



(Incorporated in the Cayman Islands with limited liability)

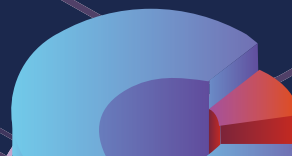
Stock Code: 8017



TradeGo FinTech Limited  
捷利交易寶金融科技有限公司

2021

ANNUAL REPORT



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## CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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

This report, for which the directors (the “**Directors**”, each being a “**Director**”) of TradeGo FinTech Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors:

Mr. LIU Yong (*Chairman of the Board and Chief Executive Officer*)  
 Mr. WAN Yong  
 Mr. LIAO Jicheng  
 Mr. ZHANG Wenhua  
 (appointed on 9 September 2021 and effective on 1 October 2021)

### Non-executive Directors:

Mr. LIN Hung Yuan  
 Mr. WANG Haihang  
 (appointed on 14 April 2022 and effective on 1 May 2022)

### Independent Non-executive Directors:

Ms. JIAO Jie  
 Mr. MAN Kong Yui  
 Dr. LOKE Yu (also known as LOKE Hoi Lam)

## AUDIT COMMITTEE

Dr. LOKE Yu (*Chairman*)  
 Ms. JIAO Jie  
 Mr. MAN Kong Yui

## REMUNERATION COMMITTEE

Mr. MAN Kong Yui (*Chairman*)  
 Mr. LIU Yong  
 Ms. JIAO Jie

## NOMINATION COMMITTEE

Mr. LIU Yong (*Chairman*)  
 Ms. JIAO Jie  
 Mr. MAN Kong Yui

## COMPANY SECRETARY

Mr. CHEUNG Kai Cheong Willie  
 (appointed and effective on 9 September 2021)

## AUTHORISED REPRESENTATIVES

Mr. LIU Yong  
 Mr. CHEUNG Kai Cheong Willie  
 (appointed and effective on 9 September 2021)

## COMPLIANCE OFFICER

Mr. WAN Yong

## AUDITOR

SHINEWING (HK) CPA Limited

## STOCK CODE

8017

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
 Windward 3, Regatta Office Park  
 PO Box 1350  
 Grand Cayman KY1-1108  
 Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

2808, Phase II  
 Qianhai Shimao Financial Center  
 3040 Xinghai Avenue Nanshan Street  
 Qianhai Shenzhen-Hong Kong Cooperation Zone  
 Shenzhen  
 the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 10, 16th Floor  
 Hong Kong Plaza  
 188 Connaught Road West  
 Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
 Windward 3, Regatta Office Park  
 PO Box 1350  
 Grand Cayman KY1-1108  
 Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited  
 Level 54, Hopewell Centre  
 183 Queen's Road East  
 Hong Kong

## LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAWS

Jingtian & Gongcheng LLP

## PRINCIPAL BANKER

Bank of China (Hong Kong) Limited  
 Bank of China Tower  
 1 Garden Road  
 Hong Kong

## COMPANY'S WEBSITE

[www.tradego8.com](http://www.tradego8.com)

## CHAIRMAN STATEMENT

Dear Shareholders,

On behalf of the Board of TradeGo FinTech Limited, I am pleased to present to you the annual report of the Company and its subsidiaries for the year ended 31 March 2022 (the “**Reporting Period**”).

During the Reporting Period, the COVID-19 pandemic (“**COVID-19**”) has deeply and continuously affected the economy of China and the other countries of the world. Because of COVID-19, the management of business has encountered unprecedented challenges. Notwithstanding the Hong Kong financial market has significant fluctuation caused by the uncertainties, the Group’s overall trend in business development keeps positive. The Group’s employees in Hong Kong and Mainland China are actively expanding business under the premise of strict compliance of local epidemic policies. With a solid cloud infrastructure and fully developed online marketing system, the Group’s number of institutional customers and individual users grew steadily.

For the whole of 2021, the net profit of securities dealers and securities margin financiers in Hong Kong rose 36% to 64.9 billion<sup>Note</sup>, according to figures released by the Securities and Futures Commission of Hong Kong (“**SFC**”). Therefore, we see some optimistic brokerage firms increase their investment in the operation system during the Reporting Period, to optimize system performance and enhance system security.

During the Reporting Period, the Group entered into new service contracts with 35 institutional customers, of which 18 are Hong Kong brokerage firms. The number of registered users of the Group increased steadily with a stable pace. For the year ended 31 March 2022, the Group recorded a total revenue of approximately HK\$82.3 million, an increase of 26.7% or HK\$17.3 million from the year ended 31 March 2021 (the “**Corresponding Period**”), and a net profit of HK\$25.1 million, an increase of 22.2% from the Corresponding Period.

During the Reporting Period, the Group’s number of registered users, which mostly are active investors, increased by approximately 19.5% to 675,933 from the Corresponding Period. The Group provides registered users lots of value-added services, such as initial public offering (the “**IPO**”) information, market quotations, listed company information, online account opening service, IPO subscription service and share trading service through TradeGo Pro.

During the Reporting Period, the overall revenue of Software as a service (the “**SaaS**”) services, increased by 37.8% to HK\$26.2 million (for the Corresponding Period: HK\$19 million) attribute to the increase in the number of institutional customers and individual users. SaaS service revenue accounted for 31.9% of the Group’s total revenue during the Reporting Period (for the Corresponding Period: approximately 29.3%). As a provider of a platform connecting institutional clients, especially Hong Kong brokerage firms, and individual investors, we expect the proportion of SaaS revenue to become more and more important in the future.

During the Reporting Period, TradeGo Markets Limited (“**TradeGo Markets**”), an indirect wholly-owned subsidiary of the Company, submitted an application to SFC for Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities’ licenses (the “**Licenses**”) in Hong Kong. TradeGo Markets intends to operate an over-the-counter electronic trading platform for non-trading hours whereby shares in companies which will have an IPO (the “**IPO Shares**”) to be listed on the Stock Exchange can be traded prior to their official listing.

With years of our accumulated experience in development and with our customer base, I believe the Group will continue to maintain its position as a market leader in providing the integrated trading system of front-office trading system services and market data services based on cloud services to Hong Kong brokerage firms.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and business partners for their continuous support, and to our management and staff members for their diligence and contribution to the growth of the Group.

**Mr. LIU Yong**

*Chairman, Chief Executive Officer and Executive Director  
Shenzhen, People’s Republic of China, 20 June 2022*

*Note:* Data from the report “Financial Review of the Securities Industry” from SFC HK.  
[https://www.sfc.hk/-/media/EN/files/COM/Reports/Financial-Review-of-the-Securities-Industry\\_2021\\_EN.pdf](https://www.sfc.hk/-/media/EN/files/COM/Reports/Financial-Review-of-the-Securities-Industry_2021_EN.pdf)

## HIGHLIGHTS

Revenue for the Reporting Period amounted to HK\$82,280,828 (for the Corresponding Period: HK\$64,949,522), representing an increase of approximately HK\$17,331,306 or 26.7% as compared with the Corresponding Period.

Profit for the Reporting Period amounted to HK\$25,138,547 (for the Corresponding Period: profit of HK\$20,578,678) representing an increase of approximately HK\$4,559,869 or 22.2% as compared with the Corresponding Period.

Research and development expenses amounted to HK\$3,326,878 for the Reporting Period (for the Corresponding Period: HK\$5,387,141), representing a decrease of HK\$2,060,263 or approximately 38.2% as compared with the Corresponding Period.

Basic and diluted earnings per share was HK\$4.41 cents and HK\$4.39 cents for the Reporting period as to compared to basic and diluted earnings per share of HK cents 4.33 and HK cents 4.33 for the Corresponding period, representing a increase of 1.8% and 1.4% compared as compared with that of the Corresponding Period.

The number of registered users of the Group increased by approximately 110,448 or 19.5% to approximately 675,933 as at 31 March 2022 (approximately 565,485 as at 31 March 2021).

The Board does not recommend the payment of any final dividend for the Reporting Period.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group provides cloud-based market and trading integrated terminal products and system services for Hong Kong brokerage firms, and has a leading market position in providing front-office trading system services and market data services for Hong Kong brokerage firms. We mainly serve Hong Kong brokerage firms <sup>Note 1</sup> and their clients. The Group's Hong Kong brokerage firm customers are all Category B <sup>Note 2</sup> and Category C <sup>Note 3</sup> Exchange Participants <sup>Note 4</sup>. The Group's integrated securities trading platform services mainly consist of (1) front-office trading system services; (2) market data services; (3) hosting and cloud infrastructure services; (4) SaaS services; and (5) other value added services.

Leveraging the proprietary software developed, improved and enhanced by years, the Group becomes a market leader in providing front-office trading system services and market data services to Hong Kong brokerage firms through an integrated platform based on cloud services. As more and more Hong Kong brokerage firms choose our system and terminal products, more and more individual investors also use our applications through the terminal device.

During the Reporting Period, the total revenue of the Group increased by HK\$17,331,306 or 26.7% to HK\$82,280,828 (for the Corresponding Period: HK\$64,949,522). Net profit for the Reporting Period increased by HK\$4,559,869 or 22.2% to HK\$25,138,547 (for the Corresponding Period: profit of HK\$20,578,678).

The Group's TradeGo series terminal applications are market and trading integrated terminal products. Users can receive market quotations, information and data, and trade shares by the terminal applications through their accounts in brokerage firms. The users are mainly trading users who have securities accounts in Hong Kong brokerage firms, including institutional investors and individual investors. The number of registered users of the Group increased by approximately 110,448 or 19.5% to approximately 675,933 as at 31 March 2022 (approximately 565,485 as at 31 March 2021).

