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Easy One Financial Group Limited **易易壹金融集團有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 221)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

The board (the “**Board**”) of directors (the “**Director(s)**”) of Easy One Financial Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to the “**Group**”) for the year ended 31 March 2020, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	4	113,393	130,761
Cost of sales		<u>(171)</u>	<u>(626)</u>
Gross profit		113,222	130,135
Other revenue and gain	4	37,872	39,292
Selling and distribution expenses		(3,992)	(6,984)
Net impairment losses	5	(17,325)	(16,550)
Administrative expenses		<u>(62,724)</u>	<u>(78,558)</u>
Operating profit		67,053	67,335
Finance costs	6	(20,916)	(26,571)
Net (loss)/gain on financial assets at fair value through profit or loss		(2,429)	4,430
Net gain on disposal of subsidiaries		1,092	72,694
Share of results of an associate		<u>1,187</u>	<u>(42,881)</u>
Profit before taxation	7	<u>45,987</u>	<u>75,007</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the year ended 31 March 2020

	<i>Notes</i>	2020 HK\$'000	2019 <i>HK\$'000</i>
Taxation	8	<u>(4,526)</u>	<u>(4,628)</u>
Profit for the year		<u>41,461</u>	<u>70,379</u>
Other comprehensive loss, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of changes in other comprehensive loss in an associate		(24,852)	(33,365)
Exchange fluctuation reserve reclassified to profit or loss upon disposal of subsidiaries		(1,094)	(52,322)
Exchange differences on translation of financial statements of overseas subsidiaries		(19,583)	(17,702)
Change in financial assets at fair value through other comprehensive income		<u>(1,684)</u>	<u>—</u>
		(47,213)	(103,389)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Change in financial assets at fair value through other comprehensive income		<u>(20,097)</u>	<u>(14,636)</u>
Other comprehensive loss for the year, net of tax		<u>(67,310)</u>	<u>(118,025)</u>
Total comprehensive loss for the year		<u>(25,849)</u>	<u>(47,646)</u>
Profit for the year attributable to owners of the Company		<u>41,461</u>	<u>70,379</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(25,849)</u>	<u>(47,646)</u>
Earnings per share attributable to owners of the Company for the year			
— Basic and diluted	9	<u>HK7.45 cents</u>	<u>HK12.65 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		255	1,557
Interest in an associate		220,184	243,849
Loan receivables	<i>11</i>	41,254	100,163
Right-of-use assets		5,855	—
Financial assets at fair value through profit or loss		99,015	100,477
Financial assets at fair value through other comprehensive income		40,897	49,383
Intangible assets		—	95
Deposit paid		1,000	1,000
		<u>408,460</u>	<u>496,524</u>
Current assets			
Stock of properties		346,444	372,218
Loan receivables	<i>11</i>	514,692	548,314
Account receivables	<i>12</i>	92,714	106,965
Prepayments, deposits and other receivables		21,753	23,362
Financial assets at fair value through profit or loss		3,172	4,180
Financial assets at fair value through other comprehensive income		16,617	19,191
Cash and bank balances held in segregated accounts		7,679	13,261
Time deposits		29,219	1,070
Cash and bank balances		39,547	72,740
		<u>1,071,837</u>	<u>1,161,301</u>
Less: Current liabilities			
Account payables	<i>13</i>	18,486	22,249
Deposits received, accruals and other payables		52,798	94,089
Lease liabilities		3,878	—
Tax payable		74,027	69,353
Bank and other loans		240,760	287,980
		<u>389,949</u>	<u>473,671</u>
Net current assets		<u>681,888</u>	<u>687,630</u>
Total assets less current liabilities		<u>1,090,348</u>	<u>1,184,154</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**As at 31 March 2020*

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Less: Non-current liabilities		
Lease liabilities	2,043	—
Loans from related company	—	70,000
	<hr/>	<hr/>
	2,043	70,000
	<hr/>	<hr/>
Net assets	1,088,305	1,114,154
	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves		
Share capital	5,564	5,564
Reserves	1,082,741	1,108,590
	<hr/>	<hr/>
Total equity	1,088,305	1,114,154
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2020

1. CORPORATE INFORMATION

Easy One Financial Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. On 31 July 2014, the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal place of business of the Company in Hong Kong is located at Suite 3202, 32/F, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise the provision of finance, provision of securities brokerage services in Hong Kong and property development in the PRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise state.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which also include Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) relating to the preparation of consolidated financial statements. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Statement of compliance *(Continued)*

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.2 Application of new and amendments to HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by HKICPA, which are effective for the Group's financial year beginning from 1 April 2019. A summary of the new and amendments to HKFRSs applied by the Group is set out as follows:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle
HKFRS 9 (Amendments)	Prepayment features with Negative Compensation
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Investments in associates and joint ventures
HK (IFRIC) — Int 23	Uncertainty over Income Tax Treatments

Except as described below, the application of the new and revised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies upon application of HKFRS 16 Leases

(a) Impact of adoption

On 1 April 2019, the Group has applied HKFRS 16. HKFRS 16 superseded HKAS 17, and the related interpretations. The Group applied the HKFRS 16 in accordance with the transition provisions of HKFRS 16.

