger and acquisitions to look for more business opportunities and approached potential customers to develop tailor-made data system and software to meet their specific needs and to strengthen their capabilities;

Food and beverage service providers – to promote and offer a wide range of EFT-POS terminals including “pay at table” devices with functionality and to develop tailored software that accommodate the different needs of food and beverage service providers so as to increase the number of “pay at table” devices for payment transactions used by the food and beverage service providers. As at 31 March 2018, the Group has launched project of EFT-POS terminals with one of the largest food and beverage service providers in Hong Kong and will continue to identify and explore more business opportunities in different industries in Hong Kong;

Public car parking systems – to continue for promoting a new generation of parking systems that accept EFT-POS terminals with features and functions that can enhance the corporate value of the target companies. As at 31 March 2018, the Group has sourced a batch of EFT-POS terminals to the customer in Australia for provision of “Smart” parking. The Group actively identify and explore more business opportunities like the provision of self-service car park payment system in overseas countries; and

Taxi – to capture market opportunities by building stronger relationships with more taxi management companies and taxi owners in Hong Kong and with acquirers so as to promote our services and increase the number of taxis accepting credit and debit card payments. As at 31 March 2018, the Group has continued to explore more opportunities in this category to provide all-in-one "Smart" payment solutions services.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business objectives as set out in the Prospectus and actual business progress as at 31 March 2018:

Business objectives	**Actual business progress as at 31 March 2018**
Expansion of information technology workforce for total EFT-POS solutions	We have recruited six information technology staffs and engaged an independent agent to search for talents to develop software solutions for new models of EFT-POS terminals.
Expansion of information technology workforce for acquiring host software services	We have engaged an independent agent to search for talents to develop acquiring host software services.
Expansion of our business development workforce	We have recruited one business development manager and engaged an independent agent to search for talents for business development.
Enhancement of information technology and network system	We have upgraded our server to achieve higher capacity and security and purchased additional computers for new staffs.
Expansion of office space for new headcount	We have renovated our office to accommodate new headcount.
Expansion of our product portfolio or increase our market share through potential future strategic acquisitions or arrangements	We have invested in Open Sparkz Pty Ltd ("**Open Sparkz**") to grasp the opportunity to enter into overseas software solutions business and electronic payment business. Please refer to the sub-heading "Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets" for further details. We have paid Hung Wai the deposit of HK$8.0 million as earnest money for the proposed investments.

USE OF PROCEEDS

The total net proceeds from the Listing after deducting all related expenses was approximately HK$35.1 million, which are intended to be applied in the following manner:

- approximately HK$8.9 million, will be used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK$5.4 million, will be used to expand our information technology workforce for acquiring host software services;
- approximately HK$5.4 million, will be used to expand our business development workforce;
- approximately HK$0.6 million, will be used to enhance our information technology and network system;
- approximately HK$2.0 million, will be used for property improvements to accommodate new headcount;
- approximately HK$10.0 million, will be used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share; and
- the remaining amount of approximately HK$2.8 million will be used to provide funding for our working capital and other general corporate purposes.

Upon receipt of the proceeds, the actual use of the proceeds by the Group as at 31 March 2018 was as follows:

- approximately HK$3.0 million has been used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK$1.3 million has been used to expand our information technology workforce for acquiring host software services;
- approximately HK$1.2 million has been used to expand our business development workforce;
- approximately HK$0.3 million has been used to enhance our information technology and network system;
- approximately HK$1.0 million has been used for property improvements to accommodate new headcount;
- approximately HK$10.0 million has been used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share;

- approximately HK$2.8 million has been used for our working capital and other general corporate purposes; and

- the remaining balance of approximately HK$15.5 million is placed with a licensed bank in Hong Kong.