The Group has provided cloud-based market and trading integrated terminal products and system services to around 153 brokerage clients to improve their operational efficiency through a variety of our products. During the Reporting Period, the Group signed the new front-office trading system services contracts with 11 Hong Kong brokerage firms and a total of 89 Hong Kong brokerage firms are using our front-office trading system, resulting in a 28.2% increase, in related revenue to HK\$30,223,028 (Corresponding Period: approximately HK\$23,569,280). The revenue of trading system services accounted for 36.8% of the Group's total revenue during the Reporting Period (Corresponding Period: approximately 36.3%).

During the Reporting Period, the overall revenue of SaaS services increased by 37.8% to HK\$26,228,647 (for the Corresponding Period: HK\$19,032,935) attribute to the increase in the number of institutional customers and individual users. SaaS service revenue accounted for 31.9% of the Group's total revenue during the Reporting Period (for the Corresponding Period: approximately 29.3%).

During the Reporting Period, research and development (the "R&D") expenses amounted to HK\$3,326,878 for the Reporting Period (for the Corresponding Period: HK\$5,387,141), representing a decrease of HK\$2,060,263 or approximately 38.2% as compared with that of the Corresponding Period.

*Note 1:* Corporations licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") to conduct brokerage activities with type 1 licence (dealing in securities).

*Note 2:* The 15th to 65th Exchange Participants by market turnover.

*Note 3:* Stockbrokers, being Exchange Participants in the market, except for the 14 largest Exchange Participants by market turnover and Category B Exchange Participants.

*Note 4:* A person or an institution which, in accordance with the requirements of the Stock Exchange, or whose name is entered in a register kept by the Stock Exchange as a person or an institution which, may trade through the Stock Exchange.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

During the Reporting Period, the Group relocated its office in Shenzhen from NanShan District to Qianhai District, mainly to take advantage of the location, business facilities, commercial facilities and preferential policies for technology company provided by the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”). We believe that the more we integrated into Greater Bay Area, the better for us to introduce talents, expand our R&D center, and support our long-term development.

### OUTLOOK AND PROSPECTS

The Stock Exchange implemented a number of amendments to the Listing Rules that have attracted more and more companies to IPO in HKEx and attracted more and more institutional investors and individual investors to participate in the Hong Kong IPO market. During the Reporting Period, the Group and Frost & Sullivan set up Sullivan TradeGo (Shenzhen) Cloud Technology Limited in Qianhai, Shenzhen, which will provide visual data services to listed companies of Hong Kong.

During the Reporting Period, the Group launched a marketing campaign for FullTick datafeeds of Hong Kong securities. We have established an independent department to promote this data product of HKEx. In addition to the real-time data feed of Hong Kong and US securities market, our AiPO data, China-Hong Kong Stock Connect and many other featured data products have been well received after their launch. We will continuously invest more resources in data research and data mining. We hope to provide broader and more practical financial data products to institutional and individual investors.

The Group will continue to assess new business opportunities in a prudent manner in order to maximize returns for shareholders and promote the Group's long-term business growth.

### Comparison of Future Plans as Stated in the Prospectus with Actual Business Progress

The proceeds raised from the listing of shares of the Company (the “**Shares**”) on GEM (the “**Listing**”), are targeted to further strengthen the Group's market position and expand the Group's market shares by pursuing the Group's business strategies. As stated in the Prospectus of the Company dated 17 September 2018 (the “**Prospectus**”), the Group will endeavor to complete the main tasks and achieve the milestone events as mentioned in the Prospectus. Subject to the Company's announcement on the change in use of proceeds dated 10 August 2020 (the “**Announcement on Change in Use of Proceeds**”), an analysis comparing the future plans as set out in the Prospectus with the Group's actual business progress for the period from the date of Listing which was 28 September 2018 (the “**Listing Date**”) up to 31 March 2022 is set out below:



# MANAGEMENT'S DISCUSSION AND ANALYSIS

Future plans as stated in the Prospectus	Implementation plans as stated in the Prospectus	Actual business progress up to 31 March 2022
Develop innovative product offerings and enhance research and development capabilities	<ul style="list-style-type: none"> <li>• New products               <ul style="list-style-type: none"> <li>➢ launch China-Hong Kong Stock Connect Data Analyst;</li> <li>➢ launch Trading Counter Product;</li> <li>➢ launch the over-the-counter transaction platform for transaction during non-trading hours;</li> </ul> </li> <li>• Existing products               <ul style="list-style-type: none"> <li>➢ complete the integration of over 80 brokerage firms onto the iOS/Android version of TradeGo Pro;</li> <li>➢ replace with new version of web browser securities trading platform software for the existing end users of brokerage firms and deploy the same to new end users of brokerage firms;</li> <li>➢ recruit R&amp;D staff to enhance our R&amp;D capabilities.</li> </ul> </li> </ul>	<p>We had launched China-Hong Kong Stock Connect Data Analyst and Trading Counter Product. During the Reporting Period, TradeGo Markets, an indirect wholly-owned subsidiary of the Company, submitted an application to SFC for Licenses in Hong Kong.</p> <p>TradeGo Markets intends to operate an over-the-counter electronic trading platform for non-trading hours whereby the IPO Shares to be listed on the Stock Exchange can be traded prior to their official listing.</p> <p>For existing products, we have completed the integration of 59 brokerage firms onto the TradeGo Pro; replaced with new version of web browser securities trading platform software for the existing end users of 46 brokerage firms; During the Reporting Period, we have recruited 40 R&amp;D staffs to enhance our R&amp;D capabilities.</p>
Apply for additional market data vendor licences and conduct further marketing activities	<ul style="list-style-type: none"> <li>• promote China-Hong Kong Stock Connect Data Analyst via advertisements and propaganda campaigns;</li> <li>• promote Trading Counter Product via advertisements and propaganda campaign;</li> <li>• promote various types of market data feeds;</li> <li>• obtain relevant data licence for markets out of Hong Kong;</li> <li>• promote services to private equity funds, other institutions and high-net-value individual customers.</li> </ul>	<p>During the Reporting Period, we have promoted the China-Hong Kong Stock Connect Data Analyst via face to face presentations and advertising campaigns to a number of institutional customers, and promoted Trading Counter Product and the CMS Plus trading system. As of 31 March 2022, a total of 57 brokerage firms are using our CMS Plus trading system. We have held online and offline activities to promote various types of market data feeds via advertisements and propaganda campaign with discount given to new users. The number of registered users of TradeGo Pro has been increased to approximately 675,933. We have promoted our data services to private equity funds, other institutions and high-value individual customers through the online promotion. We are still seeking for more data licence for markets out of Hong Kong.</p>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Future plans as stated in the Prospectus	Implementation plans as stated in the Prospectus	Actual business progress up to 31 March 2022
Expand our hardware infrastructure capacities and software portfolio	<ul style="list-style-type: none"> <li>purchase computers and test mobile phones to enhance R&amp;D ability and improve quality control;</li> <li>purchase and upgrade software for R&amp;D and office use;</li> <li>enhance the conversion efficiency and transition stability from physical servers to virtual servers.</li> </ul>	<p>During the Reporting Period, there was an increase in the number of mobile phone devices tested by our users. We also plan to purchase new models of mobile phones for terminal product testing and to improve the compatibility of our software with different devices. We purchased more computers and hardware office equipment to support our growing R&amp;D staff. Add firewall software to improve network environment security. We continue to invest manpower and material resources to enhance and upgrade the performance of our cloud services, and enhance the conversion efficiency and transition stability from physical servers to virtual servers.</p>
Recruit non-R&D staff and conduct staff trainings	<ul style="list-style-type: none"> <li>recruit staff for operation, sales, customer service and management purpose;</li> <li>carry out professional and business skills trainings for all staff as well as exclusive trainings for product managers and backbone staff on yearly basis;</li> <li>salary for newly recruited staff.</li> </ul>	<p>We have conducted professional and business skills trainings for all staff as well as exclusive trainings for product managers and backbone staff from time to time. The training included but is not limited to securities investment knowledge, knowledge sharing in product design, knowledge sharing in different technical languages, and competitive products analysis. We have recruited new staffs for operation, sales and finance function.</p>
Establish a R&D centre in the People's Republic of China (the "PRC")	<ul style="list-style-type: none"> <li>purchase a newly-developed office premises of approximately 700-square-metre in Shenzhen for the establishment of a R&amp;D centre, which is expected to be ready for occupation in one to two years after the purchase.</li> </ul>	<p>The rapid and continuing rise in real estate prices in the Shenzhen central business districts, the real estate prices in areas of Shenzhen, the PRC suitable for establishing a R&amp;D centre have been much higher than that of the original plan of the Group in around 2018. As a result, the Group has suspended its plan to purchase a R&amp;D centre. For details, please refer to the Announcement on Change in Use of Proceeds.</p>
Establish a marketing centre in Hong Kong	<ul style="list-style-type: none"> <li>recruit staff for managing and operating the Hong Kong sales and customer service centre;</li> <li>lease an office in Central district of Hong Kong for the establishment of a Hong Kong sales and customer service centre;</li> <li>salary for newly recruited staff.</li> </ul>	<p>In this year, the widespread of COVID-19 in Hong Kong posed difficulties in face-to-face marketing and promotion of the Group's business in Hong Kong. As a result, the Group has suspended the plan. For details, please refer to the Announcement on Change in Use of Proceeds.</p>

For details of the use of proceeds, please refer to the section headed "Use of Proceeds" in this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue and direct costs

Revenue of the Group for the Reporting Period was HK\$82,280,828 (for the Corresponding Period: HK\$64,949,522), representing an increase of HK\$17,331,306 or 26.7% as compared with that of the Corresponding Period. Such increase in revenue of the Group during the Reporting Period was primarily attributable to the increase in revenue from SaaS services. Direct costs of the Group for the Reporting Period were HK\$13,606,678 (for the Corresponding Period: HK\$11,907,023), representing an increase of HK\$1,699,655 or 14.3% as compared with that of the Corresponding Period.

