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.

Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8510)

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 Top Standard Corporation (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**") 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 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.*

BUSINESS AND FINANCIAL HIGHLIGHTS

During the year ended 31 March 2018:

- the Company successfully listed its shares on GEM by way of public offer and placing (the "**Share Offer**") in February 2018 (the "**Listing**") and net proceeds of approximately HK$42.3 million was raised;

- the Group's new restaurant under the "San Xi Lou (三希樓)" brand located at Times Square, Causeway Bay ("**SXL Times Square**") commenced operations in November 2017, and revenue from this restaurant since the commencement of its operations up to 31 March 2018 was approximately HK$17.9 million;

- the Group recorded revenue of approximately HK$116.1 million, representing an increase of approximately 45.3% as compared to the year ended 31 March 2017;

- due to the effect of the non-recurring Listing expenses, the opening of SXL Times Square (including the effective rent), an increase in the raw materials and consumables used (which outpaced the revenue growth during the year ended 31 March 2018), the Group recorded a net loss of approximately HK$21.9 million for the year ended 31 March 2018 (2017: net profit of approximately HK$8.3 million); and

- the Group recorded adjusted loss before taxation of approximately HK$2.8 million (2017: adjusted profit before taxation of approximately HK$10.5 million) before the effects of Listing expenses of approximately HK$18.0 million (2017: nil).

The Board does not recommend the payment of final dividend for the year ended 31 March 2018.

RESULTS

The Directors are pleased to announce the 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*	**116,142**	79,951
Other income		**42**	1
Raw materials and consumables used		**(34,677)**	(19,542)
Staff costs		**(41,324)**	(28,401)
Depreciation		**(5,687)**	(2,988)
Rental and related expenses		**(23,569)**	(10,437)
Utilities expenses		**(5,311)**	(3,510)
Listing expenses		**(17,961)**	–
Other expenses		**(7,720)**	(4,404)
Finance costs	*5*	**(651)**	(206)
(Loss) profit before taxation		**(20,716)**	10,464
Income tax expense	*6*	**(1,178)**	(2,131)
(Loss) profit and total comprehensive (expense) income for the year		**(21,894)**	8,333
(Loss) profit and total comprehensive (expense) income for the year attributable to			
— owners of the Company		**(21,894)**	7,406
— non-controlling interests		**–**	927
		(21,894)	8,333
(Loss) earnings per share			
Basic (HK cents)	*8*	**(3.50)**	1.50

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Non-current assets			
Property and equipment		**23,092**	12,674
Deposits	*9*	**7,590**	4,055
Deposits for acquisition of property and equipment		**–**	180
Deferred tax assets		**432**	279
		31,114	17,188
Current assets			
Inventories		**648**	468
Trade receivables, deposits and prepayments	*9*	**4,688**	1,462
Amounts due from related parties/former related parties		**–**	19,753
Tax recoverable		**559**	21
Bank balances and cash		**52,127**	1,352
		58,022	23,056
Current liabilities			
Trade and other payables and accruals	*10*	**16,294**	7,738
Amounts due to related parties		**–**	895
Tax payable		**–**	550
Bank borrowings	*11*	**21,740**	18,857
Obligation under finance lease		**53**	49
		38,087	28,089
Net current assets (liabilities)		**19,935**	(5,033)
Total assets less current liabilities		**51,049**	12,155

	2018	2017
	HK$'000	*HK$'000*
Non-current liabilities		
Obligation under finance lease	**140**	193
Provision	**960**	460
Deferred tax liabilities	**109**	–
	1,209	653
Net assets	**49,840**	11,502
Capital and reserves		
Share capital	**8,000**	–+
Reserves	**41,840**	11,502
Equity attributable to owners of the Company	**49,840**	11,502

+: Less than HK$1,000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Other reserve**	**Accumulated profits (losses)**	**Total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000* *(note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2016	1,625	–	–	2,338	3,963	2,134	6,097
Profit and total comprehensive income for the year	–	–	–	7,406	7,406	927	8,333
Dividends declared *(note 7)*	–	–	–	(11,000)	(11,000)	–	(11,000)
Issues of shares *(note 2(ix))*	–+	8,072	–	–	8,072	–	8,072
Transfer upon group reorganisation *(note 2(vi) and 2(viii))*	(1,625)	–	1,625	–	–	–	–
Shareholder's contribution upon the group reorganisation *(note 2(viii))*	–	–	3,061	–	3,061	(3,061)	–
At 31 March 2017	**–+**	**8,072**	**4,686**	**(1,256)**	**11,502**	**–**	**11,502**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(21,894)**	**(21,894)**	**–**	**(21,894)**
Issue of shares	**2,000**	**68,000**	**–**	**–**	**70,000**	**–**	**70,000**
Capitalisation issue	**6,000**	**(6,000)**	**–**	**–**	**–**	**–**	**–**
Transaction costs directly attributable to issue of shares	**–**	**(9,768)**	**–**	**–**	**(9,768)**	**–**	**(9,768)**
At 31 March 2018	**8,000**	**60,304**	**4,686**	**(23,150)**	**49,840**	**–**	**49,840**

Note: Other reserve represents the difference between the share capital of group entities and that of the Company issued pursuant to the group reorganisation and shareholder's contribution upon the group reorganisation.

