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華邦科技控股有限公司

HUABANG TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

The Board of Directors (the “**Board**”) of Huabang Technology Holdings Limited (the “**Company**”) presents the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2021 (“**Current Year**”) together with the comparative figures of the corresponding year ended 31 March 2020 (“**Last Corresponding Year**”).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2021

	Note	Year ended 31 March	
		2021 HK\$'000	2020 HK\$'000
Revenue	3	2,023,680	933,638
Cost of sales		<u>(1,960,924)</u>	<u>(867,481)</u>
Gross profit		62,756	66,157
Selling expenses		(1,364)	(770)
General and administrative expenses		(43,012)	(44,549)
Expected credit loss on financial assets, net	4	(106,351)	(5,125)
Other (expenses)/income and (losses)/gains, net	5	<u>(1,822)</u>	<u>11,207</u>
Operating (loss)/profit		(89,793)	26,920
Finance costs	6	(7,913)	(9,529)
Share of net loss of associates accounted for using the equity method		(1,946)	(2,052)
Impairment loss on interest in an associate		<u>(6,258)</u>	<u>–</u>
(Loss)/profit before income tax	7	(105,910)	15,339
Income tax credit/(expense)	8	<u>12,462</u>	<u>(5,597)</u>
(Loss)/profit for the year		<u>(93,448)</u>	<u>9,742</u>
(Loss)/profit attributable to:			
Owners of the Company		(93,108)	5,607
Non-controlling interests		<u>(340)</u>	<u>4,135</u>
		<u>(93,448)</u>	<u>9,742</u>
(Loss)/earnings per share attributable to owners of the Company			
Basic	9	HK(2.14) cent	HK0.13 cent
Diluted	9	<u>HK(2.14) cent</u>	<u>HK0.13 cent</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
(Loss)/profit for the year	(93,448)	9,742
Other comprehensive income/(expense)		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	<u>901</u>	<u>(828)</u>
Total comprehensive (expense)/income for the year	<u>(92,547)</u>	<u>8,914</u>
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(92,207)	4,779
Non-controlling interests	<u>(340)</u>	<u>4,135</u>
	<u>(92,547)</u>	<u>8,914</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

		As at 31 March	
		2021	2020
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	265,831	276,293
Intangible assets		52,126	53,254
Interest in an associate		–	7,762
Deposits, prepayments and other receivables	14	691	691
Deferred tax assets		22,887	7,378
		<u>341,535</u>	<u>345,378</u>
		-----	-----
Current assets			
Inventories		13,690	60,884
Loan receivables	12	180,585	179,447
Account receivables	13	226,279	282,976
Deposits, prepayments and other receivables	14	34,751	19,581
Financial assets at fair value through profit or loss		12,263	285
Income tax recoverable		2,084	1,047
Bank balances held on behalf of clients		15,089	13,741
Pledged bank deposits		41,427	40,915
Cash and cash equivalents		68,286	117,682
		<u>594,454</u>	<u>716,558</u>
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Total assets		<u><u>935,989</u></u>	<u><u>1,061,936</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2021

		As at 31 March	
	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
EQUITY			
Share capital	15	3,654	3,654
Other reserves		538,532	537,631
(Accumulated losses)/retained earnings		(15,427)	77,681
 Total equity attributable to owners of the Company		526,759	618,966
Non-controlling interests		7,117	7,957
 Total equity		533,876	626,923
 LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		163	840
		163	840
 Current liabilities			
Account payables	16	40,035	83,616
Other payables and accrued expenses	16	4,815	1,725
Contract liabilities		2,917	1,197
Borrowings	17	346,759	342,754
Income tax payables		7,424	4,881
		401,950	434,173
 Total liabilities		402,113	435,013
 Total equity and liabilities		935,989	1,061,936
 Net current assets		192,504	282,385
 Total assets less current liabilities		534,039	627,763

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Attributable to owners of the Company											
	Share capital	Other reserves						Sub total	(Accumulated losses)/ retained earnings	Total	Non-controlling interests	Total equity
		Share premium	Shares held for share award scheme	Merger reserve Note (a)	Capital reserve Note (b)	Statutory reserve Note (c)	Exchange reserve					
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the year ended 31 March 2021												
Balance at 1 April 2020	3,654	502,332	(21,630)	50,374	2,480	1,042	3,033	537,631	77,681	618,966	7,957	626,923
Loss for the year	-	-	-	-	-	-	-	-	(93,108)	(93,108)	(340)	(93,448)
Other comprehensive income												
Currency translation differences	-	-	-	-	-	-	901	901	-	901	-	901
Total comprehensive income/ (expense) for the year	-	-	-	-	-	-	901	901	(93,108)	(92,207)	(340)	(92,547)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(500)	(500)
Balance at 31 March 2021	<u>3,654</u>	<u>502,332</u>	<u>(21,630)</u>	<u>50,374</u>	<u>2,480</u>	<u>1,042</u>	<u>3,934</u>	<u>538,532</u>	<u>(15,427)</u>	<u>526,759</u>	<u>7,117</u>	<u>533,876</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2020

	Attributable to owners of the Company												
	Other reserves								Sub total	Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Employee share-based compensation reserve	Shares held for share award scheme	Merger reserve	Capital reserve	Statutory reserve	Exchange reserve					
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
For the year ended 31 March 2020													
Balance at 1 April 2019	3,654	502,332	14,955	(495)	50,374	2,480	1,042	3,861	574,549	57,119	635,322	-	635,322
Profit for the year	-	-	-	-	-	-	-	-	-	5,607	5,607	4,135	9,742
Other comprehensive expense													
Currency translation differences	-	-	-	-	-	-	-	(828)	(828)	-	(828)	-	(828)
Total comprehensive (expense)/ income for the year	-	-	-	-	-	-	-	(828)	(828)	5,607	4,779	4,135	8,914
Employee share option scheme – forfeiture of employee share options	-	-	(14,955)	-	-	-	-	-	(14,955)	14,955	-	-	-
Disposal of interests in a subsidiary without losing control	-	-	-	-	-	-	-	-	-	-	-	3,822	3,822
Purchase of shares under share award scheme	-	-	-	(21,135)	-	-	-	-	(21,135)	-	(21,135)	-	(21,135)
Balance at 31 March 2020	<u>3,654</u>	<u>502,332</u>	<u>-</u>	<u>(21,630)</u>	<u>50,374</u>	<u>2,480</u>	<u>1,042</u>	<u>3,033</u>	<u>537,631</u>	<u>77,681</u>	<u>618,966</u>	<u>7,957</u>	<u>626,923</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2021

Notes:

(a) Merger reserve

The Group's merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group, after elimination of intra-group investments.