### Other gains and losses, net

The Group's other losses for the Reporting Period amounted to HK\$3,248,765 (for the Corresponding Period: other gains of HK\$1,827,320) representing a decrease of HK\$5,076,085 as compared with that of the Corresponding Period, mainly due to the decrease of fair value of financial assets.

### Staff costs

The Group's staff costs for the Reporting Period amounted to HK\$19,875,452 (for the Corresponding Period: HK\$17,717,233) represented an increase of HK\$2,158,219 or 12.2% as compared with that of the Corresponding Period. The increase was due to the increase in equity-settled share-based payments.

### Depreciation and amortisation

The Group's depreciation and amortisation for the Reporting Period amounted to HK\$11,039,610 (for the Corresponding Period: HK\$8,045,044) represented an increase of HK\$2,994,566 or 37.2% as compared with that of the Corresponding Period. The increase was mainly due to the increase in amortisation of internally developed software system.

### Selling, general and administrative expenses

The Group's selling, general and administrative expenses for the Reporting Period amounted to HK\$9,115,438 (for the Corresponding Period: HK\$6,937,358) represented an increase of HK\$2,178,080 or 31.4% as compared with that of the Corresponding Period. The increase was mainly due to the increase in advertising expenses, property management fee and legal and professional fee.

### Finance cost

The Group's finance cost for the Reporting Period amounted to HK\$470,604 (for the Corresponding Period: HK\$132,121) represented an increase of HK\$338,483 or 256.2% as compared with that of the Corresponding Period. The increase is mainly due to the increase in interest of lease liabilities.

### Profit before taxation

The Group's profit before taxation for the Reporting Period amounted to HK\$25,076,271 (for the Corresponding Period: HK\$21,912,209) represented an increase of HK\$3,164,062 or 14.4% as compared with that of the Corresponding Period. The increase was primarily as a result of the increase of the revenue.

### Income tax (credit) expenses

The Group's income tax credit for the Reporting Period amounted to HK\$62,276 (for the Corresponding Period: expenses of HK\$1,333,531) represented a decrease of HK\$1,395,807 or 104.7% as compared with that of the Corresponding Period, which consists of current tax of HK\$664,430 (for the Corresponding Period: HK\$1,895,322) and deferred tax of HK\$1,096,007 (for the Corresponding Period: credit of HK\$561,791). The decrease of income tax expense was mainly due to the increase of the Weighted Deduction of Research and Development Expenses of our subsidiaries in Shenzhen.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Profit for the Reporting Period

During the Reporting Period, the Group recorded a profit of HK\$25,138,547 (for the Corresponding Period: HK\$20,578,678) represented an increase of HK\$4,559,869 or 22.2% as compared with that of the Corresponding Period. Such increase was primarily attributable to the increase of the revenue.

## Earnings per Share

Basic and diluted earnings per shares was HK cents 4.41 and HK cents 4.39 for the Reporting Period as compared to basic and diluted earnings per share of HK cents 4.33 and HK cents 4.33 for the Corresponding Period.

## Cash and cash equivalents

Cash and cash equivalents was HK\$155,221,382 as at 31 March 2022 (as at 31 March 2021: HK\$73,721,534), representing an increase of HK\$81,499,848 or 110.6% as compared with that of the Corresponding Period. The increase is mainly due to the increase of profit and the proceeds from placing of new shares.

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 March 2022, the Group held cash at banks, financial institutions and cash on hand of HK\$144,006,071 (as at 31 March 2021: HK\$67,799,566), HK\$11,170,391 (as at 31 March 2021: HK\$5,850,922) and HK\$44,920 (as at 31 March 2021: HK\$71,046), respectively. Net current assets amounted to HK\$120,419,582 (as at 31 March 2021: HK\$64,271,019). Approximately 27% of the Group's cash and cash equivalents were denominated in Hong Kong dollars, and the remaining was denominated in RMB and United States dollar. As at 31 March 2022, the Group's gearing ratio (defined as total borrowing divided by total equity plus total borrowing) was not applicable, as the borrowing of the Group was nil (as at 31 March 2021: nil).

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

## CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 28 September 2018. There has been no change in the capital structure of the Company since then. The share capital of the Company only comprises ordinary Shares.

As at 31 March 2022, the Company's issued share capital was HK\$6,000,000 and the number of its issued ordinary Shares was 600,000,000 of HK\$0.01 each.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had 127 full-time employees (as at 31 March 2021: 111) located in Hong Kong and the PRC for operation. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The emolument policy for the employees of the Group is mainly based on industry practices and employee's merit, qualifications, competence and experience. On top of ordinary remuneration, discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as individual performance. The long term incentive scheme of the Group include pre-IPO equity interest incentive scheme, share option scheme and share award scheme.

For the year ended 31 March 2022, total employee benefits expense (including Directors' emoluments) was HK\$19,875,452 (for the year ended 31 March 2021: HK\$17,717,233). The increase in cost was primarily due to the increase in headcount.

The remuneration committee of the Company will review and determine the remuneration and compensation packages of the Directors' regarding their responsibilities, workload, time devoted to the Group and the performance of the Group.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CONTINGENT LIABILITIES

As at 31 March 2022, the Group did not have any significant contingent liabilities (as at 31 March 2021: nil).

### CAPITAL COMMITMENT

As at 31 March 2022, the Group did not have any significant capital commitment (as at 31 March 2021: nil).

### CHARGES ON ASSETS

As at 31 March 2022, the Group did not have any material charges on assets (as at 31 March 2021: nil).

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group and Frost & Sullivan set up Sullivan TradeGo (Shenzhen) Cloud Technology Limited in Qianhai, Shenzhen.

Save as disclosed above, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

### SIGNIFICANT INVESTMENT AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Reporting Period, TradeGo Markets Limited ("**TradeGo Markets**"), an indirect wholly-owned subsidiary of the Company, submitted an application to SFC for the Licenses in Hong Kong. TradeGo Markets intends to operate an over-the-counter electronic trading platform for non-trading hours whereby the IPO Shares to be listed on the Stock Exchange can be traded prior to their official offering.

Save as disclosed above, the Group did not have any significant investments. Save as disclosed in the implementation plan as disclosed in the Prospectus and the announcement on Change in Use of Proceed, the Group did not have any other concrete plans for significant or material investments or capital assets during the Reporting Period and in the foreseeable future. Nonetheless, if any acquisition opportunity arises and is identified, the Group will conduct a feasibility study and consider whether it is beneficial to the Group and the shareholders of the Company (the "**Shareholders**") as a whole.

### RISK MANAGEMENT

#### Exposure to fluctuations in exchange rates

The Group's income, direct cost and expenses are mainly denominated in HK\$ and RMB. Fluctuations in the exchange rates of RMB could affect the operating costs of the Group. The Group currently does not have a foreign currency hedging policy. As such, no hedging or other arrangements were made by the Group during the year ended 31 March 2022. However, the Directors will continue to monitor foreign exchange risk and will take prudent measure to minimise the currency translation risk. The Group will consider hedging significant foreign currencies when the need arises.

### DIVIDENDS

During the Reporting Period, a special dividend of HK3.17 cents per share were recognised as distribution. The Board does not recommend the payment of a final dividend for the Reporting Period (for the Corresponding Period: nil).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## USE OF PROCEEDS

The net proceeds from the Listing were approximately HK\$41.5 million (after deducting the underwriting fees and the listing expenses). The unutilized proceeds were placed with a bank in Hong Kong. On 10 August 2020, the Board has resolved to change the use of the unutilized net proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's Announcement on Change in Use of Proceeds. Set forth below are details of the use of proceeds up to 31 March 2022:

Intended use of the net proceeds	Amount of net proceeds allocated at the Listing HK\$ million	Actual amount utilized from the date of Listing up to 10 August 2020 HK\$ million	Reallocation in use of unutilized net proceeds on 10 August 2020 HK\$ million	Amount of unutilized net proceeds after reallocation HK\$ million	Actual amount utilized up to 31 March 2022 HK\$ million	Unutilized net proceeds up to 31 March 2022 HK\$ million	Expected timeline for full utilization of the unutilized net proceeds (Note 1)
Developing innovative product offerings and enhance research and development capabilities	6.1	6.1	-	-	6.1	-	N/A
Apply for additional market data vendor licences and conduct further marketing activities	5.4	3.9	+5.3	6.8	10.7	-	N/A
Expand the hardware infrastructure capacities and software portfolio	2.3	1.3	+2.3	3.3	4.6	-	N/A
Recruit non-R&D staff and conduct staff trainings	3.0	2.8	-	0.2	3.0	-	N/A
Establish an R&D centre in the PRC	15.6	-	-15.6	-	-	-	N/A
Establish a marketing centre in Hong Kong	7.3	-	-7.3	-	-	-	N/A
Developing over-the-counter and grey market trading system (Note 3)	-	-	+6.7	6.7	2.3	4.4	End of September 2022
Developing initial public offer simulation subscription system	-	-	+5.6	5.6	5.6	-	N/A
Applying licences and the daily operations of the subsidiary(ies) under the Capital Contribution Agreement (Note 2 & Note 3)	-	-	+3.0	3.0	0.6	2.4	End of September 2022
General working capital	1.8	1.8	-	-	1.8	-	N/A
	41.5	15.9	-	25.6	34.7	6.8	

### Notes:

- The expected timeline for utilizing the unutilized net proceeds is based on the best estimation of the future market conditions made by the Group. It is subject to change based on the current and future development of the market condition.
- Tele-Trend Konson (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company, entered into the Capital Contribution Agreement on 7 July 2020 for setting up subsidiaries which will principally engage in, inter-alia, the provision of over-the-counter services in Hong Kong securities.
- Although the progress of related work has been slowed down due to the COVID-19, we are still following up with such works actively.