+: Less than HK$1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

Top Standard Corporation (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 of the laws of the Cayman Islands on 11 February 2016. The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 February 2018.

The addresses of the Company's registered office and the principal place of business are 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands and 4th Floor, Coda Plaza, 51 Garden Road, Central, Hong Kong, respectively.

The immediate and ultimate holding company is JSS Group Corporation ("JSS Group"). JSS Group is a limited liability company incorporated in the British Virgin Islands (the "BVI") and wholly-owned by Mr. Chuk Stanley ("Mr. Stanley Chuk"), who is an executive director of the Company.

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of catering services (including services provided and food served).

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATION FINANCIAL STATEMENTS

Before the reorganisation as mentioned below, Mr. Stanley Chuk, the founder of the Company and certain of its subsidiaries, has 65% beneficial interests over Great Planner Limited ("Great Planner") and Sky Honour Consultants Limited ("Sky Honour"), the operating subsidiaries of the Group. Mr. Tang Sung Kwong ("Mr. Tang") has the remaining 35% beneficial interests over Great Planner and Sky Honour.

In preparation of the listing of the Company's shares on GEM of the Stock Exchange, the companies comprising the Company and its subsidiaries (collectively referred to as the "Group") underwent the reorganisation as described below.

(i) On 11 February 2016, JSS Group was incorporated in the BVI with limited liability. 650 and 350 shares of JSS Group were allotted and issued to Mr. Stanley Chuk and Mr. Tang, respectively. Mr. Stanley Chuk and Mr. Tang held 65% and 35% of JSS Group, respectively.

(ii) On 11 February 2016, the Company was incorporated as an exempted company in the Cayman Islands with limited liability with an authorised share capital of HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each. On the same date, one share of the Company was allotted and issued to the initial subscriber and then transferred to JSS Group.

(iii) On 11 February 2016, Skyreach Investment Holdings Limited ("Skyreach") was incorporated in the BVI with limited liability. On the same date, one share was allotted and issued to the Company. Upon the completion of allotment, Skyreach became the wholly-owned subsidiary of the Company.

(iv) On 11 February 2016, each of Everbloom Group Limited ("Everbloom"), Ironforge Group Limited ("Ironforge") and Legion Holdings Group Limited ("Legion") was incorporated in the BVI with limited liability. On the same date, one share of each of Everbloom, Ironforge and Legion was allotted and issued to Skyreach. Upon the completion of allotments, each of Everbloom, Ironforge and Legion became wholly-owned by Skyreach.

(v) On 18 March 2016, Stormwind Limited ("Stormwind") was incorporated in Hong Kong with limited liability. On the same date, 10,000 shares were allotted and issued to Skyreach. Upon the completion of allotment, Stormwind is wholly-owned by Skyreach.

(vi) On 24 June 2016, Everbloom acquired entire equity interest of Great Planner from Top Standard Group Limited ("TSGL"), the then immediate holding company of Great Planner, at a cash consideration of HK$1. Upon completion of the acquisition, Great Planner became the wholly-owned subsidiary of Everbloom.

(vii) On 24 June 2016, Ironforge acquired entire equity interest of Sky Honour from TSGL, the then immediate holding company of Sky Honour, at a cash consideration of HK$1. Upon completion of the acquisition, Sky Honour became the wholly-owned subsidiary of Ironforge.

(viii) Pursuant to a sale and purchase agreement dated 30 June 2016 entered into between Mr. Stanley Chuk and Mr. Tang, Mr. Stanley Chuk acquired 35% equity interest of JSS Group from Mr. Tang at a consideration of HK$12,474,350. Upon completion of the acquisition, JSS Group was owned as to 100% by Mr. Stanley Chuk.

(ix) On 20 October 2016, the Company issued 8,111 shares of the Company to JSS Group (as instructed by Mr. Stanley Chuk) at par. At the same time, the Company issued 944 shares and 944 shares to J & W Group Limited ("J & W Group"), which is a BVI incorporated limited company owned by Mr. Chuk Kin Yuen ("Mr. KY Chuk"), and Oxlo Corporation ("Oxlo"), which is a BVI incorporated limited company owned by Mr. Chuk Chon Fai, Steve ("Mr. Steve Chuk"), at a cash consideration of HK$4,036,000 and HK$4,036,000, respectively. Upon the completion of share subscription, the Company is 81.12% owned by JSS Group, 9.44% owned by J & W Group and 9.44% owned by Oxlo.