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HKFRIC — Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong was determined on a portfolio basis;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies upon application of HKFRS 16 Leases (Continued)

(a) *Impact of adoption (Continued)*

As a lessee (Continued)

- iv. relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review; and
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options.

As at 1 April 2019, the Group has non-cancellable operating leases in respect of rental of office. The remaining terms of these operating leases were less than 12 months. The Group has accounted for these leases as short-term leases under the practical expedient permitted by HKFRS 16.

The following table reconciles the operating lease commitment as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019 HK\$'000
Operating lease commitments disclosed as at 31 March 2019	2,646
Less: Short-term leases with remaining lease term ending on or before 31 March 2020	(2,646)
	<hr/>
Lease liabilities recognised as at 1 April 2019	<hr/> <hr/> <u>—</u>

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Application of new and amendments to HKFRSs *(Continued)*

Impacts and changes in accounting policies upon application of HKFRS 16 Leases (Continued)

(a) Impact of adoption (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated. During the year ended 31 March 2020, application of HKFRS 16 by the Group as a lessor has no material impact on the Group's consolidated financial statements.

Impacts and changes in accounting policies of application of other new and amendments to HKFRSs

HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by individual group entities in their respective income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

The Group applied this interpretation retrospectively with the cumulative effect of initially applying the interpretation recognised at the date of initial application, 1 April 2019, without restating comparatives.

The uncertain tax position in respective of expenditure incurred is based on the most likely amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 New and amendments to HKFRSs that have been issued but are 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:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material ²
HKFRS 3 (Amendments)	Definition of a Business ¹
HKFRS 9, HKAS 39 and HKFRS7 (Amendments)	Interest Rate Benchmark Reform ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 17	Insurance Contracts ³
HKFRS 16 (Amendments)	COVID-19 — Related Rent Concession ⁵

¹ Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

² Effective for annual periods beginning on or after 1 January 2020.

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

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

Except disclosed above, the directors of the Company do not anticipate that the application of other new and amendments to HKFRSs will have a material impact on the Group's financial performance and financial positions in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's operating and reportable segment under HKFRS 8 is therefore as follows:

- Provision of finance business operation
- Provision of brokerage services operation
- Property development operation

The following is an analysis of the Group's revenue and results by reportable segments:

2020

	Provision of finance business operation HK\$'000	Provision of brokerage services operation HK\$'000	Property development operation HK\$'000	Total HK\$'000
Segment revenue	94,926	14,872	3,595	113,393
Segment results	54,108	1,322	17,256	72,686
Unallocated other revenue and gain				12,406
Corporate and other unallocated expenses				(18,039)
Finance costs				(20,916)
Net gain on disposal of subsidiaries				1,092
Net loss on financial assets at FVTPL				(2,429)
Share of results of an associate				1,187
Profit before taxation				45,987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION (Continued)

2019

	Provision of finance business operation <i>HK\$'000</i>	Provision of brokerage services operation <i>HK\$'000</i>	Property development operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	100,609	18,879	11,273	130,761
Segment results	47,533	3,184	22,377	73,094
Unallocated other revenue and gain				10,944
Corporate and other unallocated expenses				(16,703)
Finance costs				(26,571)
Net gain on disposal of subsidiaries				72,694
Net gain on financial assets at FVTPL				4,430
Share of results of an associate				(42,881)
Profit before taxation				75,007

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year (2019: Nil).