In order to maximise the return for shareholders, the Directors will continue to assess the business environment and explore market opportunities to broaden the source of income of the Group. Subject to the final decision of the Board, the Company will make further announcement and will comply with the disclosure requirement under the GEM Listing Rules, if there is any change or further update on the use of proceeds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### USE OF NET PROCEEDS FROM PLACING

Reference is made to the announcements of the Company dated 9 April 2021 and 22 April 2021. For the purpose of strengthening the Company's capital base (including working capital) and improving its research and development and cloud infrastructure construction and information service capacity, the Company entered into a placing agreement (the "Placing Agreement") with the placing agent, Valuable Capital Limited (the "Placing Agent"), whereby the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 100,000,000 Shares (the "Placing Shares") with the aggregate nominal value of HK\$1,000,000 on a best effort basis to not less than six placees at a price of HK\$0.30 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The market price of the Placing Shares was HK\$0.345 on the date of the Placing Agreement.

On 22 April 2021, all of the Placing Shares have been successfully placed by the Placing Agent to not less than six placees who are Independent Third Parties of the Company at a price of HK\$0.30 per Placing Share and the placing was completed. The net proceeds from the placing (after deduction of commission and other expenses of the Placing) amount to approximately HK\$29.7 million, representing a net issue price of approximately HK\$0.297 per Placing Share. The proceeds from the placing are proposed to be used according to the intentions previously disclosed by the Company. Set forth below are details of the use of proceeds from the placing up to 31 March 2022:

Intended use of the net proceeds	Amount of net proceeds HK\$ million	Amount of utilized net proceeds up to 31 March 2022 HK\$ million	Unutilized net proceeds up to 31 March 2022 HK\$ million	Expected timeline for full utilization of the unutilized net proceeds HK\$ million
(i) R&D of the Group's new products	17.82	6.81	11.01	End of September 2023
(ii) Strengthening the cloud infrastructure construction and information service capacity	8.91	1.9	7.01	End of September 2023
(iii) General working capital	2.97	2.41	0.56	End of September 2023
	29.7	11.12	18.58	



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**Mr. LIU Yong (劉勇)**, aged 50, is the chairman of the board of directors of the Company, chief executive officer, an executive Director and a controlling Shareholder. He is also the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). Mr. Liu was appointed as a Director on 15 June 2017 and re-designated as an executive Director on 23 June 2017. He is responsible for the Group’s overall management, strategic development, financial management and major decision-making of the Group. He is also a director of each of Power Mind Global Limited (力思環球有限公司), Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司) (“**Tele-Trend Konson**”), Tele-Trend Konson Software (Shenzhen) Limited (捷利港信軟件(深圳)有限公司) (“**Tele-Trend Konson SZ**”), Shenzhen Rongyi Technology Company Limited (深圳市融易科技有限公司), Shenzhen Xinfeng Network Technology Company Limited (深圳市新蜂網絡科技有限公司).

Mr. Liu founded the Group in April 2010. He has over 10 years of experience in finance and information technology industry. Prior to joining the Group, Mr. Liu worked at AASTOCKS (Shanghai) Information Technology Limited (阿斯達克(上海)信息技術有限公司) as a sales director in the PRC from September 2005 to January 2008.

Mr. Liu graduated from Guizhou University of Commerce (貴州商學院) formerly known as Guizhou Business School\* (貴州商業專科學校) in July 1993, specialising in business management and operation. In September 2002, he obtained the Master of Economics (major in international trade) from Dongbei University of Finance and Economics (東北財經大學).

**Mr. WAN Yong (萬勇)**, aged 49, is an executive Director of the Company. He is also the compliance officer of the Company. He was appointed as an executive Director on 23 June 2017. Mr. Wan is responsible for the Group’s overall management, strategic development and major decision-making of the Groups. He is also a director of each of Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司), Sullivan TradeGo (Shenzhen) Cloud Technology Limited (沙利文捷利(深圳)雲科技有限公司).

Mr. Wan has over 10 years of experience in the finance industry. He has been a director of Tele-Trend Konson since 27 July 2015. Prior to joining the Group, Mr. Wan worked at ChinaLin Securities Company Limited (華林證券股份有限公司) from July 2007 to August 2009 as the general manager of the business department in Shenzhen. From August 2009 to July 2014, Mr. Wan joined Sealand Securities Company Limited (國海證券股份有限公司) and served as various positions including the assistant to the president and the deputy general manager of its asset management subsidiary.

Mr. Wan graduated from Southwest University of Finance and Economics (西南財經大學) in July 1993, specialising in finance. In July 2009, Mr. Wan completed the Master of business administration held by Sichuan Institute of Business Administration (四川省工商管理學院).

**Mr. LIAO Jicheng (廖濟成)**, aged 37, was appointed as an executive Director of the Company on 23 June 2017. Mr. Liao is responsible for the Group’s overall management and marketing management. He is also a director of Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司).

Mr. Liao joined the Group in March 2012 as senior sales manager and has been a director of Tele-Trend Konson since 27 July 2015. Prior to joining the Group, Mr. Liao worked at a PRC subsidiary of China Oriental Express Company Limited (中國東方快遞有限公司) from February 2007 to July 2010 as the assistant to general manager. From October 2010 to October 2011, he worked at a PRC subsidiary of All Leaders Publication Group Limited (領袖傳播集團) as a business director.

Mr. Liao graduated from Guangdong Peizheng College (廣東培正學院) in June 2006, specialising in logistics management, marketing and business administration.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. ZHANG Wenhua (張文華)**, aged 43, was appointed as an executive director of the Company on 9 September 2021. Mr. Zhang is the chief technology officer of the Group, and is responsible for the management of the R&D department of the Group. He joined the Group as the R&D manager in December 2010.

Mr. Zhang graduated from the Jiangxi Normal University (江西師範大學) in December 1997, specialising in computer application.

Prior to joining the Group, Mr. Zhang worked at Konson Software (Shenzhen) Company Limited (港信軟件(深圳)有限公司) engaging in R&D work from September 2001 to February 2009.

### NON-EXECUTIVE DIRECTOR

**Mr. LIN Hung Yuan (林宏遠) (formerly known as 林泓遠)**, aged 45, was appointed as a non-executive director of the Company on 23 June 2017. Mr. Lin is mainly responsible for overseeing the general corporate, financial and compliance affairs of the Group.

Mr. Lin obtained a Bachelor Degree of Arts in June 1999 from National Chengchi University. He further obtained the Master Degree of Science in Management in June 2001 from National Sun Yat-sen University. In addition, Mr. Lin is a financial risk manager accredited by Global Association of Risk Professionals since September 2013.

**Mr. WANG Haihang (王海航)**, aged 54, was appointed as a non-executive director of the Company on 14 April 2022. Mr. Wang is mainly responsible for providing independent judgement on the issues of strategy, marketing directions and the development of technology of the Company. Mr. Wang graduated from University of Electronic Science and Technology of China, majoring in Technology of Computer Application. From October 2010 to September 2015, Mr. WANG served as General Manager of Information Technology Development and Co-General Manager of Information Security of Shenwan Hongyuan Securities Co., LTD. From September 2015 to August 2018, he served as deputy General Manager of Jiuzhou Securities Co., LTD. From October 2018 to November 2020, he served as Assistant to President and President of Information Technology Center of Minsheng Securities Co., LTD. Since December 2020, he served as the Senior Vice-President of Shenzhen Kingdom Sci-Tech Co., Ltd. (“**Kingdom**”), a substantial shareholder of the Company.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. JIAO Jie (焦捷)**, aged 41, was appointed as an independent non-executive director of the Company on 29 August 2018, and is mainly responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Company. She is also a member of each of the Audit Committee of the Company (the “**Audit Committee**”), the Remuneration Committee and Nomination Committee.