Pursuant to the reorganisation detailed above, the Company has become the holding company of the companies now comprising the Group.

The consolidated financial statements have been prepared under the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). 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 ended 31 March 2017 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the year ended 31 March 2017, or since their respective dates of incorporation, where there is a shorter period.

Pursuant to a sale and purchase agreement dated 20 October 2016 and a deed of amendments dated 29 August 2017 entered into between the Company, Mr. Stanley Chuk, Mr. KY Chuk, who is the father of Mr. Stanley Chuk, and Mr. Steve Chuk, who is the brother of Mr. Stanley Chuk, Legion acquired the entire equity interest of Good Step Limited ("Good Step") at a cash consideration of HK$2. Upon the completion of the acquisition, Good Step became the wholly-owned subsidiary of the Company. The acquisition of Good Step has been accounted for using the acquisition method in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 3 "Business combination".

3. APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 March 2018, the Group has adopted all the HKFRSs issued by the HKICPA that are effective for the Group's financial year beginning on 1 April 2017.

New and revised 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 not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[3]
HKFRS 17	Insurance Contracts[4]
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[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[3]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[3]
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 HKFRSs 2015–2017 Cycle[3]
HK(IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)–Int 23	Uncertainty over Income Tax Treatments[3]

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

Key requirements of HKFRS 9 which are relevant to the Group are described below:

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

- In relation to the impairment requirements, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under Hong Kong Accounting Standards ("HKAS") 39 "Financial instruments: Recognition and measurement". 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 anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

Loans and receivables carried at amortised cost: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

Impairment:

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, it is not likely to have a material impact on the results and financial position of the Group.

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. When HKFRS 15 becomes effective, HKFRS 15 will supersede HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related Interpretations.

HKFRS 15 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(s)
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract(s)
- Step 5: Recognise revenue when 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 of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company 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 based on the existing business model of the Group as at 31 March 2018.

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 Group currently presents operating lease payments as operating cash flows. Under application of 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 cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement. 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$42,321,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases. However, the directors of the Company do not expect the adoption of HKFRS 16, as compared to the current accounting policy of the Group, would result in significant impact on the results and the net assets of the Group.

The Group currently considers refundable rental deposits paid of HK$6,251,000 as at 31 March 2018 as obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost upon application of HKFRS 16 and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from restaurant operations for services provided and food served and net of discount, and membership fee income from external customers for privileged services in the Group's restaurants during the year. The Group's revenue from external customers based on their nature is detailed below:

	2018	2017
	HK\$'000	*HK\$'000*
Catering service income (including services provided and food served)	**115,426**	79,124
Membership fee income	**716**	827
	116,142	79,951

The consolidated financial statements reported to the management of the Group, being the chief operating decision maker, for the purpose of assessment of segment performance and resources allocation focusing on different restaurants of the Group. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are (i) Sichuanese and Cantonese cuisine under the brand of "San Xi Lou" ("San Xi Lou"); (ii) vegetarian cuisine under the brand of "Pure Veggie House" ("Pure Veggie House"); (iii) Japanese cuisine located in Central, Hong Kong ("Ronin Central"); and (iv) Japanese cuisine located in Wanchai, Hong Kong ("Ronin Wanchai").

Segment revenue and results

	San Xi Lou	**Pure Veggie House**	**Ronin Central**	**Ronin Wanchai**	**Segment total**	**Eliminated**	**Consolidated**
	HK\$'000	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***
Year ended 31 March 2018							
External revenue	**72,837**	**15,296**	**12,590**	**15,419**	**116,142**	**–**	**116,142**
Inter segment sales	**342**	**–**	**–**	**–**	**342**	**(342)**	**–**
Total	**73,179**	**15,296**	**12,590**	**15,419**	**116,484**	**(342)**	**116,142**
Segment results	**9,413**	**3,055**	**(692)**	**239**	**12,015**	**–**	**12,015**
Other income							**42**
Finance costs							**(651)**
Listing expense							**(17,961)**
Other expenses							**(14,161)**
Loss before taxation							**(20,716)**

	San Xi Lou *HK$'000*	Pure Veggie House *HK$'000*	Ronin Central *HK$'000*	Ronin Wanchai *HK$'000*	Segment total *HK$'000*	Eliminated *HK$'000*	Consolidated *HK$'000*
Year ended 31 March 2017							
External revenue	56,093	15,026	3,888	4,944	79,951	–	79,951
Inter segment sales	–	39	–	–	39	(39)	–
Total	56,093	15,065	3,888	4,944	79,990	(39)	79,951
Segment results	16,162	3,463	(840)	(249)	18,536	–	18,536
Other income							1
Finance costs							(206)
Other expenses							(7,867)
Profit before taxation							10,464

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss incurred/profit earned by each segment without allocation of other income, finance costs, other expenses (including head office staff costs, rental and other corporate expenses during both years), listing expenses and taxation.