Segment results represents the profit earned/(loss incurred) by each segment without allocation of corporate expenses including directors' salaries, finance costs, share of results of an associate, net (loss)/gain on financial assets at FVTPL and net gain on disposal of subsidiaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION (Continued)**Segment assets and liabilities**

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets		
Provision of finance business operation	597,211	692,348
Provision of brokerage services operation	128,087	139,684
Property development operation	354,806	392,876
	<hr/>	<hr/>
Total segment assets	1,080,104	1,224,908
Unallocated	400,193	432,917
	<hr/>	<hr/>
Consolidated assets	1,480,297	1,657,825
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Provision of finance business operation	170,841	180,712
Provision of brokerage services operation	26,619	25,943
Property development operation	156,921	197,475
	<hr/>	<hr/>
Total segment liabilities	354,381	404,130
Unallocated	37,611	139,541
	<hr/>	<hr/>
Consolidated liabilities	391,992	543,671
	<hr/> <hr/>	<hr/> <hr/>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interest in an associate, financial assets at FVTPL, financial assets at FVTOCI and corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION (Continued)

Other segment information

	Provision of finance business operation		Provision of brokerage services operation		Property development operation		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of owned property, plant and equipment	384	2,386	684	1,303	140	313	—	—	1,208	4,002
Depreciation of right-of-use assets	603	—	1,348	—	—	—	—	—	1,951	—
Additions to non-current assets	11	37	5	259	8	3	—	—	24	299
Loss on disposal of property, plant and equipment	64	84	—	47	—	—	—	—	64	131
Net loss/(gain) on financial assets at FVTPL	—	—	—	—	—	—	2,429	(4,430)	2,429	(4,430)
Bad debt recovery on loan receivables	(406)	(137)	—	—	—	—	—	—	(406)	(137)
(Reversal of)/impairment loss on account receivables	—	—	(538)	310	—	—	—	—	(538)	310
Impairment loss on loan receivables	14,666	15,110	—	—	—	—	—	—	14,666	15,110
Impairment loss on interest receivables	2,358	1,131	—	—	—	—	311	(1)	2,669	1,130
Impairment loss on FVTOCI	—	—	—	—	—	—	433	—	433	—
Impairment loss on Intangible assets	95	—	—	—	—	—	—	—	95	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION (Continued)

Revenue from major products and services

The Group's revenue from its major products and services was as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Segment revenue		
Interest income from loan financing	94,926	100,609
Interest income from brokerage financing	9,947	11,833
Commission and fee income from brokerage services	3,305	4,230
Placing and underwriting commission	1,620	1,966
Consultancy fee income	—	850
Sales of stock of properties	3,595	11,273
	<u>113,393</u>	<u>130,761</u>

Geographical information

The Group operates in two principal geographical areas — the PRC and Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets*	
	Year ended 31 March 2020 <i>HK\$'000</i>	31 March 2019 <i>HK\$'000</i>	As at 31 March 2020 <i>HK\$'000</i>	31 March 2019 <i>HK\$'000</i>
PRC	3,595	11,273	107	250
Hong Kong	109,798	119,488	7,003	2,307
	<u>113,393</u>	<u>130,761</u>	<u>7,110</u>	<u>2,557</u>

* Non-current assets exclude those relating to the interest in an associate, financial assets at FVTPL, financial assets at FVTOCI, loan receivables and intangible assets at 31 March 2020 and 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

3. SEGMENT INFORMATION (Continued)

Information about major customers

For the year ended 31 March 2020 and 2019, no single customer of the Group contributed 10% or more to the total revenue of the Group.

4. REVENUE AND OTHER REVENUE AND GAIN

Revenue represents interest income earned, commission and fee income from brokerage services and sales of stock of properties. All significant intra-group transactions have been eliminated on consolidation.

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<i>Recognised at a point in time</i>		
Commission and fee income from brokerage services	3,305	4,230
Placing and underwriting commission	1,620	1,966
Consultancy fee income	—	850
Sales of stock of properties	3,595	11,273
	<u>8,520</u>	<u>18,319</u>
<i>Revenue from other sources</i>		
Interest income from loan financing	94,926	100,609
Interest income from brokerage financing	9,947	11,833
	<u>104,873</u>	<u>112,442</u>
	<u>113,393</u>	<u>130,761</u>
Other revenue and gain		
Rental income	21,550	22,213
Interest income on bank deposits	210	114
Interest income on convertible notes	7,732	7,725
Interest income on listed bond	77	—
Interest income from cash clients	793	3,063
Dividend income on listed securities	5,148	3,186
Handling fee	60	73
Bad debt recovery on loan receivables	406	137
Sundry income	1,896	2,781
	<u>37,872</u>	<u>39,292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

4. REVENUE AND OTHER REVENUE AND GAIN (Continued)

Other revenue and gain from financial assets is analysed as follows:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income on financial assets measured at amortised cost (including cash and bank balances)	1,003	3,177
Interest income on financial assets at FVTPL	7,732	7,725
Interest income on financial assets at FVTOCI	77	—
Dividend income on financial assets at FVTOCI	5,148	3,186
	<hr/> 13,960 <hr/>	<hr/> 14,088 <hr/>