(b) Capital reserve

The Group's capital reserve represents deemed contribution by the controlling shareholders as a shareholder acquired the remaining non-controlling interests of a subsidiary and contributed to the Group at no cost prior to 1 April 2011.

(c) Statutory reserve

The Company's subsidiary in the People's Republic of China (the "PRC") is required to transfer 10% of its profit after income tax calculated in accordance with the PRC accounting standards and regulations to the statutory reserve until the balance reaches 50% of its respective registered capital, where further transfers will be at their directors' discretion. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to equity holders of the PRC subsidiary in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory reserve after such issue is no less than 25% of share capital of the PRC subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business is 33/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in (i) computer and peripheral products business and (ii) financial services business.

The directors considered Mr. George Lu and Ms. Shen Wei, spouse of Mr. George Lu, to be the ultimate controlling shareholders.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Pursuant to a special resolution passed at an extraordinary general meeting held on 15 April 2021, the name of the Company was changed from Huabang Financial Holdings Limited to the present one.

These consolidated financial information are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousands, unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial information:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

2.2 Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial information.

2.3 New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendment to HKFRS 16	Covid-19 – Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ Effective for annual periods beginning on or after 1 January 2021

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

2.3 New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 31 March 2021, the application of the amendments will not result in reclassification of the Group’s liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Revenue from contracts with customers (Note i)	1,977,119	905,045
Revenue from other sources		
<i>Interest income calculated using the effective interest method from:</i>		
– loan receivables	17,913	12,113
– cash client receivables	28,648	16,480
	46,561	28,593
Total revenue	2,023,680	933,638

(i) Disaggregated revenue information for revenue from contracts with customers

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Type of goods or services		
Sales of goods	1,976,348	904,005
Service income		
– Provision of underwriting and placing services	248	86
Commission income		
– Provision of securities brokerage services	523	954
	1,977,119	905,045
Timing of revenue recognition		
A point in time	1,977,119	905,045

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue (Continued)

- (i) Disaggregated revenue information for revenue from contracts with customers (Continued)

All the sales of goods, service income and commission income have an original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The chief operating decision-maker (“CODM”) has been identified as the executive directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has two operating and reporting segments which are (i) computer and peripheral products business and (ii) financial services business (including securities brokerage business, advisory services business and money lending business).

The CODM assesses the performance of the operating segments based on segment (loss)/profit. Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of the respective segments. Unallocated expenses are not included in the result for each operating segment that is reviewed by the CODM.

Segment assets consist primarily of intangible assets, inventories, account receivables, loan receivables, allocated deposits, prepayments and other receivables where appropriate, financial assets at fair value through profit or loss where appropriate, pledged bank deposits, cash and cash equivalents where appropriate and bank balances held on behalf of clients. They exclude interest in an associate, property, plant and equipment, deferred tax assets, income tax recoverable and other unallocated assets, which are managed centrally.

Segment liabilities consist primarily of account payables, allocated borrowings where appropriate, allocated other payables and accrued expenses where appropriate and contract liabilities. They exclude deferred tax liabilities, income tax payables and other unallocated liabilities, which are managed centrally.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Segment revenues and results

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

	For the year ended 31 March 2021		
	Computer and peripheral products business HK\$'000	Financial services business HK\$'000	Total HK\$'000
Revenue from external customers	1,976,348	47,332	2,023,680
Cost of sales from external customers	<u>(1,960,924)</u>	<u>-</u>	<u>(1,960,924)</u>
	15,424	47,332	62,756
Selling expenses	(1,268)	(96)	(1,364)
General and administrative expenses	(9,556)	(8,003)	(17,559)
Expected credit loss on financial assets, net	(88,010)	(18,341)	(106,351)
Other (expenses)/income and (losses)/gains, net	(126)	1,226	1,100
Finance costs	<u>(5,645)</u>	<u>(263)</u>	<u>(5,908)</u>
Segment (loss)/profit	<u>(89,181)</u>	<u>21,855</u>	(67,326)
Share of net loss of an associate accounted for using the equity method			(1,946)
Impairment loss on interest in an associate			(6,258)
Unallocated expenses			<u>(30,380)</u>
Loss before income tax			(105,910)
Income tax credit			<u>12,462</u>
Loss for the year			<u>(93,448)</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Segment revenues and results (Continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments: (Continued)

	For the year ended 31 March 2020		
	Computer and peripheral products business HK\$'000	Financial services business HK\$'000	Total HK\$'000
Revenue from external customers	904,005	29,633	933,638
Cost of sales from external customers	(867,481)	–	(867,481)
	36,524	29,633	66,157
Selling expenses	(770)	–	(770)
General and administrative expenses	(12,587)	(9,797)	(22,384)
Expected credit loss on financial assets, net	513	(5,638)	(5,125)
Other income and gains, net	10,748	168	10,916
Finance costs	(6,665)	–	(6,665)
Segment profit	<u>27,763</u>	<u>14,366</u>	42,129
Share of net loss of associates accounted for using the equity method			(2,052)
Unallocated expenses			<u>(24,738)</u>
Profit before income tax			15,339
Income tax expense			<u>(5,597)</u>
Profit for the year			<u><u>9,742</u></u>

Interest revenue of HK\$46,561,000 (2020: HK\$28,593,000) was included in revenue from external customers, wholly contributed by financial services business segment.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Segment assets and liabilities

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

31 March 2021

	Computer and peripheral products business <i>HK\$'000</i>	Financial services business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>149,149</u>	<u>492,464</u>	<u>641,613</u>
Segment liabilities	<u>351,244</u>	<u>26,763</u>	<u>378,007</u>

31 March 2020

	Computer and peripheral products business <i>HK\$'000</i>	Financial services business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>317,823</u>	<u>457,219</u>	<u>775,042</u>
Segment liabilities	<u>333,011</u>	<u>14,059</u>	<u>347,070</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Segment assets and liabilities (Continued)

The reconciliations of segment assets to total assets and segment liabilities to total liabilities are provided as follows:

	As at 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	641,613	775,042
Cash and cash equivalents	1,233	4,357
Property, plant and equipment	255,638	265,514
Deposits, prepayments and other receivables	789	836
Financial assets at fair value through profit or loss	11,745	–
Deferred tax assets	22,887	7,378
Interest in an associate	–	7,762
Income tax recoverable	2,084	1,047
	<hr/>	<hr/>
Total assets	935,989	1,061,936
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities	378,007	347,070
Deferred tax liabilities	163	840
Income tax payables	7,424	4,881
Borrowings	15,003	82,014
Other unallocated liabilities	1,516	208
	<hr/>	<hr/>
Total liabilities	402,113	435,013
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Other segment information

	For the year ended 31 March 2021		
	Computer and peripheral products business HK\$'000	Financial services business HK\$'000	Total HK\$'000
Additions to property, plant and equipment	1,072	29	1,101
Depreciation of property, plant and equipment	1,547	138	1,685
Amortisation of intangible assets	–	1,128	1,128
Impairment of inventories	1,689	–	1,689

	For the year ended 31 March 2020		
	Computer and peripheral products business HK\$'000	Financial services business HK\$'000	Total HK\$'000
Additions to property, plant and equipment	171	8	179
Depreciation of property, plant and equipment	1,499	175	1,674
Amortisation of intangible assets	–	1,241	1,241
Impairment of inventories	122	–	122

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Geographical information

The Group's operations are located in Hong Kong and the PRC.