Ms. Jiao has over 10 years of experience in initial public offerings, private equity financing and corporate legal affairs. Ms. Jiao worked as a legal assistant at Beijing Jingtian & Gongcheng (北京市競天公誠律師事務所) from November 2004 to February 2007. Thereafter, she joined China Sunshine Paper Holdings Company Limited (stock code: 2002) (“**China Sunshine**”), the shares of which are listed on the Main Board of the Stock Exchange, as the board secretary and special assistant to the chairman of China Sunshine from March 2007 to January 2010. From January 2010 to February 2012, Ms. Jiao worked as chief counsel and head of investor relations in Beijing SouFun Network Technology Company Limited (北京搜房網絡技術有限公司). She then joined Huijin Stone (Xiamen) Co. Ltd. (滙金石(廈門)有限公司), a subsidiary of ArtGo Holdings Limited (formerly known as ArtGo Mining Holdings Limited) (stock code: 3313), the shares of which are listed on the Main Board of the Stock Exchange, as vice president and general counsel from March 2012 to June 2014. She was appointed to the position of joint company secretary of ArtGo Holdings Limited in December 2013 and resigned in May 2014. From June 2014 to December 2018, Ms. Jiao was the chief financial officer of iClick Interactive Asia Limited (NASDAQ: ICLK). Since June 2019, Ms. Jiao has served as the chief financial officer of Play for Dream, Inc.. Since January 2014, she has been an independent non-executive director of China Sunshine Paper Holdings Limited (stock code: 2002). She was the independent director of China Index Holdings Limited (NASDAQ: CIH) since June 2019 and resigned on 20 May 2022. She has been an independent non-executive director of MOG Holdings Limited (stock code: 1942) since April 2020. She was appointed as an independent director of Quhuo Ltd. (NASDAQ: QH) since July 2020.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Jiao obtained the degree of Laws and Economics from Peking University in July 2003. She further obtained the degree of Magister Juris from University of Oxford in July 2005. In addition, she obtained the Legal Professional Qualification Certificate (法律職業資格證書) from the Ministry of Justice of the PRC in March 2010. She has also obtained the Registered Qualification Certificate of Enterprise Legal Adviser (企業法律顧問執業資格證書) accredited jointly by the Ministry of Human Resources and Social Security of the PRC, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and the Ministry of Justice of the PRC in October 2011. Ms. Jiao has been a chartered financial analyst accredited by the CFA Institute since September 2014.

**Mr. MAN Kong Yui (文剛銳)**, aged 62, was appointed as an independent non-executive director of the Company on 29 August 2018, and is mainly responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Mr. Man obtained a Bachelor Degree in Business Administration from The Chinese University of Hong Kong. He was appointed as an independent non-executive director of Get Nice Holdings Limited (stock code: 64) which is listed on the Stock Exchange in Hong Kong since 3 October 2005. Mr. Man has been involved in the investment and financial industries for over 42 years and has extensive experience in bullion, foreign exchange, securities, futures and asset management business. He has held various senior positions with prominent banks, international financial institutions and listed companies in Hong Kong.

**Dr. LOKE Yu (also known as LOKE Hoi Lam) (陸海林)**, aged 72, was appointed as an independent non-executive director of the Company on 29 August 2018, and is mainly responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the Audit Committee.

Dr. Loke has over 40 years of experience in accounting and audit for private and public companies, financial consultancy and corporate management.

He obtained a degree of Master of Business Administration from Universiti Teknologi Malaysia in April 2001, and a degree of Doctor of Business Administration from University of South Australia in March 2006. Dr. Loke is a Fellow of The Institute of Chartered Accountants in England and Wales, The Hong Kong Institute of Certified Public Accountants, The Chartered Governance Institute and The Hong Kong Institute of Chartered Secretaries. He is a life member of The Hong Kong Independent Non-Executive Directors Association.

Dr. Loke is currently an independent non-executive director of Hong Kong Resources Holdings Company Limited (stock code: 2882), Chiho Environmental Group Limited (stock code: 976), Times Universal Group Holdings Limited (stock code: 2310), Hang Sang (Siu Po) International Holding Company Limited (stock code: 3626), Matrix Holdings Limited (stock code: 1005), Tianjin Development Holdings Limited (stock code: 882), Crazy Sports Group Limited (stock code: 82), Zhenro Properties Group Limited (stock code: 6158) and China Silver Technology Holdings Limited (stock code: 515), and a non-executive director of Veson Holdings Ltd. (stock code: 1399) the shares of all of which are listed on the Main Board of the Stock Exchange. He was also formerly an independent non-executive director of CIMC-TianDa Holdings Company Limited (stock code: 445, delisted on 25 January 2021) (formerly known as China Fire Safety Enterprise Group Holdings Limited), Lamtex Holdings Limited (stock code: 1041), Shenzhou Space Park Group Limited (stock code: 692) (formerly known as China Household Holdings Limited), China Beidahuang Industry Group Holdings Limited (stock code: 39), Tianhe Chemicals Group Limited (stock code: 1619, delisted on 11 June 2020) and Zhong An Group Limited (stock code: 672), the shares of all of which are listed on the Main Board of the Stock Exchange.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

**Mr. ZHUANG Wenxiao (莊文驍)**, aged 40, is the internet marketing director of the Group, and is responsible for the operation and sales of the final product of the Group. He joined the Group as the sales manager in July 2010.

Mr. Zhuang graduated from the Anhui University of Science and Technology (安徽理工大學) in May 2005, specialising in information and computing science.

Prior to joining the Group, he was the head of the product department and R&D department of AASTOCKS (Shanghai) Information Technology Limited (阿斯達克(上海)信息技術有限公司) from June 2006 to July 2009.

**Mr. WU Jieqiang (吳捷強)**, aged 47, is the chief operating officer and chief financial officer of the Group, and is responsible for overseeing operational management of the Group. He joined the Group in April 2017. He is also a director of TradeGo Markets Limited.

Mr. Wu graduated from Tsinghua University in July 1997 obtaining the Bachelor's degree in the specialty of International Finance. He further obtained the master degree of business administration from the ESSEC Business School in November 2004.

# DIRECTORS' REPORT

The Directors hereby submit their report together with the audited consolidated financial statements for the year ended 31 March 2022.

## PRINCIPAL ACTIVITIES

The Company which is an investment holding company and its subsidiaries are principally engaged in providing integrated securities trading platform service to Hong Kong brokerage firms and their clients. There were no significant changes in the nature of the Group's principal businesses during the Reporting Period.

## BUSINESS REVIEW

A detailed review on the Group's business performance and the material factors underlying its financial position, as well as the development and likely future prospects of the Group's business are provided throughout this annual report and in particular under the following separate sections:

- (a) review of the Company's business and financial position, and development and future prospects of the Company's business are shown in the "Chairman Statement" and "Management Discussion and Analysis" of this annual report;
- (b) the principal risks and uncertainties facing the Group are shown in the Notes to the consolidated financial statements, the "Management Discussion and Analysis" section and the section headed "Risks Relating to the Group's Business Include Primarily" below;
- (c) the Group's environmental policies and performance will be shown in the "Environmental, Social and Governance Report" to be published by the Company in a later time;
- (d) the Group's key relationships with employees, customers and suppliers will be shown in the "Environmental, Social and Governance Report" to be published by the Company in a later time and the section headed "Relationship with stakeholders" below;
- (e) the Group's compliance with the relevant laws and regulations are shown in the section headed "Compliance with laws and regulations" below and the "Environmental, Social and Governance Report" to be published by the Company in a later time; and
- (f) details of key performance indicators are shown in the "Highlights", "Management Discussion and Analysis" of this annual report and "An analysis using financial key performance indicators".

# DIRECTORS' REPORT

## An analysis using financial key performance indicators

	For the year ended 31 March		
	2022	2021	% of change
Revenue (HK\$)	<b>82,280,828</b>	64,949,522	26.7%
Direct cost (HK\$)	<b>13,606,678</b>	11,907,023	14.3%
R&D expenses (HK\$)	<b>3,326,878</b>	5,387,141	-38.2%
Basic Earnings per share (HK cent)	<b>4.41</b>	4.33	1.8%
Bank balances and cash (HK\$)	<b>144,050,991</b>	67,870,612	112.2%

### Notes:

1. The Company was incorporated in the Cayman Islands on 15 June 2017 under the laws of Cayman Islands. The Group is principally engaged in providing integrated securities trading platform service to Hong Kong brokerage firms and their clients. Therefore, financial performance indicators such as revenue, direct cost, R&D expenses, are significant indicators to reflect the Group's growth and R&D expenditure.
2. For trend analysis of revenue, direct cost and loss per share, please refer to the "Management Discussion and Analysis" section.

More detailed analysis of the Group's performance during the Reporting Period using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 6 to 14 of this annual report.

## Environmental protection

The Group recognises its responsibility to protect the environment from its business activities. The Group has endeavored to comply with laws and regulations regarding environmental protection and encourage environmental protection and promote awareness towards environmental protections to the employees.

## Compliance with laws and regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has on-going review on the new enacted laws and regulations affecting the operations of the Group. During the Reporting Period, the Group is not aware of any material non-compliance with the laws and regulations that have significant impact on the business of the Group.

## Relationship with stakeholders

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group. The Group maintains strong relationships with its employees and offers them with safe working environment. The Group has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

The Group understands that employees are valuable assets which have significant impact on the Company and the Company depends on the continued efforts of employees for its success. The Group ensures all employees are reasonably remunerated and regularly reviews the remuneration package of employees and other benefits. The Group also understands that it is important to maintain good relationship with its customers and suppliers to fulfil its short and long-term goals.