5. NET IMPAIRMENT LOSSES

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net impairment losses on loan receivables	14,666	15,110
Net impairment losses on account receivables	(538)	310
Net impairment losses on intangible assets	95	—
Net impairment losses on interest receivables	2,669	1,130
Net impairment losses on financial asset at FVTOCI	433	—
	<hr/> 17,325 <hr/>	<hr/> 16,550 <hr/>

6. FINANCE COSTS

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on interest-bearing bank loans wholly repayable within five years	5,422	8,334
Interest on interest-bearing loans wholly repayable within five years	15,294	18,237
Interest on lease liabilities	200	—
	<hr/> 20,916 <hr/>	<hr/> 26,571 <hr/>

No interest was capitalised for the year ended 31 March 2020 and 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

7. PROFIT BEFORE TAXATION

Profit before taxation is stated at after charging/(crediting):

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of completed properties sold and other taxes and levies	2,530	3,131
Commission paid to brokers and others	3,637	3,354
Auditors' remuneration		
— audit services	1,350	1,450
— other services	—	480
Depreciation of owned property, plant and equipment	1,208	4,002
Depreciation of right-of-use assets	1,951	—
Exchange loss/(gain)	51	(8)
Expenses relating to short term leases and low-value leases	2,344	—
Minimum lease payments under operating leases for land and buildings	—	7,494
Net loss on disposal of property, plant and equipment	64	131
	<u>28,366</u>	<u>31,912</u>
Salaries and other short-term employee benefits (excluding directors' remuneration)	28,366	31,912
Retirement benefits scheme contributions (excluding directors' retirement benefits scheme contributions)	985	1,160
	<u>29,351</u>	<u>33,072</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

8. TAXATION

For the year ended 31 March 2020 and 2019, Hong Kong Profits Tax was calculated at 16.5% on the estimated assessable profits. Under the two-tiered profits tax rate regime which was introduced by the Inland Revenue (Amendment) (No. 7) Bill 2017 (“**Bill**”), the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

The PRC corporate income tax had been provided at the rate of 25% (2019: 25%) on the estimated assessable profits arising in the PRC during the year.

	2020	2019
	HK\$'000	HK\$'000
Current taxation:		
Hong Kong profits tax	4,526	4,628
PRC corporate income tax	—	—
	<hr/>	<hr/>
Total tax charge for the year	4,526	4,628
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<i>Profit</i>		
Profit for the purpose of basic earnings per share for the year attributable to owners of the Company	<u>41,461</u>	<u>70,379</u>
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	<u>556,432</u>	<u>556,432</u>
Basic and diluted earnings per share (HK cents)	<u>7.45</u>	<u>12.65</u>

The basic earnings per share and diluted earnings per share were the same for the years ended 31 March 2020 and 2019, respectively. The effect of any assumed exercised of Company's share option outstanding as at 31 March 2020 and 31 March 2019 would be anti-dilutive and was not included in the calculation of diluted earnings per share.

10. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2020 and 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

11. LOAN RECEIVABLES

The maturity profile of the loan receivables at the end of the reporting period, analysed by the maturity date, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loan receivables:		
Within one year	517,064	552,117
Two to five years	34,380	57,475
Over five years	20,475	44,842
	<hr/>	<hr/>
	571,919	654,434
Less: Provision for impairment assessment of loan receivables	<hr/> (15,973) <hr/>	<hr/> (5,957) <hr/>
	<hr/> 555,946 <hr/>	<hr/> 648,477 <hr/>
Carrying amount analysed for reporting purpose:		
Current assets	514,692	548,314
Non-current assets	41,254	100,163
	<hr/>	<hr/>
	555,946 <hr/>	648,477 <hr/>

The Group's loan receivables which arise from the money lending business of providing property mortgage loans, personal loans and corporate loans in Hong Kong are denominated in Hong Kong dollars.

Before approving any loans to new borrowers, the Group has assessed the potential borrower's credit quality and defined credit limits individually. The Group has policy for allowance of doubtful debts which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment, including the current creditworthiness, collaterals and the past collection history of each client.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

12. ACCOUNT RECEIVABLES

	2020	2019
	HK\$'000	HK\$'000
Account receivables arising from the ordinary course of business of dealing in securities:		
Cash clients	2,789	13,198
Margin clients	87,704	89,660
Clearing houses	2,223	4,647
	92,716	107,505
Less: Provision for impairment assessment of account receivables	(2)	(540)
	92,714	106,965

The settlement terms of account receivables arising from the business of dealing in securities are two days after trade date. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Cash clients overdue balances are reviewed regularly by senior management. The Group does not hold any collateral over these balances.