Majority of the Group's revenue were derived from operations located in Hong Kong.

Information about the Group's total non-current assets (excluding deferred tax assets) is presented below based on the geographical location of the assets:

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
Hong Kong	317,732	329,138
The PRC	916	8,862
	<u>318,648</u>	<u>338,000</u>

Information about major customers

Revenue from the top five customers for all reportable segments is as follows:

	Year ended 31 March	
	2021 HK\$'000	2020 HK\$'000
Revenue from top five customers	1,714,790	870,769
Total revenue	2,023,680	933,638
Percentage	<u>85%</u>	<u>93%</u>
Number of customers that individually accounted for more than 10% of the Group's revenue	<u>1</u>	<u>4</u>

For the year ended 31 March 2021, there was one customer individually contributing over 10% of the total revenue of the Group. The revenue was arisen from computer and peripheral products business and amounting to HK\$1,142,855,000 for the year ended 31 March 2021, its corresponding revenue for year ended 31 March 2020 did not contribute over 10% of the total revenue of the Group.

For the year ended 31 March 2020, there were four customers individually contributing over 10% of the total revenue of the Group. The revenue was arisen from computer and peripheral products business and amounting to HK\$417,038,000, HK\$214,592,000, HK\$113,874,000 and HK\$108,609,000 respectively; their corresponding revenue for the year ended 31 March 2021 did not contribute over 10% of the total revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4. EXPECTED CREDIT LOSS ON FINANCIAL ASSETS, NET

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Loan receivables (Note 12)	5,862	987
Cash client receivables (Note 13)	12,413	4,602
Trade receivables (Note 13)	88,010	(513)
Interest receivables (Note 14)	66	49
	<u>106,351</u>	<u>5,125</u>

5. OTHER (EXPENSES)/INCOME AND (LOSSES)/GAINS, NET

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Finance income	658	9,710
Exchange (losses)/gains	(983)	933
Gain on disposal of interest of an associate	–	2
Loss on disposal of property, plant and equipment	–	(108)
Realised gain/(loss) on disposal of equity investments at fair value through profit or loss	220	(52)
Unrealised loss on the change in fair value of equity investments at fair value through profit or loss	(2,703)	(501)
Handling fee income	935	746
Dividend income from listed securities	7	–
Write-back of other payables	–	236
Others	44	241
	<u>(1,822)</u>	<u>11,207</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. FINANCE COSTS

	Year ended 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance costs		
– Interest expenses on bank and other borrowings	<u>7,913</u>	<u>9,529</u>

7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging:

(a) Employee benefit expenses (including directors' emoluments)

	Year ended 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short term employee benefits	16,730	16,162
Post-employment benefits (<i>Note i</i>)	469	457
Others	<u>88</u>	<u>10</u>
	<u>17,287</u>	<u>16,629</u>

Notes:

(i): These mainly represent:

- the Group's contributions to the Mandatory Provident Funds (MPF) for employees working in Hong Kong. Under the MPF scheme, each of the group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings with a maximum of HK\$1,500 for employee's monthly contribution as defined under the Hong Kong Mandatory Provident Funds legislations.
- the Group's contributions to defined contribution pension plans in the PRC for employees working in the PRC. These pension plans are organised by the respective municipal and provincial government of the PRC. These PRC subsidiaries are required to contribute certain percentage of the employees' basic salaries to the pension plans depending on the applicable local regulations.

The Group has no other material obligations for the payment of pensions and other post-retirement benefits of employees or retirees other than those disclosed above.

(ii): For the year ended 31 March 2021, COVID-19 related government grants under "Employment Support Scheme" of the Hong Kong government, amounting to HK\$1,478,000 have been offset against employee benefit expenses.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7. (LOSS)/PROFIT BEFORE INCOME TAX (CONTINUED)

(Loss)/profit before income tax has been arrived at after charging: (Continued)

(b) Other items

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Cost of inventories sold	1,959,235	867,359
Auditor's remuneration		
- audit service	1,220	1,202
- non-audit service	50	–
Depreciation of property, plant and equipment	11,646	11,755
Amortisation of intangible assets	1,128	1,241
Short-term lease rentals of premises	532	2,310
Service fees for broker supplied systems	1,374	1,357
Impairment of inventories	1,689	122
	<u>1,959,235</u>	<u>867,359</u>

8. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax	3,810	5,247
Over-provision in prior year	(86)	(1,094)
Deferred income tax	(16,186)	1,444
	<u>(12,462)</u>	<u>5,597</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2019 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Group has no assessable profit in PRC during the reporting period and is not subject to any PRC corporate income tax. The PRC corporate income tax rate during the reporting period is 25%.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company for share award scheme.

	Year ended 31 March	
	2021	2020
(Loss)/profit attributable to owners of the Company (HK\$'000)	<u>(93,108)</u>	<u>5,607</u>
Weighted average number of ordinary shares in issue	<u>4,342,038,000</u>	<u>4,352,533,475</u>
Basic (loss)/earnings per share	<u>HK(2.14) cent</u>	<u>HK0.13 cent</u>

(b) Diluted

Diluted (loss)/earnings per share for the years ended 31 March 2021 and 2020 was the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2021 and 2020.

10. DIVIDENDS

No final dividend for the years ended 31 March 2021 and 2020 was proposed.

11. PROPERTY, PLANT AND EQUIPMENT

During the year, there was additions of HK\$1,101,000 (2020: HK\$464,000) for property, plant and equipment.

For the year ended 31 March 2021, there was no disposal of property, plant and equipment which resulting in no gain/loss on disposal.

For the year ended 31 March 2020, the Group disposed of certain property, plant and equipment with the aggregate carrying amount of HK\$113,000 which resulting in a loss on disposal of HK\$108,000.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. LOAN RECEIVABLES

	As at 31 March	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loan receivables	194,530	187,530
Less: Impairment		
– Stage 1	(1,065)	(1,083)
– Stage 2	–	–
– Stage 3	(12,880)	(7,000)
	<u>180,585</u>	<u>179,447</u>

The Group's loan receivables, which arise from its money lending business in Hong Kong, are denominated in Hong Kong dollars, unsecured, bearing fixed interest rate, and recoverable within one year from the dates of inception of the loan agreements.