Segment assets and liabilities

	San Xi Lou ***HK$'000***	**Pure Veggie House** ***HK$'000***	**Ronin Central** ***HK$'000***	**Ronin Wanchai** ***HK$'000***	**Consolidated** ***HK$'000***
As at 31 March 2018					
ASSETS					
Segment assets	**21,433**	**932**	**7,268**	**3,076**	**32,709**
Unallocated property and equipment					**50**
Deferred tax assets					**432**
Unallocated prepayments					**3,259**
Tax recoverable					**559**
Bank balances and cash					**52,127**
Consolidated total assets					**89,136**
LIABILITIES					
Segment liabilities	**10,585**	**912**	**982**	**813**	**13,292**
Unallocated other payables and accruals					**3,902**
Bank borrowings					**21,740**
Obligation under finance lease					**193**
Unallocated provision					**60**
Deferred tax liabilities					**109**
Consolidated total liabilities					**39,296**

	San Xi Lou *HK$'000*	Pure Veggie House *HK$'000*	Ronin Central *HK$'000*	Ronin Wanchai *HK$'000*	Consolidated *HK$'000*
As at 31 March 2017					
ASSETS					
Segment assets	6,888	1,537	8,563	3,908	20,896
Unallocated property and equipment					64
Deferred tax assets					279
Unallocated prepayments					1,020
Tax recoverable					21
Non-trade amounts due from related parties/ former related parties					16,612
Bank balances and cash					1,352
Consolidated total assets					40,244
LIABILITIES					
Segment liabilities	4,838	1,229	822	1,101	7,990
Unallocated other payables and accruals					472
Non-trade amounts due to related parties					571
Bank borrowings					18,857
Obligation under finance lease					242
Tax payable					550
Unallocated provision					60
Consolidated total liabilities					28,742

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

- all assets are allocated to operating and reportable segments, other than certain property and equipment for corporate use, deferred tax assets, unallocated prepayments, tax recoverable, non-trade nature amounts due from related parties/former related parties and bank balances and cash.

- all liabilities are allocated to operating and reportable segments, other than tax payable, bank borrowings, obligation under finance lease, certain other payables and accruals, non-trade amounts due to related parties, unallocated provision and deferred tax liabilities.

Other segment information

	San Xi Lou *HK$'000*	Pure Veggie House *HK$'000*	Ronin Central *HK$'000*	Ronin Wanchai *HK$'000*	Total segment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
For the year ended 31 March 2018							
Amounts included in the measure of segment profit (loss) or segment assets:							
Additions of property and equipment	**16,045**	**36**	**–**	**24**	**16,105**	**–**	**16,105**
Depreciation of property and equipment	**2,093**	**305**	**2,088**	**1,187**	**5,673**	**14**	**5,687**

	San Xi Lou *HK$'000*	Pure Veggie House *HK$'000*	Ronin Central *HK$'000*	Ronin Wanchai *HK$'000*	Total segment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
For the year ended 31 March 2017							
Amounts included in the measure of segment profit (loss) or segment assets:							
Additions of property and equipment	584	20	806	–	1,410	69	1,479
Depreciation of property and equipment	1,297	324	876	486	2,983	5	2,988

Geographical information

No geographical segment information is presented as the Group's revenue is all derived from Hong Kong based on the location of goods delivered and services provided, and all of the Group's non-current assets are located in Hong Kong by physical location of assets.

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue during each of the year ended 31 March 2018 and 2017.

5. FINANCE COSTS

	2018 *HK$'000*	2017 *HK$'000*
The finance costs represents interest on:		
— Bank borrowings	**638**	197
— Obligation under finance lease	**13**	9
	651	206

6. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current tax	**1,218**	2,325
Underprovision in prior years	**4**	–
	1,222	2,325
Deferred taxation credit	**(44)**	(194)
	1,178	2,131

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

The income tax expense for the year can be reconciled to the (loss) profit before taxation as follows:

	2018	2017
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(20,716)**	10,464
Tax at the domestic income tax rate	**(3,418)**	1,727
Tax effect of expense not deductible for tax purpose	**3,232**	21
Underprovision in prior years	**4**	–
Tax effect of tax losses/deductible temporary differences not recognised	**1,436**	428
Utilisation of tax losses previously not recognised	**(16)**	–
Others	**(60)**	(45)
Income tax expense	**1,178**	2,131

7. DIVIDENDS

During the year ended 31 March 2017, the Company declared and paid dividends of HK$11,000,000 (HK$110,000 per share) to the shareholders.