No ageing analysis of margin clients is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

The ageing analysis of the remaining account receivables before allowance of impairment loss as at the end of the reporting period, based on settlement or invoices date is as follows:

	2020	2019
	HK\$'000	HK\$'000
Current	2,895	5,941
Within 30 days	995	2,521
31 to 90 days	1,122	650
Over 90 days	—	8,733
	5,012	17,845

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 March 2020

13. ACCOUNT PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Clients	18,140	22,012
Clearing houses	346	237
	<u>18,486</u>	<u>22,249</u>

The settlement terms of account payables arising from the business of dealing in securities are two days after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Included in account payables as at 31 March 2020, amounts of approximately HK\$7,713,000 (2019: approximately HK\$13,381,000) were payable to clients and other institutions in respect of the trust and segregated bank and other balances received and held for clients and other institutions in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these account payables with the deposits placed.

14. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 April 2019. Under the transition methods design, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2.

Certain comparative amounts have been reclassified to conform with the current period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2020 (the “**Financial Year**”), the Group recorded a revenue of approximately HK\$113.4 million (2019: approximately HK\$130.8 million), representing a decrease of approximately HK\$17.4 million, of which the revenue generated from provision of finance business in Hong Kong amounted to approximately HK\$94.9 million (2019: approximately HK\$100.6 million), the revenue generated from securities brokerage services in Hong Kong amounted to approximately HK\$14.9 million (2019: approximately HK\$18.9 million) and the revenue generated from property sale in the People’s Republic of China (the “**PRC**” or “**China**”) amounted to approximately HK\$3.6 million (2019: approximately HK\$11.3 million).

The Group reported net profit after tax attributable to owners of the Company for the Financial Year of approximately HK\$41.5 million (2019: approximately HK\$70.4 million). The drop in the net profit was primarily due to a significant decrease in gain on disposal of subsidiaries, as offset by a reduction in the share of loss of an associate as compared with last financial year.

CLOSURE OF REGISTER

The register of members of the Company will be closed for the following period for determining the eligibility to attend and vote at the 2020 annual general meeting of the Company:

Latest time to lodge transfer documents for registration: 4:30 p.m., 17 August 2020

Closure of register of members: 18 August 2020 to 24 August 2020 (both dates inclusive)

Record date: 24 August 2020

In order to be eligible to attend and vote at the 2020 annual general meeting of the Company, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than the latest time set out above.

DIVIDEND

The Board adopted a dividend policy in order to promote greater dividend policy transparency. In deciding whether to recommend the payment of dividend to the shareholders of the Company (the “**Shareholder(s)**”), the Board will take into account of a number of factors, including but not limited to the Company’s operation and financial performance, liquidity condition, capital requirements, future funding needs, contractual restrictions, availability of reserves and prevailing economic climate, subject to the applicable rules of Bermuda and the bye-laws of the Company. Based on these factors, the determination of dividend distribution, the amount and frequency, will be made at the discretion of the Board.

No interim dividend was paid to the Shareholders during the Financial Year (2019: Nil). The Directors did not recommend the payment of any dividend for the Financial Year (2019: Nil).

OPERATION AND BUSINESS REVIEW

During the Financial Year, the Group was principally engaged in the provision of finance and securities brokerage services in Hong Kong and property development in the PRC. The Group has continued to explore different potential business opportunities and strived to strengthen its market participation in the financial sector so as to deliver long-term benefits to the Shareholders.

Provision of Finance

The property market in Hong Kong remained volatile during the Financial Year, with flat prices rose to a peak in May 2019 and then followed by a downward adjustment from May 2019 to 1st quarter of 2020. The Government has relaxed the ceiling on mortgage financing schemes for first-time homebuyers, which helped in stimulating residential property transactions. However, the social events in Hong Kong and the outbreak of coronavirus disease 2019 (“**COVID-19**”) have dampened the overall market sentiment. Facing the severe headwind towards the financing business, the Group continued to reinforce its risk management policy and tighten the loan monitoring process. Against the aforesaid background, the overall loan portfolio of the Group from financing business net of impairment losses as at 31 March 2020 was approximately HK\$555.9 million, representing a decrease of approximately 14.3% as compared to the amount of approximately HK\$648.5 million as at 31 March 2019. The Group recorded revenue of approximately HK\$94.9 million from its provision of finance business, representing a decrease of approximately 5.7% as compared with last year (2019: approximately HK\$100.6 million).

A series of challenges has impeded on the revenue, including the keen market competition, intense price war on interest margin, volatile property prices, the continuous social events in Hong Kong and the spread of COVID-19 across the world. The above factors have created uncertainties in the loan business. In light of the above, the Group will continue to adopt prudent credit policy and risk management approach with a view to generating a sustainable and stable income growth.