A maturity profile of the loan receivables as at the end of the reporting period, based on the maturity date and net of impairment allowance, is as follows:

	As at 31 March	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current – within one year	<u>180,585</u>	<u>179,447</u>

An aging analysis of the loan receivables as at the end of the reporting period, based on the due date and net of impairment allowance, is as follows:

	As at 31 March	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Not past due	<u>180,585</u>	<u>179,447</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. LOAN RECEIVABLES (CONTINUED)

The following is the analysis of the gross carrying amount of the loan receivables as at 31 March 2021 and 2020 by the past due date and year end classification:

As at 31 March 2021	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Not past due	180,530	–	7,000	187,530
Past due over 90 days	–	–	7,000	7,000
	<u>180,530</u>	<u>–</u>	<u>14,000</u>	<u>194,530</u>
As at 31 March 2020	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Not past due	180,530	–	–	180,530
Past due over 90 days	–	–	7,000	7,000
	<u>180,530</u>	<u>–</u>	<u>7,000</u>	<u>187,530</u>

The movements in the impairment allowance of loan receivables were as follows:

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2020	1,083	–	7,000	8,083
Changes due to financial instruments recognised as at 1 April 2020				
-Impairment losses reversed	(18)	–	–	(18)
New financial assets originated or purchased	–	–	5,880	5,880
As at 31 March 2021	<u>1,065</u>	<u>–</u>	<u>12,880</u>	<u>13,945</u>
Expected credit loss (“ECL”) rate	<u>0.59%</u>	<u>N/A</u>	<u>92.00%</u>	<u>7.17%</u>

During the year ended 31 March 2021, included in the impairment allowance of HK\$5,880,000 from new financial assets originated or purchased under Stage 3 was mainly related to the gross carrying amount of HK\$7,000,000. The Company has assessed the relevant borrower’s financial background, repayment abilities and expected future cash flows; and determined that an impairment allowance of HK\$5,880,000 was provided.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. LOAN RECEIVABLES (CONTINUED)

The movements in the impairment allowance of loan receivables were as follows: *(Continued)*

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2019	96	–	7,000	7,096
Changes due to financial instruments recognised as at 1 April 2020				
-Impairment losses reversed	(96)	–	–	(96)
New financial assets originated or purchased	1,083	–	–	1,083
	<u>1,083</u>	<u>–</u>	<u>7,000</u>	<u>8,083</u>
As at 31 March 2020	<u>1,083</u>	<u>–</u>	<u>7,000</u>	<u>8,083</u>
ECL rate	<u>0.60%</u>	<u>N/A</u>	<u>100.00%</u>	<u>4.31%</u>

The increase in the impairment allowance during the year ended 31 March 2020 was because of the increase in gross loan receivables of HK\$165,230,000.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES

	<i>Notes</i>	As at 31 March	
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	(b)	104,782	98,450
Cash client receivables	(a)	258,375	219,503
Due from clearing house	(c)	341	1,819
		<u>363,498</u>	<u>319,772</u>
Less: Impairment		<u>(137,219)</u>	<u>(36,796)</u>
		<u>226,279</u>	<u>282,976</u>

Account receivables are denominated in the following currencies:

	As at 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	209,775	184,794
US\$	16,504	98,182
	<u>226,279</u>	<u>282,976</u>

Other than those disclosed in Note (a) below, the Group does not hold any collateral as security for other account receivables.

Notes:

(a) Analysis of cash client receivables

The carrying amount of cash client receivables of the Group was as follows:

	As at 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash client receivables	258,375	219,503
Less: Impairment		
– Stage 1	(9)	(77)
– Stage 2	(10,896)	(658)
– Stage 3	(38,036)	(35,793)
	<u>209,434</u>	<u>182,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(a) Analysis of cash client receivables (Continued)

- (i) As at 31 March 2021, the Group held securities with an aggregate fair value of HK\$404,232,000 (2020: HK\$434,380,000) as collaterals over the receivables. The cash client receivables are interest-bearing and have no fixed repayment terms.

No aging analysis is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of securities brokerage business.

- (ii) The following is the analysis of the gross carrying amount of the cash client receivables as at 31 March 2021 and 2020 by Loan-to-collateral value (“LTV”) and year end classification:

As at 31 March 2021	12-month ECLs		Lifetime ECLs		Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000		
LTV at 100% or above	–	134,896	45,035		179,931
LTV less than 100%	78,444	–	–		78,444
	<u>78,444</u>	<u>134,896</u>	<u>45,035</u>		<u>258,375</u>
As at 31 March 2020	12-month ECLs		Lifetime ECLs		Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000		
LTV at 100% or above	–	70,930	44,257		115,187
LTV less than 100%	104,316	–	–		104,316
	<u>104,316</u>	<u>70,930</u>	<u>44,257</u>		<u>219,503</u>

For the gross receivables of stage 3 cash client receivables, fair value of marketable securities pledged was HK\$8,301,000 (2020: HK\$9,959,000).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(a) Analysis of cash client receivables (Continued)

(iii) The movements in the impairment allowance of cash client receivables were as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2020	77	658	35,793	36,528
Changes in the impairment allowance due to financial assets as at 1 April 2020				
– Transfer from stage 1 to stage 2	(72)	72	–	–
– Net remeasurement of ECL arising from financial assets transferred from Stage 1 to Stage 2	–	989	–	989
New financial assets originated or purchased	4	9,177	2,243	11,424
As at 31 March 2021	<u>9</u>	<u>10,896</u>	<u>38,036</u>	<u>48,941</u>
ECL rate	<u>0.01%</u>	<u>8.08%</u>	<u>84.46%</u>	<u>18.94%</u>

The following significant changes in the gross carrying amounts of cash client receivables contributed to the increase in the impairment allowance during the year ended 31 March 2021:

- Increase in gross cash client receivables of HK\$38,872,000, which included origination of new client receivables and new drawdown from existing clients.

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2019	22	–	31,904	31,926
New financial assets originated or purchased	55	658	3,889	4,602
As at 31 March 2020	<u>77</u>	<u>658</u>	<u>35,793</u>	<u>36,528</u>
ECL rate	<u>0.07%</u>	<u>0.93%</u>	<u>80.88%</u>	<u>16.64%</u>

The following significant changes in the gross carrying amounts of cash client receivables contributed to the increase in the impairment allowance during the year ended 31 March 2020:

- Increase in gross cash client receivables of HK\$117,782,000, which included origination of new client receivables and new drawdown from existing clients.