The Group has been actively exploring opportunities for strategic acquisitions to expand the Group. The Group intends to continue to apply the remaining net proceeds in accordance with the proposed applications set out above.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is exposed to various risks in the operations of the Group's business and the Group believes that risk management is important to the Group's success. Key operational risks faced by the Group include, among others, changes in general market conditions and ability to continue to attract and retain highly qualified technical and managerial staff with the appropriate technical expertise and knowledge of the electronic payment industry. The provision of our services relies heavily on the technical know-how and skill-set of such employees and their continued employment with us is therefore crucial to our business operations. To cope with our business expansion, we conduct continuous recruitment for high caliber candidates from university graduates in computer science with a view to train them up with technical knowledge in electronic payment industry.

FUTURE OUTLOOK

In recent years, cashless payment method becomes one of the main payment methods. We fully understand a quick response is needed to adapt to the fast-paced payment technology movement. During the year, our Group has assembled and organized a larger system development team and specialists on acquiring host software so as to improve the business performance and to cope with large scale projects such as projects from banks and renowned corporations ranging from leading railway operators to food and beverage companies. Further, with the growing integration of mobile payment methods and ongoing new payment technologies, we anticipated there will be a rapid development of the mobile payment market. As the EFT-POS terminal manufacturers are actively developing and upgrading their terminals so as to keep abreast of the fast-paced payment technology, new versions of EFT-POS terminals are emerging in the market incorporating the most cutting-edge payment technology. EFT-POS terminal distributors can therefore take advantage of the structural development of the payment market and approach acquirers and merchants for upgrading their older model EFT-POS terminals. All of these provide significant opportunities for our Group to expand our market share and strengthen our market position in Hong Kong's electronic payment industry by increasing our capabilities and offering diverse and high quality services.

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented income derived from sourcing of EFT-POS terminals and peripheral devices, provision of EFT-POS system support services and software solutions services. Revenue of approximately HK$53.3 million and HK$94.1 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents a significant increase of approximately 76.5%. This was mainly due to an increase in provision of software solution services of approximately 1,052.2% compared to that in previous year.

For sourcing of EFT-POS terminals and peripheral devices, revenue of approximately HK$23.8 million and HK$31.4 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents an increase of approximately 31.9% due to increase in the number of EFT-POS terminals sold.

For provision of EFT-POS system support services, revenue of approximately HK$27.2 million and HK$36.2 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents an increase of approximately 33.1% due to the increase in the number of EFT-POS terminals covered by our system support services.

For provision of software solution services, revenue of approximately HK$2.3 million and HK$26.5 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents a significant increase of approximately 1,052.2% due to the increase in the number of software solution projects in relation to mobile payment methods and ongoing new payment technologies completed during the current year at a higher contract values as compared with that in previous year.

Costs of Goods Sold and Services

Costs of goods sold and services primarily consisted of costs of inventories recognised as expense, cost of independent service providers, tools and consumables, salaries and benefits, freight and transportation, rent, local travelling and telephone and utilities expense. Costs of goods sold and services were approximately HK$31.2 million and HK$45.3 million for the years ended 31 March 2017 and 2018, respectively, which represented a significant increase of approximately 45.2% mainly due to the increase in costs of inventories sold in accordance with the increase in revenue from sourcing of EFT-POS terminals and peripheral devices and increase in costs of independent services providers in accordance with the increase in revenue from provision of EFT-POS system support services and software solution services.

Gross Profit and Gross Profit Margin

The overall gross profit were approximately HK$22.0 million and HK$48.8 million for the years ended 31 March 2017 and 2018, respectively, which represented an increase of approximately 121.8%. And the overall gross profit margin for the years ended 31 March 2017 and 2018 were approximately 41.4% and 51.9%, respectively, which represented an increase of approximately 10.5%. The reason for the increase was that the Group completed an increased number of software solution projects with high contract values which generated relatively higher profit margin than that generated from sourcing EFT-POS terminals and system support services in the current year as compared to that in the previous year.

Other Income

Other income mainly represented income from delivery cost recharged to customers. Other income were approximately HK$0.2 million and HK$0.6 million for the years ended 31 March 2017 and 2018, respectively, which were relatively stable over the years.