## DIRECTORS' REPORT

### RISKS RELATING TO THE GROUP'S BUSINESS INCLUDE PRIMARILY

- (i) the Group may not be able to keep pace with the rapid changes in the integrated securities trading platform service market and the newly launched and upgrade of services may not be well received by the market;
- (ii) the cybersecurity management systems of the Group may be vulnerable to unexpected hackings or malware attacks;
- (iii) the technology infrastructure may experience unexpected system failure and interruption;
- (iv) the past rapid growth of the Group may not be indicative of the future rapid growth, and the relatively short operating history in developing the securities trading platform services make it difficult to evaluate the prospects and future financial performance;
- (v) the Group may not be able to maintain or grow the market data services of the Group; and
- (vi) the Group may not be able to successfully monetise the traffic on the open securities trading platform software TradeGo Pro for securities trading platform services.

The Group has established risk management systems consisting of an organisational framework, policies, procedures and risk management methods that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. We have established an internal control system over various aspects of our operations and are constantly monitoring the effectiveness of our risk management system.

### RISK MANAGEMENT MEASURES

1. Proactively monitor market trends, competitors and innovations and build up responsive project controls to allow strategic flexibility and dedicated strategy resources;
2. Build up a cybersecurity check team to examine the unexpected hackings or malware attacks;
3. Establish the IT network perimeter control team and enhance the technology system by real time data monitoring;
4. Proactive monitoring and preparation of global changes and local changes in regulations affecting the development of the Group and establish the management monitoring team to react to the changes and timely implement the reaction measures;
5. Enhance the market data support system and develop the tools that control the effectiveness of market support services; and
6. Develop efficient sales and investment policy and guidelines and build up the sales and promotion team for the purpose of promotion of trading platform software and timely implement the new functions of the trading platform software.



## DIRECTORS' REPORT

### SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

As one of the leading integrated securities trading platform services providers serving primarily Hong Kong brokerage firms and their clients, the Group does not involve in business that will generate air, water and land pollutions which are regulated by the applicable laws and regulations in the PRC. The Group complies with the relevant laws and regulations in environmental protection. The Group continuously seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group aims to maximise energy conservation in its offices by promoting efficient use of resources and adopting green technologies.

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing the business prudently and executing management decisions with due care and attention.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the "Environmental, Social and Governance Report" to be published by the Company.

### RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 49 of this annual report.

The Board does not recommend the payment of a final dividend for the Reporting Period (For the Corresponding Period: nil).

There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

### RESERVES

Details of movements in the reserves of the Group and of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 23 to the consolidated financial statements in this annual report.

### DISTRIBUTABLE RESERVES

As at 31 March 2022, the reserves of the Company available for distribution to Shareholders under the Companies Law of Cayman Islands amounted to HK\$57,304,191 (For the Corresponding Period: HK\$37,689,020).

### CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, (i) no contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the Reporting Period; and (ii) no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during the Reporting Period.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in note 23 to the consolidated financial statements.

# DIRECTORS' REPORT

## BANK BORROWING

During the Reporting Period, there is no bank borrowing for the Group.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 108 of this annual report. This summary does not form part of the audited consolidated financial statements.

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

The Directors confirm that neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company's securities during the Reporting Period.

## SHARE OPTION SCHEME

The share option scheme (the "**Share Option Scheme**") was conditionally adopted by the Company on 29 August 2018. Since the adoption date of the Share Option Scheme till 31 March 2022, no share option was granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

### (i) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the success of the business of the Group.

### (ii) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

### (iii) Maximum number of Shares

As at the date of this report, the maximum number of Shares available for issue was 50,000,000 Shares representing 10% of the Shares in issue upon the Listing Date.

### (iv) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

## DIRECTORS' REPORT

### (v) Acceptance of options

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

### (vi) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

### (vii) Subscription price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided always that for the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five Business Days, the new issue price shall be used as the closing price for any Business Day fall within the period before listing.

### (viii) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the adoption date being 29 August 2018 and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in the general meeting. For details of the Share Option Scheme, please refer to the Prospectus.

## SHARE AWARD SCHEME

On 19 December 2018 (the "**Adoption Date**"), the Company adopted a share award scheme (the "**Share Award Scheme**"). The purpose of the Share Award Scheme is to provide incentives for the employees to continuously make substantial contributions to the Group's long-term growth in the future and to attract and retain talented employees who may be beneficial to the growth and development of the Group.

For details of the Share Award Scheme, please refer to the announcements of the Company dated 19 December 2018, 21 January 2019, 1 February 2019, 28 February 2019, 7 March 2019, 12 March 2019, 14 March 2019, 28 March 2019, 9 April 2019, 4 July 2019, 22 August 2019, 5 February 2021 and 30 December 2021, respectively.

The Company shall comply with the relevant GEM Listing Rules on granting the awarded shares. As at 31 March 2022, the trustee of the Share Award Scheme had purchased a total of 25,000,000 shares of the Company from the secondary market at a total consideration of about HK\$14,337,420. Save as disclosed in the Company's announcement dated 30 December 2021, no shares purchased under the Share Award Scheme have been awarded to any employee of the Company under the Share Award Scheme during the Reporting Period. As all award shares have been granted to employees, the trustee of the Share Award Scheme has been terminated on 23 February 2022.

## GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME

On 30 December 2021 (after trading hours), the Board has resolved to award an aggregate of 7,500,000 Award Shares to thirteen Selected Employees under the Scheme, of which the Grantees shall contribute HK\$0.5735 per Award Share. The Award Shares represent approximately 1.25% of the total number of Shares in issue as at the date of this report. Each Grantee shall be awarded 500,000 to 1,000,000 Award Shares.

For details of the share award, please refer to the announcement of the Company dated 30 December 2021.

# DIRECTORS' REPORT

## DIRECTORS

The Directors during the year ended 31 March 2022 and up to the date of this report were:

### Executive Directors

Mr. LIU Yong

Mr. WAN Yong

Mr. LIAO Jicheng

Mr. ZHANG Wenhua (appointed on 9 September 2021 and effective on 1 October 2021)

### Non-executive Directors

Mr. LIN Hung Yuan

Mr. WANG Haihang (appointed on 14 April 2022 and effective on 1 May 2022)

### Independent Non-executive Directors

Ms. JIAO Jie

Mr. MAN Kong Yui

Dr. LOKE Yu (also known as LOKE Hoi Lam)

According to Article 108(a) of the articles of association of the Company (the “**Articles of Association**”), at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

According to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders at the general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

As such, Mr. LIU Yong, Mr. LIN Hung Yuan, Mr. MAN Kong Yui, Mr. ZHANG Wenhua and Mr. WANG Haihang will retire and, being eligible, Mr. LIU Yong, Mr. LIN Hung Yuan, Mr. MAN Kong Yui, Mr. ZHANG Wenhua and Mr. WANG Haihang will offer themselves for re-election at the forthcoming annual general meeting of the Company (the “**AGM**”).

### Emoluments of the Directors and the five highest paid individuals

Details of the Directors' emoluments and the five highest paid individuals in the Group are set out in notes 10 and 11 to the consolidated financial statements.

The emoluments of the Directors are subject to review by the remuneration committee of the Company. Their emoluments are determined with reference to their roles and responsibilities in the Group and the prevailing market conditions.

The Company has adopted share option scheme as an incentive to the Directors and eligible employees, details of the share option scheme are set out in the section headed “Share Options Scheme” above.

### Confirmation of independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

## DIRECTORS' REPORT

### Biographies of Directors and senior management

The biographical details of the Directors and senior management are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 15 to 18 of this annual report.

### Management contracts

No contract, other than the service contracts, concerning management and administration of the whole or any substantial part of the Group's businesses was entered into or existed during the Reporting Period.

### DIRECTORS' SERVICE AGREEMENTS

The service agreements and letters of appointments of all the Directors have been extended to the date of the AGM to be held by the Company in 2022, which will be continued unless terminated by either party giving at least one month's notice in writing to the other and in accordance with the terms of the respective agreement. Their appointments are subject to the rotation requirements under the Articles of Association.

Other than as disclosed above, no Director proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

### EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" of this report, no equity-linked agreement was entered into by the Company during the Reporting Period or subsisted as at 31 March 2022.

### CHARITABLE DONATIONS

During the Reporting Period, the Group did not make any charitable or other donations.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined in the GEM listing rules) had any interests in, or had been granted, or exercised any rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company and/or its associated corporations (within the meaning of Part XV of the SFO).