Management has assessed the market value of the pledged securities of each individual client at the end of each reporting period. The collateral held can be sold at the Group's discretion to settle any outstanding amount owned by the cash clients.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) Analysis of trade receivables

The carrying amount of trade receivables of the Group was as follows:

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
Trade receivables	104,782	98,450
Less: Impairment	<u>(88,278)</u>	<u>(268)</u>
	<u>16,504</u>	<u>98,182</u>

- (i) The Group grants credit period ranging from 1 day to 60 days (2020: from 1 day to 60 days) to the customers of trading business. The aging analysis of relevant trade receivables at the date of consolidated statement of financial position based on invoice date and before impairment allowance is as follows:

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
1 – 30 days	1,896	11,084
31 – 60 days	–	40,369
61 – 90 days	–	31,624
91 – 180 days	–	15,373
Over 180 days	<u>102,886</u>	<u>–</u>
	<u>104,782</u>	<u>98,450</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) Analysis of trade receivables (Continued)

- (ii) The following is the analysis of the gross carrying amount of the trade receivables as at 31 March 2021 and 2020 by ECL assessment and year end classification:

As at 31 March 2021

	Lifetime ECL (provision matrix) HK\$'000	Credit- impaired HK\$'000	Total HK\$'000
Trade receivables included in account receivables			
– Not yet past due	1,896	–	1,896
– Past due	15,209	87,677	102,886
	<u>17,105</u>	<u>87,677</u>	<u>104,782</u>

As at 31 March 2020

	Lifetime ECL (provision matrix) HK\$'000	Credit- impaired HK\$'000	Total HK\$'000
Trade receivables included in account receivables			
– Not yet past due	74,474	–	74,474
– Past due	23,976	–	23,976
	<u>98,450</u>	<u>–</u>	<u>98,450</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) Analysis of trade receivables (Continued)

(iii) The movements in the impairment allowance of trade receivables were as follows:

	As at 31 March			2020 Not credit- impaired HK\$'000
	2021 Not credit- impaired HK\$'000	Credit- impaired HK\$'000	Total HK\$'000	
At the beginning of year	268	-	268	781
Changes in the impairment allowance due to financial assets at the beginning of year				
– Transfer to credit-impaired	(177)	177	-	-
– Net remeasurement of ECL due to change in credit risk without transfer of stage	499	-	499	(568)
New financial assets originated or purchased	11	87,500	87,511	55
At the end of year	<u>601</u>	<u>87,677</u>	<u>88,278</u>	<u>268</u>

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its computer and peripheral products business because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

During the year ended 31 March 2021, for trade receivables with gross carrying amount of HK\$87,677,000, majority of which has been past due over 180 days, a full provision had been made after the Group's assessment on the relevant customers' financial background, repayment abilities, expected future cash flows; and taken consideration of their non-response to collection activities. The Group had commenced legal proceedings against one of these customers; up to date, legal proceedings are still in progress.

The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors of credit-impaired with gross carrying amounts of HK\$87,677,000 as at 31 March 2021 were assessed individually.

As at 31 March 2021

	Not past due	Past due	Total
Expected credit loss rate	0.58%	3.88%	3.51%
Gross carrying amount (HK\$'000)	1,896	15,209	17,105
Expected credit losses (HK\$'000)	11	590	601

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. ACCOUNT RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) Analysis of trade receivables (Continued)

(iii) The movements in the impairment allowance of trade receivables were as follows:
(Continued)

As at 31 March 2020

	Not past due	Past due	Total
Expected credit loss rate	0.17%	0.60%	0.27%
Gross carrying amount (HK\$'000)	74,474	23,976	98,450
Expected credit losses (HK\$'000)	126	142	268

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. Due to greater financial uncertainty triggered by the COVID-19 pandemic, the Group has increased the expected loss rates in the current year as there is higher risk that a prolonged pandemic could lead to increased credit default rates.

During the year ended 31 March 2021, the Group provided HK\$601,000 (2020: HK\$268,000) impairment allowance for trade receivables, based on the provision matrix. Impairment allowance of HK\$87,677,000 (2020: nil) were made on credit-impaired debtors.

(c) Due from clearing house

The settlement terms of receivables arising from the ordinary course of business of dealing in securities from clearing house are within two days after trade date. Clearing house receivables are neither past due nor impaired and represent unsettled trades transacted on the last two days prior to the end of each financial year and solely related to the Hong Kong Securities Clearing Company Limited (“HKSCC”) for which there is limited risk of default.

In presenting the amounts due from HKSCC, the Group has offset the gross amount of the account receivables from and the gross amount of the account payable to HKSCC. Further details are set out in the Group’s annual report.

No aging analysis is disclosed for account receivables from clearing house as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

As at 31 March 2021 and 2020, the amount due from clearing house was not past due.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	As at 31 March	
		2021 HK\$'000	2020 HK\$'000
Non-current			
Other non-current deposits		486	486
Other assets	(1)	205	205
		<u>691</u>	<u>691</u>
Current			
Prepayments		854	691
Deposits and other receivables	(2)	13,855	10,295
Interest receivables	(3)	20,042	8,595
		<u>34,751</u>	<u>19,581</u>
Total deposits, prepayments and other receivables		<u>35,442</u>	<u>20,272</u>

Deposits, prepayments and other receivables are denominated in the following currencies:

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
HK\$	23,648	10,757
RMB	–	74
US\$	11,794	9,441
	<u>35,442</u>	<u>20,272</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

(1) Other assets

The gross carrying amount of other assets of the Group was as follows:

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
Hong Kong Securities Clearing Company Limited		
– guarantee fund deposit	50	50
– admission fee	50	50
The Stock Exchange of Hong Kong Limited		
– compensation fund deposit	50	50
– fidelity fund deposit	50	50
– stamp duty deposit	5	5
	205	205
	205	205

As at 31 March 2021 and 2020, all other assets were not past due.

(2) Deposits and other receivables

No aging analysis is disclosed for deposits and other receivables as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

As at 31 March 2021 and 2020, all deposits and other receivables were not past due.