Securities Brokerage Services

Easy One Securities Limited (“**Easy One Securities**”), a wholly-owned subsidiary of the Company, is licensed by the Securities and Futures Commission of Hong Kong (the “**SFC**”) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The securities brokerage market in Hong Kong remains highly competitive. Trading in the Hong Kong securities market continued to languish during the Financial Year. The large-scale outbreak of COVID-19 across the globe and the continuous social events in Hong Kong have caused the stagnation of economic activities in Hong Kong. The transportation, logistics, catering industries and other service industries have been severely impacted. All these created a downward momentum to the Hong Kong stock market and significantly impacted the Group’s brokerage activities and margin financing businesses. In light of the aforesaid, the Group recorded revenue of approximately HK\$14.9 million from its securities brokerage services business, representing a decrease of approximately 21.2% as compared with last year (2019: approximately HK\$18.9 million).

Property Development

The Group disposed of the property development project in Fuzhou, Jiangxi Province, the PRC at an aggregate consideration of Renminbi (“**RMB**”) 1.0 million and recorded a gain in the consolidated statement of profit and loss of approximately HK\$72.8 million last year. After the disposal, the remaining property project held by the Group is the commercial complex in Dongguan, Guangdong Province, the PRC (the “**Dongguan Project**”), details of which are as follows:

Address	Percentage ownership/ interest	Approximate site area (square feet)	Approximate saleable area (square feet)	Existing use
Ling Shang Tian Di, North of National Highway No. 107 Ai Ling Kan Village, Dalingshan Town, Dongguan City, Guangdong Province, the PRC	100%	0.2 million	0.4 million	Commercial complex

Over 98% of the leasable area of the Dongguan Project was leased as at 31 March 2020. The Group's income from property leasing for the Financial Year was approximately HK\$21.6 million (2019: approximately HK\$22.2 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's total assets as at 31 March 2020 were approximately HK\$1,480 million (2019: approximately HK\$1,658 million) which were financed by total liabilities and total equity of approximately HK\$392 million (2019: approximately HK\$544 million) and approximately HK\$1,088 million (2019: approximately HK\$1,114 million), respectively. The current ratio as at 31 March 2020 was approximately 2.7 times (2019: approximately 2.5 times).

As at 31 March 2020, the Group's aggregate bank and other borrowings amounted to approximately HK\$241 million (2019: approximately HK\$288 million), which were denominated in Hong Kong Dollars and RMB. There is no bank and other borrowing at fixed interest rate in current year. In last year, there were approximately HK\$60 million of the bank and other borrowings are at fixed interest rates. The gearing ratio was calculated by reference to the Group's total borrowings net of cash and cash equivalents and the total equity of the Group. As of 31 March 2020, the gearing ratio was approximately 15.8% (2019: approximately 25.5%).

As at 31 March 2020, the total number of the issued share capital with the par value of HK\$0.01 each was 556,432,500 and total equity attributable to Shareholders was approximately HK\$1,088 million (2019: HK\$1,114 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The revenue, bank deposits and operating costs of the Group are mainly denominated in Hong Kong Dollars and RMB. The Group did not enter or have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 March 2020. Due to the currency fluctuation of RMB, the Group had been considering alternative risk hedging tools to mitigate RMB currency exchange risk.

RISK FACTORS RELATING TO OUR INDUSTRIES AND BUSINESS OPERATIONS

The Group's principal businesses are provision of finance and securities brokerage services in Hong Kong and property development in the PRC. It is considered that the major risks and challenges which might have significant impact to the Group's financial performance and conditions include, among others: (i) credit risk of loan portfolios; (ii) fluctuation in the exchange rate of RMB against Hong Kong Dollars; (iii) obtaining adequate financing, whether equity or debt, to support its business funding needs; (iv) market risk of the Group's investment in financial assets; (v) financial performance of an associate in which the Group has interest; and (vi) impact from change in laws and regulations, in particular those laws and regulations relating to property development and property market sectors in Hong Kong and the PRC and the financing sector and securities sector in Hong Kong.

Credit risk refers to the risk of default by our customers on loans, whether secured or unsecured, advanced. The Group has well established credit policy, collection procedures and post-loan credit review for credit risk control and monitoring.

Market risk refers to changes in market conditions which affect the valuation and financial performance of the Group's investment in listed and unlisted financial instruments. Listed investments are monitored on daily basis while unlisted investments are reviewed regularly through either valuation report from fund manager or independent third party valuation. Management and/or executive Directors evaluate investment performance and, where necessary, make appropriate investment decision in the interest of the Company.