## DIRECTORS' REPORT

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2022, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its any associated corporation (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Long position/short position in the Shares

Name of Directors	Nature of Interest	Number of Shares held/ interested in	Long position/ Short position	Approximate percentage of shareholding <sup>(1)</sup>
Mr. LIU Yong <sup>(2)(3)</sup>	Interest of a controlled corporation	189,359,801	Long position	31.55%
Mr. LIAO Jicheng <sup>(3)</sup>	Interests held jointly with another person	35,095,147	Long position	5.84%
Mr. WAN Yong <sup>(3)(4)</sup>	Interest of a controlled corporation	19,703,553	Long position	
	Interests held jointly with another person	35,095,147	Long position	
		Total: 54,798,700		9.13%
Mr. ZHANG Wenhua <sup>(3)</sup>	Interests held jointly with another person	35,095,147	Long position	5.84%

#### Notes:

- As at 31 March 2022, the total number of issued Shares was 600,000,000 Shares.
- Mao Jia Holdings Limited (茂嘉控股有限公司) ("Mao Jia") holds a total of 154,264,654 Shares. Mao Jia is wholly owned by Fortune Promise Global Limited (富望環球有限公司) ("Fortune Promise"), which is in turn wholly-owned by Mr. LIU Yong. Therefore, Mr. LIU Yong is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.
- Xin Cheng International Limited (鑫誠國際有限公司) ("Xin Cheng"), holds a total of 35,095,147 Shares. Xin Cheng is wholly-owned by Stand Tall International Limited (立高國際有限公司) ("Stand Tall"). Therefore, according to the SFO, Stand Tall is deemed or taken to be interested in the Shares held by Xin Cheng. The details of the Shares held by Stand Tall are set out in the section headed "Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme" in the Appendix IV to the Prospectus. According to Pre-IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng (as at 31 March 2022, Mr. LIU Yong is the sole director of Xin Cheng), and Mr. LIU Yong, Mr. LIAO Jicheng, Mr. WAN Yong and Mr. ZHANG Wenhua are all shareholders of Stand Tall. Therefore, Mr. LIU Yong, Mr. LIAO Jicheng, Mr. WAN Yong and Mr. ZHANG Wenhua are deemed to be or are taken to be interested in all the Shares held by Xin Cheng.
- The total number of Shares held by Joint Smart Global Limited (合智環球有限公司) ("Joint Smart") was 19,703,553 Shares. Joint Smart is wholly-owned by Mass Victory Ventures Limited (眾勝創投有限公司) ("Mass Victory"), which is in turn owned as to 75% by Mr. WAN Yong. Therefore, Mr. WAN Yong is deemed, or taken to be, interested in all the Shares held by Joint Smart for the purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2022, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## DIRECTORS' REPORT

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2022 and so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

#### Long position/short position in the Shares

Names of shareholders	Capacity/Nature of Interest	Number of Shares held/interested in	Long position/Short position	Approximate percentage of shareholding <sup>(1)</sup>
Mao Jia Holdings Limited (茂嘉控股有限公司) <sup>(2)</sup>	Beneficial owner	154,264,654	Long position	25.71%
Fortune Promise Global Limited (富望環球有限公司) <sup>(2)</sup>	Interest of a controlled corporation	154,264,654	Long position	25.71%
Shenzhen Kingdom Sci-Tech Co., Ltd.	Beneficial owner	119,500,000	Long position	19.92%
Probest Limited	Interest of a controlled corporation	119,500,000	Long position	19.92%
SBI China Capital Financial Services Limited	Beneficial owner	119,500,000	Long position	19.92%
SBI China Capital Holdings Limited	Interest of a controlled corporation	119,500,000	Long position	19.92%
Mr. CAO Guoqi	Interest of a controlled corporation	119,500,000	Long position	19.92%
Coast International Asset Management Limited <sup>(3)</sup>	Investment manager	50,000,000	Long position	8.33%
Coast Flagship Investment SPC – Harvest IPO Mixed Strategy Investment SP <sup>(3)</sup>	Beneficial owner	50,000,000	Long position	8.33%
Xin Cheng International Limited (鑫誠國際有限公司) <sup>(4)</sup>	Beneficial owner Trustee	33,910,521 1,184,626	Long position Long position	
		<b>Total: 35,095,147</b>	Long position	5.84%
Stand Tall International Limited (立高國際有限公司) <sup>(4)</sup>	Interest of a controlled corporation	35,095,147	Long position	5.84%
Ms. LIU Xiaoming <sup>(5)</sup>	Interest of spouse	189,359,801	Long position	31.55%
Ms. CHEN Zhaoxia <sup>(6)</sup>	Interest of spouse	54,798,700	Long position	9.13%
Ms. LU Ximeng <sup>(7)</sup>	Interest of spouse	35,095,147	Long position	5.84%
Ms. YE Liqin <sup>(8)</sup>	Interest of spouse	35,095,147	Long position	5.84%



## DIRECTORS' REPORT

### Notes:

- (1) As at 31 March 2022, the total number of issued Shares was 600,000,000 Shares.
- (2) Mao Jia is wholly-owned by Fortune Promise. Therefore, Fortune Promise is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.
- (3) Coast Flagship Investment SPC-Harvest IPO Mixed Strategy Investment SP is a Fund that is managed by Coast International Asset Management Limited in its capacity as an investment manager. Therefore, Coast International Asset Management Limited is deemed, or taken to be, interested in all the Shares held by Coast Flagship Investment SPC-Harvest IPO Mixed Strategy Investment SP for the purpose of the SFO.
- (4) Xin Cheng holds 33,910,521 and 1,184,626 Shares as beneficial owner and trustee respectively. The 1,184,626 Shares are held by Xin Cheng as trustee arising from or in relation to the employee share ownership scheme of Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司) which is an indirectly wholly-owned subsidiary of the Company. Xin Cheng is wholly-owned by Stand Tall. Therefore, Stand Tall is deemed, or taken to be, interested in all the Shares held by Xin Cheng for the purposes of the SFO. The detailed information in relation to the Shares held by Stand Tall is set out in the section headed "Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme" in Appendix IV to the Prospectus. According to Pre-IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng.
- (5) Ms. LIU Xiaoming is the spouse of Mr. LIU Yong. Therefore, Ms. LIU Xiaoming is deemed, or taken to be, interested in all the Shares held by Mr. LIU Yong for the purpose of the SFO.
- (6) Ms. CHEN Zhaoxia is the spouse of Mr. WAN Yong. Therefore, Ms. CHEN Zhaoxia is deemed, or taken to be, interested in all the Shares held by Mr. WAN Yong for the purpose of the SFO.
- (7) Ms. LU Ximeng is the spouse of Mr. LIAO Jicheng. Therefore, Ms. LU Ximeng is deemed, or taken to be, interested in all the Shares held by Mr. LIAO Jicheng for the purpose of the SFO.
- (8) Ms. YE Liqin is the spouse of Mr. ZHANG Wenhua. Therefore, Ms. YE Liqin is deemed, or taken to be, interested in all the Shares held by Mr. ZHANG Wenhua for the purpose of the SFO.

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any interests or short positions owned by any other persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, the largest customer of the Group accounted for approximately 4.8% (For the Corresponding Period: approximately 4.2%) of the total revenue of the Group while the five largest customers of the Group in aggregate accounted for approximately 19.6% (For Corresponding Period: approximately 17.8%) of the total revenue of the Group. The Group's largest supplier contributed approximately 49% (For the Corresponding Period: approximately 65%) of the total purchase for the Reporting Period while the Group's five largest suppliers accounted for approximately 75% (For the Corresponding Period: approximately 92.4%) of the total purchase for the Reporting Period.

At no time during the Reporting Period have the Directors, any of their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of the issued Shares) had any beneficial in any of the five largest customers and suppliers during the Reporting Period.

### EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Detail of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 10 and note 11 in the Notes to the consolidated financial statements in this annual report. There was no arrangement under which a Director has waived or agreed to waive any emoluments for the Reporting Period.

## DIRECTORS' REPORT

### EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the management on the basis of their merit, qualifications and competence. The long term incentive schemes of the Group include pre-IPO equity interest incentive scheme, share option scheme and share award scheme. Under the emolument policy, the basis of determining the emolument payable to Directors is subject to the decision of the remuneration committee of the Board of the Company. As at 31 March 2022, the Group has 127 full-time employees (For the Corresponding Period: 111) located in Hong Kong and the PRC for operation. Detail of the staff costs, including Directors' remuneration, incurred by the Group are set out in note 10 in the Notes to the consolidated financial statements in this annual report.

The remuneration committee of the Company will review and determine the remuneration and compensation packages of the Directors regarding their responsibilities, workload, time devoted to the Group and the performance of the Group.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at any time from the date of the Listing Date to the date of this report.

### PERMITTED INDEMNITY

In accordance with the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them.

The Directors have complied with the applicable code provisions as set out in the CG Code throughout the year save for code provision A.1.8. Code provision A.1.8 of the CG Code stipulates that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not consider necessary to have insurance cover for legal action against its Directors and will monitor any changes to the situation and make necessary action. The Board believes with the current internal control system and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

Save for the aforementioned, the Company did not have any arrangement with a term providing for indemnity against liability incurred by the Directors during their tenure.

### RETIREMENT BENEFIT COSTS

Other than the payments of the Mandatory Provident Fund Scheme in Hong Kong and payment of social insurance in PRC, the Group has not operated any other retirement benefit schemes for its employees. Particulars of the retirement benefit schemes are set out in note 6 to the consolidated financial statements in this annual report.

### CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 33 to 43 of this annual report.

### COMPETING BUSINESS

During the Reporting Period, none of the Directors, controlling Shareholders or substantial Shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) had engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group, nor were they aware of any other conflicts of interest which any such person has or may have with the Group.

## DIRECTORS' REPORT

### DEED OF NON-COMPETITION

The deed of non-competition (the “**Deed of Non-Competition**”) dated 29 August 2018 was entered into by Mr. LIU Yong, Fortune Promise, Mao Jia, Stand Tall and Xin Cheng in favour of the Company (for the Company and as trustee for and on behalf of the subsidiaries of the Company) in regard to non-competition undertakings. The details of the Deed of Non-Competition have been disclosed in the Prospectus under the section headed “Relationship with Controlling Shareholders – Non-Competition Undertakings”.

During the Reporting Period, the Company had not received any information in writing from any of the controlling shareholders of the Company, being Mr. LIU Yong, Fortune Promise, Mao Jia, Stand Tall and Xin Cheng (each a “**Controlling Shareholder**” and collectively the “**Controlling Shareholders**”) in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Controlling Shareholders or their associates (other than any member of the Group), and the Company has received an annual written confirmation from each Controlling Shareholder in respect of him/it and his/its associates in compliance with the Deed of Non-Competition. The independent non-executive Directors have also reviewed and evaluated the effectiveness of the implementation of the Deed of Non-Competition, and were satisfied that each of the Controlling Shareholders had complied with the Deed of Non-competition during the Reporting Period.