No dividends were paid, declared or proposed during the year ended 31 March 2018.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2018.

8. (LOSS) EARNINGS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
(Loss) earnings:		
(Loss) earning for the purpose of calculating basic (loss) earnings per share ((loss) profit for the year attributable to owners of the Company)	**(21,894)**	7,406
	'000	*'000*
Number of shares:		
Number of shares for the purpose of calculating (loss) earnings per share	**625,753**	495,303

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

No diluted (loss) earnings per share information has been presented for the year ended 31 March 2018 and 2017 as there were no potential ordinary shares outstanding during both years.

9. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**1,310**	508
Rental deposits	**6,251**	3,058
Other deposits	**1,469**	1,095
Prepayments and other receivables	**3,248**	856
Total	**12,278**	5,517
Analysed for reporting purposes as:		
Non-current assets	**7,590**	4,055
Current assets	**4,688**	1,462
	12,278	5,517

There was no credit period granted to individual customers for the restaurant operations. The Group's trading terms with its customers are mainly by cash and credit card settlement. The settlement terms of credit card companies are usually 7 days after the service rendered date.

However, the Group allows a credit period of 30 days to its VIP members which include certain corporate customers for consumption in the Group's restaurants. The credit period provided to customers can vary based on a number of factors including nature of operations, the Group's relationship with the customer and the customer's credit profile.

No interest is charged on the trade receivables on the outstanding balance.

The following is an ageing analysis of trade receivables presented based on the invoice date, which approximated the service rendered date, at the end of the reporting periods.

	2018 *HK$'000*	2017 *HK$'000*
0 to 30 days	**996**	364
31 to 60 days	**154**	16
61 to 90 days	**75**	4
Over 90 days	**85**	124
	1,310	508

As at 31 March 2018, the trade receivables with carrying amount of HK$996,000 (2017: HK$364,000) are neither past due nor impaired. The Group considers that the amounts are recoverable because of the good repayment records by the counterparties.

As at 31 March 2018, included in the Group's trade receivables are debtors with an aggregate carrying amount of HK$314,000 (2017: HK$144,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The trade receivables which are past due but not impaired were either settled subsequently or due from debtors which do not have historical default of payments. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2018 *HK$'000*	2017 *HK$'000*
Overdue:		
0 to 30 days	**154**	16
31 to 60 days	**75**	4
Over 60 days	**85**	124
	314	144

Included in rental deposits of HK$600,000 (2017: HK$400,000) represented the deposits made to Charm Region Limited ("Charm Region"), which is wholly-owned by Mr. KY Chuk and Mr. Steve Chuk for the lease of a restaurant as at 31 March 2018.

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2018 *HK$'000*	2017 *HK$'000*
Trade payables	**3,526**	2,010
Salaries payables	**4,073**	2,549
Accruals and other payables	**4,435**	3,179
Payables for purchases of property and equipment	**1,675**	–
Payables for professional fees for the purpose of listing expenses	**2,585**	–
	16,294	7,738

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days.

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2018 *HK$'000*	2017 *HK$'000*
0–30 days	**2,563**	1,518
31–60 days	**829**	459
61–90 days	**109**	22
Over 90 days	**25**	11
	3,526	2,010

11. BANK BORROWINGS

	2018 *HK$'000*	2017 *HK$'000*
Carrying amount (shown under current liabilities) that contains a repayment on demand clause based on scheduled repayment terms:		
— Within one year	**21,740**	5,357
— More than one year but not exceeding two years	**–**	13,500
	21,740	18,857

The bank borrowings are at floating rate which carry interest at HK$ Best Lending Rate plus or minus a spread or Hong Kong Interbank Offered Rate ("HIBOR") plus 2.5%. The effective interest rate on the Group's bank borrowings ranged from 2.00% to 4.75% and 2.00% to 5.50% per annum as at 31 March 2017 and 2018, respectively.

As at 31 March 2018, bank borrowings of HK$21,500,000 are unsecured and guaranteed by a group entity.

Bank borrowings of HK$240,000 as at 31 March 2018 are unsecured and guaranteed by a group entity. Subsequent to the end of the reporting period, the corporate guarantees have been released upon full settlement of the bank borrowings.

Bank borrowing of HK$17,000,000 as at 31 March 2017 was secured by the leasehold land and buildings owned by Highland Limited, Hing Fai Development (H.K.) Company Limited, F1 Investment Limited and Charm Region, which are wholly-owned by Mr. KY Chuk and Mr. Steve Chuk. The pledges of leasehold land and buildings owned by the related parties were released during the year ended 31 March 2018.