Other losses

Other losses mainly represented exchange difference arising from operating activities. Other losses were approximately HK$0.2 million and HK$0.3 million for the years ended 31 March 2017 and 2018, respectively, which were relatively stable over the years.

Staff Costs

Staff costs of approximately HK$15.6 million and HK$29.0 million were recorded for the years ended 31 March 2017 and 2018, respectively, which represented an increase of approximately 85.9% due to the increase in directors' remuneration and staff salaries after the Listing as well as the increase in share-based payment expenses.

Listing Expenses

During the year ended 31 March 2018, the Group had not incurred any listing expenses. The Group recorded listing expenses of approximately HK$13.1 million for the year ended 31 March 2017 in connection with the preparation for the Listing which were charged as expenses. Total listing expenses were approximately HK$21.0 million, and part of these expenses of approximately HK$5.6 million was available for offsetting against the Company's equity reserves and approximately HK$1.3 million had been borne by Mr. Lo, the selling Shareholder during the Listing.

Other Administrative Expenses

Other administrative expenses (excluding listing expenses and staff costs) are comprised mainly of auditors' remuneration, depreciation, legal and professional fees and office expenses.

Other administrative expenses for the years ended 31 March 2017 and 2018 were approximately HK$3.8 million and HK$5.9 million, respectively, which represents a significant increase of approximately 55.3% mainly due to the increased legal and professional fees of approximately HK$3.0 million to cope with the needs of compliance work as a result of the listing status and potential investment projects.

Investment in an associate

The Group has invested approximately HK$5.1 million to subscribe for the shares of Open Sparkz during the year, which represented 21.97% of shareholdings of Open Sparkz as at 31 March 2018. Share of results of an associate represented operating losses arising from principal business activities of the associate. The Group's share of results of the associate of approximately HK$0.2 million was recorded for the year ended 31 March 2018.

Finance Costs

Finance costs represented interest expenses on bank borrowings. Finance costs of approximately HK$0.2 million and HK$13,000 were recorded for the years ended 31 March 2017 and 2018, respectively. The carrying amount of the Group's bank borrowings as at 31 March 2017 has been fully settled in April 2017 while the Group has recently borrowed a bank loan of HK$5.0 million in March 2018, and thus no material finance costs have been incurred during the year.

Income Tax Expense

Income tax expense represented provision of Hong Kong Profits Tax at the rate of 16.5% for the estimated assessable profits for the years ended 31 March 2017 and 2018. Listing expenses are not deductible for tax purpose.

Profit (loss) for the Year

The Group recorded profit for the year of approximately HK$21.7 million for the year ended 31 March 2018 as compared to a loss of approximately HK$1.3 million for the year ended 31 March 2017. The turnaround result was mainly due to completion of an increased number of software solution projects with high contract values for the year ended 31 March 2018, which is set off against the increase in the share-based payment expenses, and absence of non-recurring listing expenses, boosted the profit of the Group.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and cash is generally deposited with major banks in Hong Kong and denominated mostly in Hong Kong dollars.

The Group has remained at a sound financial resource level. As at 31 March 2018, the Group had net current assets of approximately HK$71.0 million (2017: approximately HK$56.8 million) including cash and cash equivalents of approximately HK$22.6 million as at 31 March 2018 (2017: approximately HK$46.4 million).

As at 31 March 2018, the gearing ratio (calculated on the basis of total bank borrowings divided by the total equity as at the end of the year) of the Group was approximately 5.8% (2017: approximately 0.5%).

PLEDGE OF ASSETS

As at 31 March 2018, the Group did not have any pledged assets (2017: nil).

Before the date of Listing, the Group's bank borrowing was previously guaranteed by Mr. Lo and secured by a property of Mr. Lo and these have been replaced by a corporate guarantee on the date of Listing.

FOREIGN CURRENCY RISK

The Group's business activities are in Hong Kong and are principally denominated in Hong Kong dollars and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2018, the Group had contracted capital commitment for the acquisition of a subsidiary of approximately HK$210.0 million and the capital injection in an associate of approximately HK$0.9 million. Save as disclosed above, the Group did not have any significant capital commitment (2017: nil).