For the Group's interest in an associate, the Group considered it as a long term strategic investment. While the associate's financial results may fluctuate, the Directors assess this investment and make investment decision according to its perceived long-term value.

Financing risk refers to the Group's ability to obtain funding to meet its operation and investment obligations. Management and the Board identify funding needs through corporate strategy and financial planning and then derive action plans to obtain debt and/or equity funding. Cash flow forecast is carried out from time to time to facilitate early identification of funding needs and any liquidity issue.

Exchange rate risk of RMB refers to the impact of exchange rate fluctuation on financial performance due to the Group's holding of RMB denominated assets and liabilities. Although its impact to the Group is not significant in the recent years, the management does review the Group's exchange rate risk from time to time to determine whether protective, such as hedging, and/or corrective action is required.

DEPENDENCE ON EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group adopts market remuneration practices by reference to market terms, company performance, as well as individual qualifications and performance, with a well and organized management structure, so that no key and specific employee would materially and significantly impact the Group's businesses.

The income of the Group attributable to the largest customer accounted for approximately 6% of the Group's total income, and the aggregate amount of income of the Group attributable to the five largest customers accounted for approximately 24% of the Group's total income. No major supplier is accounted for more than 5% of the Group's total purchase. None of the Directors, their close associates or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the issued shares of the Company) owned or held any interests in the five largest customers. No customers or suppliers would have any material impact on the Group's business performance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to various environmental laws and regulations set by the PRC government for its property development business. Compliance procedures are in place to ensure adherence to applicable laws and regulations. During the Financial Year, the Group was in compliance, in all material respects, with the relevant laws and regulations. There are no environmental laws or regulations applicable to our financing business and securities business. The Group also provides updates to its employees in respect of any changes in applicable laws and regulations. Details of the environmental policies and performance of the Group are disclosed in the Environmental, Social and Governance Report in our annual report for the year ended 31 March 2020 to be published in compliance with the requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

EMPLOYEES AND REMUNERATION POLICY

The Group aims to recruit, retain and develop competent individuals who are committed to the Group's long-term success and growth. Remunerations and other benefits of employees are reviewed annually in response to both market conditions and trends, and are based on qualifications, experience, responsibilities, competence, skills and performance of the relevant employees.

As at 31 March 2020, the Group had a total of 70 employees (2019: 104), in which 36 employees were based in Hong Kong and 34 employees were based in the PRC (2019: 59 employees were based in Hong Kong and 45 employees were based in the PRC).

The Group provides medical insurance and participates in the Mandatory Provident Fund Scheme for employees in Hong Kong, who are eligible to participate, and provides retirement contributions in accordance with the statutory requirements for employees in the PRC. The Group also adopts a performance-based reward system to motivate its staff and such system is reviewed on a regular basis by the management team. On 21 August 2012, the Company adopted a share option scheme (the “**Share Option Scheme**”) which became effective on 21 August 2012 in compliance with Chapter 17 of the Listing Rules. As at 31 March 2020, there were 17,800,000 outstanding share options under the Share Option Scheme. Details of the employee and remuneration policy of the Group are disclosed in the Environmental, Social and Governance Report in our annual report for the year ended 31 March 2020 to be published in compliance with the requirements of the Listing Rules.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

As at 31 March 2020, the Group had no significant contingent liability (2019: Nil).

As at 31 March 2020, (i) stock of properties with a carrying value of approximately HK\$346 million (2019: approximately HK\$271 million); (ii) shares of several subsidiaries; and (iii) loan receivable with a carrying value of approximately HK\$187 million (2019: approximately HK\$200 million) were pledged to secure the Group's banking facilities.

CAPITAL COMMITMENT

The Group has no capital commitment as at 31 March 2020 (2019: Nil).

DEBT PROFILES AND FINANCIAL PLANNING

The interest-bearing debt profile of the Group as at 31 March 2020 was analysed as follows:

	Outstanding amount <i>(HK\$ million)</i>	Approximate annual effective interest rate <i>(per annum)</i>	Interest charging basis	Maturity date
Loans from financial institution	84	4.0%-6.2%	Floating	From October 2020 to to August 2022
Loan from non-financial institution	157	7.8%	Floating	August 2020
Total	<u>241</u>			

In order to meet borrowing obligation and business operation funding needs, the Group had from time to time been considering various financing alternatives including but not limited to equity fund raising, borrowings from financial institution or non-financial institution, bonds issuance, convertible notes, and other debt financial instruments.