The remaining unsecured bank borrowings of HK$1,857,000 as at 31 March 2017 were guaranteed by Mr. Stanley Chuk and Mr. Steve Chuk and certain group entities. These guarantees were released during the year ended 31 March 2018 upon full settlement of the bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a Hong Kong based restaurant group that offers Sichuanese and Cantonese, fusion vegetarian and Japanese cuisines under the "San Xi Lou (三希樓)", "Pure Veggie House (心齋)" and "Ronin (浪人)" brands, respectively. The Group's revenue for the year ended 31 March 2018 was primarily derived from catering income through its restaurants.

For the year ended 31 March 2018, the Group recorded an increase in revenue of approximately HK$36.2 million, representing an increase of approximately 45.3%, from approximately HK$80.0 million for the year ended 31 March 2017 to approximately HK$116.1 million for the year ended 31 March 2018. Such increase was mainly due to the inclusion of revenue derived from two of the Group's Japanese restaurants under the "Ronin (浪人)" brand located in Central ("**Ronin Central**") and in Wanchai ("**Ronin Wanchai**"), which were acquired by the Group in October 2016. The second Sichuanese and Cantonese restaurant of the Group under the "San Xi Lou (三希樓)" brand, namely SXL Times Square, opened in November 2017 also contributed to the Group's revenue by approximately HK$17.9 million.

On 13 February 2018 (the "**Listing Date**"), the shares of the Company (the "**Shares**") were successfully listed on GEM by way of Share Offer. After deducting all the relevant commissions and expenses borne by the Company, there were approximately HK$42.3 million of net proceeds from the Share Offer. The Group will utilise such net proceeds in accordance with the business strategies as set out in the Company's prospectus (the "**Prospectus**") dated 31 January 2018.

FINANCIAL REVIEW

Revenue

The Group's revenue increased to approximately HK$116.1 million for the year ended 31 March 2018 from approximately HK$80.0 million for the year ended 31 March 2017, representing an increase of approximately 45.3%. Such increase in the Group's revenue was mainly attributable to the inclusion of revenue in the amount of approximately HK$28.0 million derived from two of the Group's Japanese restaurants, namely Ronin Central and Ronin Wanchai, which the Group acquired in October 2016. SXL Times Square also contributed to the increase of Group's revenue by approximately HK$17.9 million.

Raw materials and consumables used

The raw materials and consumables used increased to approximately HK$34.7 million for the year ended 31 March 2018 from approximately HK$19.5 million for the year ended 31 March 2017, representing an increase of approximately 77.4%. The Directors believed that such increase, which was not in proportion with the Group's revenue growth, was primarily due to a shift in customers' ordering preference.

Staff costs

The Group's staff costs increased to approximately HK$41.3 million for the year ended 31 March 2018 from approximately HK$28.4 million for the year ended 31 March 2017, representing an increase of approximately 45.5%. Such increase in the Group's staff costs was mainly attributable to the additional salaries and other benefits payable to the staff employed by Ronin Wanchai, Ronin Central and SXL Times Square.

Depreciation

The Group's depreciation increased to approximately HK$5.7 million for the year ended 31 March 2018 from approximately HK$3.0 million for the year ended 31 March 2017, representing an increase of approximately 90.3%. The Group's depreciation increased primarily due to the additional deprecation charge incurred by the Group arising from leasehold improvement of Ronin Wanchai, Ronin Central and SXL Times Square.

Rental and related expenses

Rental and related expenses increased to approximately HK$23.6 million for the year ended 31 March 2018 from approximately HK$10.4 million for the year ended 31 March 2017, representing an increase of approximately 125.8%. Such increase in the Group's rental and related expenses was mainly due to the (i) increase in monthly rental payments by the Group's San Xi Lou and Pure Veggie House restaurants located at Coda Plaza in Central ("**Coda Plaza**") after the Group entered into new lease agreements for these premises; (ii) the additional rental and related expenses incurred by Ronin Wanchai and Ronin Central, which became payable by the Group after these restaurants became part of the Group; (iii) the rental incurred on the premises for SXL Times Square before its commencement of business of approximately HK$2.1 million; and (iv) the additional rental and related expenses associated with Top Standard Banquet Hall (**紅棉宴會廳**), which is located on the 5th floor of Coda Plaza, and our headquarters since 1 January 2017.

(Loss) profit and total comprehensive (expense) income

The profit and total comprehensive income for the year ended 31 March 2017 of approximately HK$8.3 million changed to a loss and total comprehensive expense for the year ended 31 March 2018 of approximately HK$21.9 million. The change from profit to a loss position of the Group of approximately HK$30.2 million was mainly attributable to the non-recurring Listing expenses and the factors discussed above.