(3) Interest receivables

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
Interest receivables	20,686	9,173
Less: Impairment	(644)	(578)
	20,042	8,595
	20,042	8,595

The Group's interest receivables, which arise from the money lending business, are denominated in Hong Kong dollars and repayable at terms as agreed with the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(3) Interest receivables (Continued)

An aging analysis of the interest receivables as at the end of the reporting period, based on the due date and net of impairment allowance, is as follows:

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
Not past due	<u>20,042</u>	<u>8,595</u>

The following is the analysis of the gross carrying amount of the interest receivables as at 31 March 2021 and 2020 by the past due date and year end classification:

As at 31 March 2021

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
Not past due	20,161	–	–	20,161
Past due over 90 days	<u>–</u>	<u>–</u>	<u>525</u>	<u>525</u>
	<u>20,161</u>	<u>–</u>	<u>525</u>	<u>20,686</u>

As at 31 March 2020

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
Not past due	8,648	–	–	8,648
Past due over 90 days	<u>–</u>	<u>–</u>	<u>525</u>	<u>525</u>
	<u>8,648</u>	<u>–</u>	<u>525</u>	<u>9,173</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(3) Interest receivables (Continued)

The movements in the impairment allowance of interest receivables were as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2020	53	–	525	578
New financial assets originated or purchased	<u>66</u>	<u>–</u>	<u>–</u>	<u>66</u>
As at 31 March 2021	<u><u>119</u></u>	<u><u>–</u></u>	<u><u>525</u></u>	<u><u>644</u></u>
ECL rate	<u><u>0.59%</u></u>	<u><u>N/A</u></u>	<u><u>100.00%</u></u>	<u><u>3.11%</u></u>

The increase in the impairment allowance during the year ended 31 March 2021 was because of longer period has been counted, resulting in an increase in relevant gross interest receivables of HK\$11,513,000.

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2019	4	–	525	529
New financial assets originated or purchased	<u>49</u>	<u>–</u>	<u>–</u>	<u>49</u>
As at 31 March 2020	<u><u>53</u></u>	<u><u>–</u></u>	<u><u>525</u></u>	<u><u>578</u></u>
ECL rate	<u><u>0.61%</u></u>	<u><u>N/A</u></u>	<u><u>100.00%</u></u>	<u><u>6.30%</u></u>

The increase in the impairment allowance during the year ended 31 March 2020 was because of the increase in gross loan receivables of HK\$165,230,000, resulting in an increase in relevant gross interest receivables of HK\$8,013,000.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

15. SHARE CAPITAL

Authorised shares:

As at 31 March 2021, the total authorised number of ordinary shares is HK\$96,000 million shares (2020: 96,000 million shares) with a par value of HK\$0.0008333 per share (2020: HK\$0.0008333 per share).

Issued shares:

	Number of shares '000	Share capital HK\$'000
As at 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	4,384,782	3,654

16. ACCOUNT PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
Trade payables	24,329	69,932
Cash client payables (<i>Note a</i>)	15,706	13,591
Due to clearing house (<i>Note b</i>)	-	93
	40,035	83,616
Other payables and accrued expenses		
Accrued expenses	4,193	1,651
Other payables	622	74
	4,815	1,725
Total other payables and accrued expenses		
Total account payables, other payables and accrued expenses	44,850	85,341

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

16. ACCOUNT PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONTINUED)

Notes:

- (a) The settlement terms of payables arising from securities brokerage business are normally two to three days after trade date or specific terms agreed. The majority of the cash client payables are unsecured, non-interest-bearing and repayable on demand, except where certain balances represent trades pending settlement or cash received from clients for their trading activities under the normal course of business.
- (b) In presenting the amounts due to HKSCC, the Group has offset the gross amount of the account receivables from and the gross amount of the account payables to HKSCC. Further details are set out in the Group's annual report.
- (c) As at 31 March 2021 and 2020, all trade payables were aged within two months, based on invoice date. No aging analysis is disclosed for cash client payables and due to clearing house as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

Account payables, other payables and accrued expenses of the Group are denominated in the following currencies:

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
HK\$	18,398	15,362
RMB	811	47
US\$	25,641	69,932
	<u>44,850</u>	<u>85,341</u>

Other than those disclosed in Note (a) above, account payables and other payables are unsecured, non-interest-bearing and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

17. BORROWINGS

	As at 31 March	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank borrowings	336,475	342,754
Other borrowings	10,284	–
	<u>346,759</u>	<u>342,754</u>
Analysed as:		
– Secured	331,803	313,109
– Unsecured	14,956	29,645
	<u>346,759</u>	<u>342,754</u>

As at 31 March 2021, the Group's other borrowings of HK\$10,284,000 and bank borrowings of HK\$321,519,000 are secured by financial assets at fair value through profit or loss with carrying value of HK\$8,050,000 and the Group's owned properties situated in Hong Kong of HK\$254,328,000 and pledged bank deposits of HK\$41,427,000.

As at 31 March 2020, the Group's bank borrowings of HK\$232,953,000 are secured by mortgage over the Group's owned properties situated in Hong Kong of HK\$263,772,000. In additions, the Group's bank borrowings of HK\$80,156,000 are secured by pledged bank deposits of HK\$40,915,000.

The Group's secured bank borrowings, which contain a clause giving the lender an unconditional right to demand repayment at any time, have been classified as current liabilities irrespective of the probability that the lenders will invoke the clause without cause.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

17. BORROWINGS (CONTINUED)

The maturities of the bank borrowings that contain repayable on demand clause and other borrowings in accordance with the scheduled repayment dates are as follows:

	As at 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
The carrying amounts of other borrowings are repayable:		
-Within one year	<u>10,284</u>	–
	<u>10,284</u>	–
The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) are repayable:		
– Within one year	228,997	233,708
– Between one and two years	4,478	5,061
– Between two and five years	103,000	16,128
– Over five years	–	87,857
	<u>336,475</u>	<u>342,754</u>
	<u><u>346,759</u></u>	<u><u>342,754</u></u>

The exposure of the Group's borrowings are as follows:

	As at 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Variable-rate borrowings	336,475	342,754
Fixed-rate borrowings	<u>10,284</u>	–
	<u><u>346,759</u></u>	<u><u>342,754</u></u>

The Group's variable-rate bank borrowings carry interest at a floating interest rate plus credit spread per annum (2020: same).

Other borrowings of HK\$10,284,000 (2020: nil) is secured, interest bearing at a fixed rate per annum and repayable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

17. BORROWINGS (CONTINUED)

Borrowings of the Group are denominated in the following currencies:

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
HK\$	200,104	276,689
US\$	146,655	66,065
	<u>346,759</u>	<u>342,754</u>

18. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
Contracted, but not provided for:		
Leasehold improvements	386	1,606
Office equipment	-	32
	<u>386</u>	<u>1,638</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group was principally engaged in (i) computer and peripheral products business and (ii) financial services business.