As at 31 March 2018, the Group did not have any significant capital expenditures (2017: nil).

As at 31 March 2018, the Group did not have any significant contingent liabilities (2017: nil).

CAPITAL STRUCTURE

As at 31 March 2018, the Group had bank borrowings of approximately HK$5.0 million (2017: HK$0.3 million). The borrowings were for import trade purpose and unsecured.

Save as disclosed above, there has been no change in the Company's capital structure during the year ended 31 March 2018. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in Note 5 to the consolidated financial statements of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group employed 68 (2017: 57) full time employees (including Directors). We determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND CAPITAL ASSETS

On 22 November 2017, the Group entered into a subscription agreement with Open Sparkz to subscribe for the subscription shares, which represents 25% of the enlarged issued share capital of Open Sparkz at the consideration of AUD1.0 million by five installments. Open Sparkz is incorporated in Australia and is principally specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards. The Group considers that the subscription could provide an opportunity to the Group to enter into the electronic payment business. For the year ended 31 March 2018 and up to the date of this announcement, the Group has paid AUD850,000 to Open Sparkz to subscribe 304,921 shares up to the fourth installments. As at 31 March 2018, the Group held 21.97% interests of Open Sparkz.

On 19 January 2018, the Group entered into the sale and purchase agreement with Earn World Enterprises Limited ("**Earn World Enterprises**"), pursuant to which Earn World Enterprises has conditionally agreed to sell and the Group has conditionally agreed to purchase the sale shares, which represented 70% of the entire issued share capital of Earn World Development Limited ("**Earn World Development**"). The consideration for the acquisition is HK$210.0 million which shall be payable by the Group as to HK$16.0 million by cash and HK$194.0 million by issuance of promissory notes. Completion is subject to fulfillment of the terms and conditions precedent set out in the sale and purchase agreement. Earn World Development and its subsidiaries has been in the information technology industry for more than ten years. It is principally engaged in the provision of software solution in retail, distribution and accounting sectors including point of sales system, ordering and inventory system and accounting system, with the objective of providing commercial software applications and retail and distribution solutions which are suitable for global operation. The Group considers that the acquisition could provide an opportunity to the Group to enlarge the market share of the software solutions business and to explore more business opportunities in payment solutions so as to strengthen the Company's financial position and maintain its growth in Hong Kong. Please refer to the Company's announcement dated 19 January 2018 for further details. Up to the date of this announcement, the acquisition has been approved by the Shareholders in its extraordinary general meeting held on 31 May 2018. All the terms and conditions for completion have been fulfilled and the acquisition was completed on 31 May 2018. Please refer to the Company's announcement dated 31 May 2018 for further details.

On 2 March 2018, the Group entered into the subscription agreement with Newport Tek Pty Ltd ("**Newport**") to subscribe for the subscription shares, which represents 75% of the entire issued share capital of Newport at the consideration of approximately AUD360.0. Completion is subjected to fulfillment of the terms and conditions precedent set out in the subscription agreement. Newport is incorporated in Australia and is principally engaged in guiding the clients through the maze of embedded systems technology to achieve an effective price/performance ratio for their products. The Group considers that the subscription could provide an opportunity to the Group to enter into the overseas software solutions business. Up to the date of this announcement, all the terms and conditions for completion have been fulfilled and the acquisition was completed on 5 April 2018.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the year ended 31 March 2018 and up to the date of this announcement.

FINAL DIVIDEND

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

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 3 August 2018 to Wednesday, 8 August 2018, both dates inclusive, during which period no transfer of Shares could be registered for determination of entitlement of the Shareholders to the attendance at the forthcoming annual general meeting of the Company to be held on Wednesday, 8 August 2018 (the "**AGM**").

In order to qualify for attending and voting in the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with our Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Thursday, 2 August 2018.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound risk management and internal control, transparency and accountability with a view to enhance corporate value and to safeguard the interests of all the Shareholders and the Company as a whole.