Basic (loss) earnings per share

The Group's basic earnings per share changed to loss per share of approximately 3.5 HK cents for the year ended 31 March 2018 from earnings per share of approximately 1.5 HK cents for the year ended 31 March 2017, representing a change of approximately 5 HK cents. Such change was in line with the change from profit and total comprehensive income for the year ended 31 March 2017 to loss and total comprehensive expense for the year ended 31 March 2018.

USE OF PROCEEDS

The Shares have been successfully listed on GEM on the Listing Date. The actual net proceeds from the Share Offer, after deducting commissions and expenses borne by the Company in connection with the Share Offer, were approximately HK$42.3 million (the "**Actual Net Proceeds**"), which were lower than the estimated figure as stated in the Prospectus. Thus, the Company plans to apply the Actual Net Proceeds on the same business strategic plans as stated in the Prospectus for the period from the Listing Date to 31 March 2020 (the "**Period**") but with monetary adjustments to each business strategic plan on a pro-rata basis. The table below sets out an adjusted allocation and the actual usage of the Actual Net Proceeds as at 31 March 2018.

	Adjusted allocation of the Actual Net Proceeds *HK$ (million)*	**Actual usage of the Actual Net Proceeds as at 31 March 2018** *HK$ (million)*
Business strategies as set out in the Prospectus		
Establishing a central kitchen	16.0	Nil
Renovating our premises and upgrading our equipment	10.7	Nil
Establishing a new restaurant in Kowloon	8.9	Nil
Repayment of utilised banking facility	3.6	3.6
Strengthen our marketing effects	1.0	Nil
Upgrading our information system	0.9	Nil
General working capital	1.2	Nil
	42.3	3.6

Given the relatively short period between the Listing Date and 31 March 2018, the Group is still in the preliminary stages of implementing its business strategies as set out in the Prospectus.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group has total assets of approximately HK$89.1 million (2017: approximately HK$40.2 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK$39.3 million (2017: approximately HK$28.7 million) and approximately HK$49.8 million (2017: approximately HK$11.5 million), respectively. The current ratio as at 31 March 2018 of the Group was approximately 1.5 times (2017: approximately 0.8 times).

During the year ended 31 March 2018, the Group raised gross proceeds from the Share Offer of approximately HK$70.0 million. The net cash used in operating activities of approximately HK$14.6 million included Listing expenses paid of approximately HK$16.0 million. As at 31 March 2018, the Group had bank balances and cash of approximately HK$52.1 million (2017: approximately HK$1.4 million). The total interest-bearing loan of the Group as at 31 March 2018 was approximately HK$21.7 million (2017: approximately HK$18.9 million). The gearing ratio (calculated based on interest bearing loan and the obligation under finance lease divided by total equity) of the Group as at 31 March 2018 was approximately 0.4 times (2017: approximately 1.7 times).

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on the Listing Date. These has been no changes in the capital structure of the Group since then. The share capital of the Group comprises only ordinary shares.

As at 31 March 2018, the Company issued share capital was HK$8,000,000 divided into 800,000,000 Shares of HK$0.01 each.

BORROWINGS

As at 31 March 2018, the total borrowings of the Group, all of which were denominated in Hong Kong dollar, amounted to approximately HK$21.7 million (2017: approximately HK$18.9 million) and borne floating interest rates from 2.0% to 5.5% per annum as at 31 March 2018. No financial instrument was being used for interest rate hedging purpose.

Save as disclosed, the Group did not have other borrowings for the year ended 31 March 2018 (2017: HK$895,000 of amounts due to related parties).

PLEDGE OF ASSETS

As at 31 March 2018, the Group's obligation under a finance lease was secured by the lessor's title to the leased asset, which had a carrying amount of approximately HK$0.2 million (2017: approximately HK$0.2 million).

COMMITMENTS

The Group was committed to make future minimum lease payments under non-cancellable operating leases. The Group's operating lease commitments amounted to approximately HK$42.3 million as at 31 March 2018 (2017: approximately HK$24.4 million).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Save for the reorganisation of the Group on preparation of the Listing, the Group did not have any material acquisition nor disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2017 and 2018.

CONTINGENT LIABILITIES

As at 31 March 2017 and 31 March 2018, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2017 and 31 March 2018, the Group did not have any significant capital commitments.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2018.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Save as disclosed in the Prospectus and in this announcement, the Group did not have other plans for material investments and capital assets as of the date of this announcement.

PROSPECT

The Group is actively exploring opportunities in expanding its restaurant network. The Group is currently exploring the expansion of its Sichuanese-cuisine restaurant network to Kowloon through acquiring certain assets from an existing restaurant operator and entering into a lease with the landlord of the existing location of such restaurant. This restaurant has a gross floor area of approximately 534 sq.m. and has approximately 150 seats.