(i) Computer and peripheral products business

During the year under review, the global market has been sluggish and volatile due to the ongoing China-U.S. trade war, the novel coronavirus (“COVID-19”) pandemic and the global economic slowdown. The Group operates in the computer and peripheral products industry which is dynamic and competitive and there have been constant changes in new technologies in the industry. The industry was challenging and the overall market competition was intensive during the year under review. Attributed to these market conditions, the Group effectively made good use of business and management strategies and appropriate inventory management to reduce the risk arising from the rapid changes of the market. The well-established relationship with vendors, customers, business, network and competent management team enable the Group to overcome these challenges. The Group’s overall revenue in the business segment of computer and peripheral products increased accordingly during the year under review, increased from approximately HK\$904.0 million to approximately HK\$1,976.3 million, representing an increment of approximately 118.6%. In view of such market conditions, the Group continuously keeps on tight control of its operations. The Group focused on enhancing operation efficiency and implementing various cost control measures. The Group also managed to further enhance its long term and close business relationships with suppliers and customers. The Group continues to monitor the market trends and takes prompt and appropriate actions to adjust our business strategies and allocates resources effectively under different market conditions.

(ii) Financial services business

The financial services business segment that the Group operates mainly includes securities brokerage business, advisory services business and money lending business. For the year ended 31 March 2021, the Group recorded an overall revenue of approximately HK\$47.3 million (2020: approximately HK\$29.6 million) and an operating profit of approximately HK\$21.9 million (2020: approximately HK\$14.4 million) for the business segment of financial services business.

The global economic and financial market continued to fluctuate and the China's economic slowdown which brought uncertainties to the overall business environment. During the year under review, the Group recorded a revenue of approximately HK\$29.4 million (2020: approximately HK\$17.5 million) and an operating profit of approximately HK\$10.8 million (2020: approximately HK\$6.1 million) respectively in respect of the Group's securities brokerage business. The revenue as at 31 March 2021 was nil (2020: nil) and the Group recorded an operating loss of approximately HK\$0.5 million (2020: approximately HK\$2.4 million) respectively in respect of the Group's advisory services business.

The Group engaged in money lending business through an indirect wholly-owned subsidiary of the Company, which holds a money lender licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong. The Group is able to engage in the provision of loan financing including but not limited to personal loans and business loans under the scope of Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The Group recorded a revenue of approximately HK\$17.9 million (2020: approximately HK\$12.1 million) and an operating profit of approximately HK\$11.6 million (2020: approximately HK\$10.7 million) in respect of the Group's money lending business.

LOOKING AHEAD

The outbreak of COVID-19 epidemic has generated unprecedented challenges to the global economy. However, with the recent implementation of vaccine programme for COVID-19, signs of recovery are shown and most countries around the world have introduced measures to stimulate economic growth. The Group will continue to closely monitor the development of COVID-19 on the industries the Group operates in, and plan proactively to its impact on the financial position and operating results of the Group.

Looking ahead, the management are confident with the future development of the Group. The Group will continue to adhere to our principle of steady development, and positively cope with any challenges and capture suitable opportunities. The Group will continue to dedicate to exploiting new business opportunities in other sectors from time to time, such as other financial services sectors or other business sectors, in order to further diversify and broaden revenue sources of the Group and generate fabulous returns and long-term values for the Shareholders.

FINANCIAL REVIEW

Revenue and Gross Profit Margin

Revenue by business segments for the Group's revenue for the year ended 31 March 2021 is as follows:

- Computer and peripheral products business: approximately HK\$1,976.3 million, being an increase of approximately HK\$1,072.3 million when compared to the previous year of approximately HK\$904.0 million
- Financial services business (including securities brokerage business, advisory services business and money lending business): approximately HK\$47.3 million, being an increase of approximately HK\$17.7 million when compared to the previous year of approximately HK\$29.6 million

The Group's total revenue for the year was approximately HK\$2,023.7 million, being an increase of approximately HK\$1,090.1 million when compared to the previous year of approximately HK\$933.6 million. The increase was mainly attributable to increase in revenue derived from computer and peripheral products business.

Gross profit margin for the year was approximately 3.1% (2020: approximately 7.1%). Decrease in gross profit margin was mainly caused by the relatively lower gross profit margin earned from computer and peripheral products business for the year.

Selling Expenses

The increase in selling expenses by approximately HK\$0.6 million was mainly due to the increase in employee benefit expenses.

General and Administrative Expenses

General and administrative expenses for the year decreased by approximately HK\$1.5 million from the Last Corresponding Year, which was mainly due to the decrease in short-term lease rentals of premises of approximately HK\$1.8 million, entertainment expenses of approximately HK\$0.6 million and travelling expenses of approximately HK\$0.6 million which was partially offset by the increase in legal and professional fees.

Expected Credit Loss on Financial Assets, net

The increase in expected credit loss on financial assets by approximately HK\$101.2 million was mainly attributable to increase in expected credit loss incurred from account receivables, mainly due to the issue of recoverability as a result of the global economic slowdown.

Other (Expenses)/Income and (Losses)/Gains, net

The Group's other expenses and losses for the year was approximately HK\$1.8 million, as compared to the other income and gains in previous year of approximately HK\$11.2 million. The change was mainly due to the decrease in finance income of approximately HK\$9.1 million and the increase in unrealised loss on the change in fair value of equity investments at fair value through profit or loss of approximately HK\$2.2 million during the year.

Finance Costs

Finance costs for the year was approximately HK\$7.9 million, being a decrease of approximately HK\$1.6 million when compared to the previous year of approximately HK\$9.5 million. The decrease was mainly attributable to a relatively lower average bank borrowing interest rate during the year.

Income Tax Credit/(Expense)

Income tax credit for the year was approximately HK\$12.5 million (2020: income tax expense of approximately HK\$5.6 million). The change was mainly due to the decrease in the assessable profits and increase in deferred tax assets for the year.

(Loss)/Profit for the Year

The Group recorded loss of approximately HK\$93.4 million for the Current Year, as compared to profit of approximately HK\$9.7 million for the Last Corresponding Year.

(Loss)/Profit for the Year Attributable to Owners of the Company

The loss for the year attributable to owners of the Company amounted to approximately HK\$93.1 million (2020: profit attributable to owners of the Company of approximately HK\$5.6 million), resulted in a basic loss per share for the year of HK2.14 cent (2020: basic earnings per share HK0.13 cent) and diluted loss per share for the year of HK2.14 cent (2020: diluted earnings per share HK0.13 cent).

Inventories, Loan Receivables and Account Receivables

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities. Inventories as at 31 March 2021 was approximately HK\$13.7 million (31 March 2020: approximately HK\$60.9 million). The overall inventories turnover days remained healthy and reasonable for the year under review. The Group recorded an impairment of inventories of approximately HK\$1.7 million for the year ended 31 March 2021.

As at 31 March 2021, the Group's loan receivables amounted to HK\$180.6 million (31 March 2020: approximately HK\$179.4 million), which arise from its money lending business in Hong Kong. The Group recorded an expected credit loss of approximately HK\$5.9 million for the year ended 31 March 2021.