FINANCIAL ASSETS INVESTMENT HELD

As at 31 March 2020, the Group had financial assets at fair value through profit or loss investment of approximately HK\$102.2 million, details of which are set out as follows:

Nature of Investments	Principal business	As at 31 March 2020				For the financial year ended 31 March 2020		Fair value/ carrying amount		Investment cost
		Number of shares/ units held '000	Amount (HK\$'million)	Percentage of shareholding in such stock %	Percentage to the Group's net assets %	Net loss on financial assets at fair value through profit or loss (HK\$'million)	Dividends received (HK\$'million)	As at 31 March 2020 (HK\$'million)	As at 31 March 2019 (HK\$'million)	As at 31 March 2020 (HK\$'million)
A. Listed Investments										
Power Financial Group Limited	Financial industry	125	0.0	0.004	0.001	(0.0)	—	0.0	0.0	1.0
B. Mutual Funds										
HongHe Venture Fund I.L.P.	Fund	N/A	3.2	N/A	0.290	(1.0)	—	3.2	4.2	3.9
C. Unlisted Convertible Notes (CAPCN)										
China Agri-Products Exchange Limited (stock code:149)	Management and sales of properties in agricultural produce exchange markets in the PRC	N/A	99.0	N/A	9.099	(1.5)	—	99.0	100.5	103.0
			<u>102.2</u>		<u>9.390</u>	<u>(2.5)</u>	<u>—</u>	<u>102.2</u>	<u>104.7</u>	<u>107.9</u>

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2020, the Group did not have a concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries.

FUTURE PLANS AND PROSPECTS

The outlook for the global economy is tenuous, and the trade friction between China and the United States imposes ongoing pressure on the two largest economies in the world. As a key gateway for investment into mainland China, Hong Kong is also adversely affected by the trade friction. In addition, the outbreak of COVID-19 and the continuous social instability further impose pressure to Hong Kong's economy. The economic recession deepened in Hong Kong in the first quarter of 2020. The threat of COVID-19 seriously disrupted a wide range of local economic activities in Hong Kong and the supply chains in the region. The gross domestic product in Hong Kong contracted sharply by 8.9% in real terms in the first quarter from a year earlier, the steepest for a single quarter on record. With the gathering headwinds in the global and local economies, the Group is prepared to implement periodic measures so as to manage the risk prudently to prepare for the volatility in property prices and the downward momentum of the economy. The Hong Kong stock market was volatile during the Financial Year and is expected to remain turbulent in the next financial year. In spite of these uncertainties, the Group remains cautiously optimistic about the future and expects the provision of finance and securities brokerage services businesses will continue its growth in the long run.

On 4 May 2020, Caister Limited, a wholly-owned company of Mr. Tang Ching Ho, an executive director of Wang On Group Limited (stock code: 1222) and Wai Yuen Tong Medicine Holdings Limited (stock code: 897), has proposed a privatisation scheme for the Company (the “**Scheme**”). The cancellation consideration of HK\$0.924 per Scheme share represents a premium of approximately 44.4% over the closing price of HK\$0.640 per share of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 4 May 2020. If the Scheme becomes effective, the Company will apply to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules throughout the Financial Year, except for the following deviation:

Code provision A.2.1

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

Mr. Chan Chun Hong, Thomas (“**Mr. Chan**”) currently takes up the roles of both the chairman and the managing Director and is responsible for the overall corporate planning, strategic policy making and management of operations of the Group, which is of great value to the overall development of the Company. The daily business operation of the Group is delegated to various experienced individuals under the supervision of Mr. Chan. Furthermore, the Board believes that the balance of power and authority is adequately ensured by the operations of the Board, which comprises three executive Directors and three independent non-executive Directors with a balance of skills and experience appropriate for the development of the Group. The current structure also allows flexibility and enhances the efficiency of decision-making process in response to the constantly changing competitive environment.

Further details of the Company’s corporate governance practices are set out in the Corporate Governance Report to be contained in the Company’s 2020 annual report to be distributed by the Company in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiries of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Financial Year.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group’s financial reporting processes, internal controls and risk management. The Audit Committee comprises three independent non-executive Directors, namely Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, and is chaired by Mr. Sin Ka Man. The Audit Committee has reviewed with the management and the Company’s auditors the audited consolidated financial statements for the year ended 31 March 2020.

THE 2020 ANNUAL GENERAL MEETING

The 2020 annual general meeting of the Company will be held at Garden Room A-D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 24 August 2020 at 2:00 p.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.easystonefg.com) respectively. The 2020 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

By Order of the Board

EASY ONE FINANCIAL GROUP LIMITED

易易壹金融集團有限公司

Chan Chun Hong, Thomas

Chairman and Managing Director

Hong Kong, 29 June 2020

As at the date of this announcement, the Board comprises Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Ms. Stephanie as the executive Directors, and Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak as the independent non-executive Directors.