The Group is also looking at the possibility of expanding its geographical coverage. The Group is currently exploring of expanding opening a new restaurant in Taipei, Taiwan under the "Pure Veggie House (心齋)" brand.

The Group intends to carry out the above expansion plans by a combination of its internal funding and also by bank borrowings (where required).

In relation to leases at Coda Plaza, the Group had exercised the option to renew its rental of San Xi Lou restaurant located on the 22nd Floor of Coda Plaza. For other leases at Coda Plaza, which will expire on 31 December 2018, the Group did not exercise the option to renew them and is currently under negotiation with the landlord. The Group is concurrently looking at the possibility of relocating some of its restaurants in Coda Plaza to other locations in Hong Kong in case agreement with the landlord cannot be reached.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on principles and code provisions in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (the "**Corporate Governance Code**"). Except for the deviation from code provision A.2.1 of the Corporate Governance Code, the Company's corporate governance practices comply with the Corporate Governance Code from the Listing Date up to 31 March 2018 (the "**Relevant Period**").

Code provision A.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Stanley Chuk is the chairman and the chief executive officer of the Company. In view of Mr. Stanley Chuk being a founder of the Group and has been operating the main operating subsidiaries of the Company, the Board believes that it is in the best interest of the Group to have Mr. Stanley Chuk taking up both roles for effective operational management and strategic business development. Further, the Board believes that both positions require in-depth knowledge and considerable experience of the Group's business and Mr. Stanley Chuk is the most suitable person to occupy both positions for the Group and facilitating the implementation and execution of the Group's business strategy as disclosed in the Prospectus. Therefore, the Directors consider that the deviation from code provision A.2.1 of the Corporate Governance Code is appropriate, and Mr. Stanley Chuk being the chairman and the chief executive officer can preserve and enhance the philosophies of the Group, preserve the leadership direction of the Group, and allow an efficient discharge of the executive functions of the chief executive as the decision maker. The Directors also believe that a balance of power and authority is adequately ensured by the operations of the Board which comprises individuals with diverse professional backgrounds and experiences including three independent non-executive Directors. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

Further information on the Group's corporate governance practices will be set out in the Corporate Governance Report contained in the Group's annual report for the year ended 31 March 2018, which will be sent to the Shareholders in due course.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in HKD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The transactions and monetary assets denominated in RMB are minimal for the two years ended 31 March 2017 and 2018, the Group considers there were no significant foreign exchange risks in respect of RMB for both years.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the total number of full time and casual or part time employees of the Group was 229 (31 March 2017: 157). Total staff costs (including Directors' emoluments) were approximately HK$41.3 million for the year ended 31 March 2018 (2017: approximately HK$28.4 million).

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

INTERESTS OF COMPLIANCE ADVISER

As at the date of this announcement, CLC International Limited ("**CLC**"), the compliance adviser of the Company, has confirmed that except for the compliance adviser agreement entered into between the Company and CLC dated 30 January 2018, neither CLC nor its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Relevant Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

REQUIRED STANDARD OF DEALINGS FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings during the Relevant Period.

The Company has also adopted its own code of conduct regarding employees' securities transactions with reference to the required standard of dealings for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT AND RISK MANAGEMENT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

Pursuant to the requirements of the Corporate Governance Code and the GEM Listing Rules, the Company has established an audit and risk management committee (the "**Audit and Risk Management Committee**") that comprises three independent non-executive Directors, namely Ms. Chian Yat Ping (the chairman of the Audit and Risk Management Committee), Mr. Yew Tak Yun, Paul and Mr. Chan Kwok Ki, Stephen.

The Audit and Risk Management Committee has reviewed the Group's consolidated financial statements and annual results for the year ended 31 March 2018. The Audit and Risk Management Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the GEM Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, 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, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

SUBSEQUENT EVENT

There is no material subsequent event affecting the Group after 31 March 2018 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The notice of the forthcoming annual general meeting of the Company will be published and dispatched to the Shareholders in the manner specified in the GEM Listing Rules in due course.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at topstandard.com.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners, and shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group.

By order of the Board of
Top Standard Corporation
Chuk Stanley
Chairman and Executive Director

Hong Kong, 22 June 2018

As at the date of this announcement, the executive Directors are Mr. Chuk Stanley, Mr. Lam Ka Wong, Johnson and Mr. Chuk Kin Yuen, and the independent non-executive Directors are Ms. Chian Yat Ping, Mr. Yew Tak Yun, Paul and Mr. Chan Kwok Ki, Stephen.

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 posting. This announcement will also be published on the website of the Company at topstandard.com.hk.