The Group continues to closely monitor the settlements from its customers on a going basis to manage the credit risk from time to time. The Group's account receivables decreased by approximately HK\$56.7 million, from approximately HK\$283.0 million as at 31 March 2020 to approximately HK\$226.3 million as at 31 March 2021. The Group recorded an expected credit loss on tradereceivables and cash client receivables of approximately HK\$88.0 million and approximately HK\$12.4 million respectively for the year ended 31 March 2021.

Liquidity, Financial Resources, Working Capital and Treasury Policy

The Group maintained a solid financial position during the year. As at 31 March 2021, cash and cash equivalents of the Group amounted to approximately HK\$68.3 million (31 March 2020: approximately HK\$117.7 million), and the Group's net assets amounted to approximately HK\$533.9 million (31 March 2020: approximately HK\$626.9 million). As at 31 March 2021, there was approximately HK\$346.8 million outstanding borrowings balance (31 March 2020: approximately HK\$342.8 million).

As at 31 March 2021, non-current assets of the Group amounted to approximately HK\$341.5 million (31 March 2020: approximately HK\$345.4 million), the Group's current assets amounted to approximately HK\$594.5 million (31 March 2020: approximately HK\$716.6 million), and net current assets as at 31 March 2021 amounted to approximately HK\$192.5 million (31 March 2020: approximately HK\$282.4 million). As at 31 March 2021, the current ratio was approximately 1.5 (31 March 2020: approximately 1.7) (calculated by dividing the total current assets by total current liabilities).

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (the sum of total equity and net debt), as shown in the consolidated statement of financial position. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits. The gearing ratio as at 31 March 2021 was approximately 30.7% (31 March 2020: approximately 22.7%).

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

The Group's financial resources are sufficient to support its business operations.

Capital Structure and Fund Raising Activities

The capital of the Company comprises only ordinary shares.

No fund raising activities conducted by the Company during the year.

As at 31 March 2021 and 2020, the number of ordinary shares of the Company in issued and fully paid was 4,384,782,000.

Capital Commitments

Other than disclosed in Note 18 to the consolidated financial information in this announcement, the Group had no other capital commitments as at 31 March 2021.

Pledge of Assets

As at 31 March 2021, the Group's other borrowings of HK\$10.3 million and bank borrowings of HK\$321.5 million are secured by financial assets at fair value through profit or loss with carrying value of HK\$8.1 million and the Group's owned properties situated in Hong Kong of HK\$254.3 million and pledged bank deposits of HK\$41.4 million.

As at 31 March 2020, the Group's bank borrowings of HK\$233.0 million are secured by mortgage over the Group's owned properties situated in Hong Kong of HK\$263.8 million. In addition, the Group's bank borrowings of HK\$80.2 million are secured by pledged bank deposits of HK\$40.9 million.

Foreign Currency Exposure

The Group exposes to certain foreign currency risk primarily with respect to Renminbi ("RMB") and United States dollar ("US\$") as most of the transactions are denominated in Hong Kong dollar ("HK\$"), RMB and US\$. The Group is exposed to foreign exchange risk primarily through expenses transactions that are denominated in currencies other than the functional currencies of the group companies. During the year, the Group generated a foreign exchange loss of approximately HK\$1.0 million (2020: gain of approximately HK\$0.9 million). The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments and ensures that the net exposure to foreign exchange risk is kept to an acceptable level. During the year, the Group has not used any forward exchange contract to hedge against foreign exchange risk as management considers its exposure as not significant. The Group will continue to manage the net exposure of foreign exchange risk to keep at an acceptable level from time to time.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2021 and 2020.

Employees and Emolument Policy

As at 31 March 2021, the Group had a total of 38 employees. Employee benefit expenses, including Directors' remuneration for the year ended 31 March 2021, totally amounted to approximately HK\$17.3 million (2020: approximately HK\$16.6 million). The Group's remuneration policy is based on position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, the Group has adopted a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefit including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Dividend

The Board does not recommend the payment of final dividend for the year ended 31 March 2021.

Change of Company Name

Pursuant to a special resolution passed at an extraordinary general meeting held on 15 April 2021, the shareholders have approved to change the name of the Company from Huabang Financial Holdings Limited to Huabang Technology Holdings Limited. Reference is made to the announcements of the Company dated 18 February 2021, 15 April 2021 and 8 June 2021 and the circular of the Company dated 23 March 2021.

COMPETING INTEREST OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE ASSOCIATES

For the year ended 31 March 2021, none of the Directors, controlling shareholders of the Company or any of their respective associates (as defined under the Listing Rules) is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests, which is required to be disclosed under the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings according to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company had made specific enquiries of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 March 2021.

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

During the Current Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance to safeguard the interest of the Company's shareholders and to enhance corporate value and accountability. During the year ended 31 March 2021, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, except in relation to CG Code provisions A.2.1, as more particularly described below.

CG Code provision A.2.1

Code provision A.2.1 stipulates that the roles of Chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. The current Chairman and CEO of the Company is Mr. George Lu. The Board believes that vesting the roles of both Chairman and CEO in the same person will not impair the balance of power and authority between the Directors and the management of the Company. Mr. George Lu has extensive experience in the industry which is beneficial and of great value to the overall development of the Company. The Board is of the view that although the Chairman is also the CEO, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meets from time to time to discuss issues affecting operation of the Company. The Board also believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference set out in the CG Code. The principle duties of the audit committee include the review and supervision of the Group's financial reporting matters, risk management and internal control procedures. The audit committee of the Board (the "**Audit Committee**") comprises three independent Non-Executive Directors, namely Mr. Loo Hong Shing Vincent (Chairman of the Audit Committee), Mr. Zhu Shouzhong and Mr. Li Huaqiang. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for the year ended 31 March 2021 with the Directors and the external auditors of the Company.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2021 have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement. The Audit Committee has reviewed the annual results for the year ended 31 March 2021.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Wednesday, 25 August 2021. Details of the annual general meeting will be set out in the notice of the annual general meeting which will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 20 August 2021 to Wednesday, 25 August 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 19 August 2021.

PUBLICATION OF THE ANNUAL RESULTS AND 2021 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the annual report of the Company for the year ended 31 March 2021 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Huabang Technology Holdings Limited
George Lu
Chairman and Chief Executive Officer

Hong Kong, 22 June 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. George Lu and Ms. Shen Wei, the Non-Executive Director of the Company is Mr. Pang Chung Fai Benny, and the independent Non-Executive Directors of the Company are Mr. Loo Hong Shing Vincent, Mr. Zhu Shouzhong and Mr. Li Huaqiang.