The Board continues to monitor and review the Company's corporate governance and makes necessary changes at appropriate time.

The Board has adopted the principles, the code provisions of Corporate Governance Code (the "**CG Code**") and the recommended best practices contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established an Audit Committee ("**Audit Committee**"), a Nomination Committee ("**Nomination Committee**") and a Remuneration Committee ("**Remuneration Committee**") with specific written terms of reference. During the year ended 31 March 2018 and up to the date of this announcement, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviations as follows:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lo is the Chairman and the CEO of the Company. In view that Mr. Lo has been assuming day-to-day responsibilities in operating and managing the Group since 2008 and the rapid development of the Group, the Board believes that with the support of Mr. Lo's extensive experience and knowledge in the business of the Group, vesting the roles of both Chairman and CEO of the Company in Mr. Lo strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to the Group. The Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances.

Following the resignation of Mr. Pang Victor Ho Man as an independent non-executive Director on 9 October 2017, the number of independent non-executive Directors, the number of the Audit Committee members and the number of the Remuneration Committee members of the Company fell below the minimum requirements under Rule 5.05(1), Rule 5.06, Rule 5.28 and Rule 5.34 of the GEM Listing Rules.

Following the appointment of Mr. Ng Ming Fai as independent non-executive Director, the Chairman of the Remuneration Committee, the member of each of the Audit Committee and the Nomination Committee of the Company on 13 October 2017, the Company met the requirement under Rule 5.05(1), Rule 5.06, Rule 5.28 and Rule 5.34 of the GEM Listing Rules.

Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

COMPLIANCE WITH DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "**Model Code**") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding the directors' securities transactions throughout the year ended 31 March 2018 and up to the date of this announcement.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

AUDIT COMMITTEE

The Audit Committee was established on 23 November 2016 in compliance with Rule 5.28 of the GEM Listing Rules. As at 31 March 2018, the Audit Committee comprised three independent non-executive Directors, namely Ms. Yang Eugenia, Mr. Lam Keung and Mr. Ng Ming Fai. Ms. Yang Eugenia is the chairman of the Audit Committee.

None of the members of the Audit Committee is a former partner of the Company's existing auditor.

Written terms of reference in compliance with code provisions C.3.3 and C.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules have been adopted. It is the Board's responsibility to ensure that an effective internal control and risk management framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators, and proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action. The Board has delegated the responsibility for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management to the Audit Committee. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control and risk management systems of the Group. Besides, the Audit Committee reviews and monitors the Company's compliance with its whistleblowing policy and oversees the Company's relations with the external auditor.

During the year ended 31 March 2018, the Audit Committee has reviewed the quarterly, interim and annual results of the Group. As at the date of this announcement, the Audit Committee and the external auditor have also reviewed the audited annual results of the Group for the year ended 31 March 2018. The Audit Committee and the external auditor were satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

EVENT AFTER THE REPORTING PERIOD

On 31 May 2018, the acquisition of 70% of the issued share capital of Earn World Development Limited at the consideration of HK$210.0 million has been approved by the Shareholders in its extraordinary general meeting held on 31 May 2018. All the terms and conditions for completion of the acquisition have been fulfilled and the acquisition was completed on 31 May 2018.

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

During the year ended 31 March 2018 and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

By order of the Board
EFT Solutions Holdings Limited
Lo Chun Kit Andrew
Chairman and Chief Executive Officer

Hong Kong, 22 June 2018

As of the date of this announcement, the Board comprises executive Directors Mr. Lo Chun Kit Andrew, Mr. Lo Chun Wa and Mr. Chan Lung Ming; non-executive Directors Ms. Lam Ching Man and Mr. Lui Hin Weng Samuel; and independent non-executive Directors Mr. Lam Keung, Ms. Yang Eugenia and Mr. Ng Ming Fai.

This announcement, for which the Directors 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 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 Stock Exchange's website at www.hkexnews.hk and the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and be posted on the website of the Company at www.eftsolutions.com.