As at the date of this report, the Company is not aware of any other matters regarding the compliance of the undertakings in the Deed of Non-Competition and there has not been any changes in terms of the Deed of Non-Competition since the Listing of the Company.

### INTEREST OF THE COMPLIANCE ADVISER

Neither the Group’s compliance adviser, Innovax Capital Limited, nor any of its directors, employees or close associates had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rule.

### CONNECTED TRANSACTIONS

The “related party transactions” as disclosed in note 23 to the consolidated financial statements for the Reporting Period do not constitute a connected transaction or a continuing connected transaction as defined in Chapter 20 of the GEM Listing Rules.

### CHANGES IN DIRECTOR’S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

There has been no change in the Directors’ biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of 2021 interim report of the Company.

### EVENTS AFTER THE REPORTING PERIOD

The Company has been informed by relevant shareholders that, as a demonstration of their confidence in the long-term development of the Company, they have each voluntarily given a lock-up undertaking (the “**Lock-up Undertakings**”) only in respect of their direct or indirect interests in the Shares. For details of the Lock-up Undertakings, please refer to the announcement of the Company dated 22 April 2022. The Company has adopted a share award scheme (the “**Scheme**”) on 20 June 2022 to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares so as to motivate the personnel whom the Company considers as necessary to make contributions to the long-term growth of the Group, and to attract and retain eligible persons to continue to create value for the Group. The Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The total number of Shares to be awarded under the Scheme throughout its duration is limited to 30,000,000 Shares (representing 5% of the total number of issued Shares as at the adoption date, being 600,000,000 Shares). The Scheme does not constitute a share option scheme under Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company. No Shareholders’ approval is required to adopt the Scheme. For details of the Scheme, please refer to the announcement of the Company dated 20 June 2022.

## DIRECTORS' REPORT

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2022 and up to the date of this report.

### CHANGE IN AUDITORS IN PRECEDING 3 YEARS

SHINEWING (HK) CPA Limited was appointed as the auditor of the Company with effect from 6 March 2020 following the resignation of KPMG as the Company's auditor with effect from 6 March 2020. The consolidated financial statements for the year ended 31 March 2022 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offers itself for re-appointment as an auditor of the Company. A resolution for re-appointment of SHINEWING (HK) CPA Limited as auditor of the Company will be proposed at the forthcoming AGM of the Company.

### REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period and was of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

On behalf of the Board

#### **LIU Yong**

*Chairman, Chief Executive Officer and Executive Director*

Shenzhen, People's Republic of China, 20 June 2022

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices enhancing greater transparency and quality of disclosure as well as more effective internal control.

During the Reporting Period, the Company has complied with the code provisions (the “**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules, expect for the deviation from Code Provision A.2.1.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors by the Company, all the Directors had confirmed that they had been in compliance with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Reporting Period.

The Company’s code of conduct also applies to all employees who are likely to be in the possession of inside information of the Company. No incident of non-compliance of the Company’s code of conduct by the employees was noted by the Company.

## BOARD OF DIRECTORS

The Board currently comprises a total of nine Directors, with four executive Directors namely Mr. LIU Yong (as Chairman and chief executive officer), Mr. WAN Yong, Mr. LIAO Jicheng and Mr. ZHANG Wenhua, two non-executive Directors namely Mr. LIN Hung Yuan and Mr. WANG Haihang and three independent non-executive Directors namely Ms. JIAO Jie, Mr. MAN Kong Yui and Dr. LOKE Yu. A list containing the names of the Directors and their roles and functions is published on the Company’s website and the GEM website at [www.hkgem.com](http://www.hkgem.com). To the best knowledge of the Company, there is no financial, business, family or other material or relevant relationship between members of the Board. Biographical details of the Directors are set out in “Biographical Details of the Directors and Senior Management” on pages 15 to 18 of this annual report. Save as disclosed in aforesaid section, none of the Directors has any personal relationship (including financial, business, family, other material relevant relationship) with any other Directors or any chief executive.

The term of appointment of Directors are set out in “Directors’ service agreements” on page 26 of this report. During the Reporting Period and up to date of this report, the Company complies with the requirements under Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules respectively relating to the appointment of at least three independent non-executive Directors and one of whom should have appropriate professional qualifications or accounting or related financial management expertise and the independent non-executive Directors represent at least one-third of the Board.

The Board is collectively responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group. Key and important decisions shall be fully discussed at the board meetings. All Directors have been fully consulted about any matters proposed for inclusion in the notice of board meeting. Matters requiring the Board’s approval include review of overall policies, corporate plan of the Company, investment plans which would involve significant risks for the Company, major organisation changes, significant sales, transfers, or other dispositions of property or assets, approval of the annual report, interim report, quarterly report and approval of interim dividend and recommendation of the final dividend, other matters relating to the Company’s business which in the judgment of the executive Directors are of such significance as to merit the Board’s consideration. The day-to-day management, administration and operation of the Group are delegated to the executive Directors and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board for significant transactions.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules, and the Nomination Committee has assessed the independence of each of the independent non-executive Directors and the Company considers that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with terms of the guidelines.

# CORPORATE GOVERNANCE REPORT

## BOARD MEETINGS

Under Code Provision A.1.1 of the CG Code, the board of directors should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

During the Reporting Period, one board meeting was held on 18 June 2021 for approving, among other matters, the audited consolidated results of the Group for the year ended 31 March 2021 and three Board meetings were held for approving the unaudited consolidated results of the Group for the three months ended 30 June 2021, for the six months ended 30 September 2021 and for the nine months ended 31 December 2021. The attendance of each Director at the Board meetings is set out below. The Board would meet at least four times a year in the future, at approximately quarterly intervals.

The attendance record of the Directors at the Board and committee meetings held during the Reporting Period is set out below:

Name of Directors	Number of meetings attended/held				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	AGM
<b>Executive Directors</b>					
Mr. LIU Yong	7/7	N/A	3/3	2/2	1/1
Mr. WAN Yong	7/7	N/A	N/A	N/A	1/1
Mr. LIAO Jicheng	7/7	N/A	N/A	N/A	1/1
Mr. ZHANG Wenhua	4/7	N/A	N/A	N/A	0/1
<b>Non-executive Director</b>					
Mr. LIN Hung Yuan	7/7	N/A	N/A	N/A	0/1
<b>Independent Non-executive Directors</b>					
Ms. JIAO Jie	7/7	5/5	3/3	2/2	0/1
Mr. MAN Kong Yui	7/7	5/5	3/3	2/2	0/1
Dr. LOKE Yu	7/7	5/5	N/A	N/A	0/1

During the Reporting Period, the Company has arranged a meeting for chairman of the Board and the independent non-executive Directors without the presence of other Directors.

# CORPORATE GOVERNANCE REPORT

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. During the Reporting Period, each of the Directors (namely Mr. LIU Yong, Mr. WAN Yong, Mr. LIAO Jicheng, Mr. ZHANG Wenhua, Mr. LIN Hung Yuan, Ms. JIAO Jie, Mr. MAN Kong Yui and Dr. LOKE Yu) had participated in continuous professional development by attending training courses provided by professional bodies, or had been given relevant guideline materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense, and they have been requested to provide the Company with their training records.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LIU Yong is the chairman and the chief executive officer of the Company and has been managing the Group's business and its overall financial and strategic planning since April 2010. The Board believes that the vesting of the roles of chairman and chief executive officer in Mr. LIU Yong is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, due to the presence of three independent non-executive Directors which represents over one-third of the Board, the Board considers that there is a balance of power and authority such that no one individual has unfettered power of decision. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Code Provision A.2.1 of the CG Code.

## TIME COMMITMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to the GEM Listing Rules and the recommendations under the CG Code in relation to the Directors' duties, it states in the CG Code that:

- (a) under the principle of Code Provision A.1, "the board should regularly review the contribution required from a director to perform his responsibilities to the issuer, and whether he is spending sufficient time performing them"; and
- (b) under Code Provision A.6.3, "every director should ensure that he can give sufficient time and attention to the issuer's affairs and should not accept the appointment if he cannot do so."

The Board is fully aware of the requirements under the GEM Listing Rules and the recommendations under the CG Code. The Board has considered Dr. Loke Yu's concurrent services as an independent non-executive director/non-executive director of 10 listed companies and is satisfied with Dr. Loke Yu's time commitments to the affairs of the Company having regard to all relevant factors including the following:

- (a) based on the relevant attendance information contained in the published annual reports for the immediate preceding financial year of the listed companies in Hong Kong that he has directorship as at the date of this report;
- (b) Dr. Loke Yu is not preoccupied with any full-time work; and
- (c) high attendance records of Dr. Loke Yu at meetings of the Board and the committees of the Board.

The Nomination Committee is satisfied that Dr. Loke Yu is able to devote sufficient time and attention to the affairs of the Company. The Board considers that Dr. Loke Yu can give sufficient time to the affairs of the Company.



# CORPORATE GOVERNANCE REPORT

## BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach of which the Board could achieve a higher level of diversity. The Company recognises the benefits of having a diversified Board to enhance the quality of its performance. In summary, the Board Diversity Policy sets out that when considering the nomination and appointment of a director, with the assistance of the Nomination Committee, the Board would consider a number of factors, including but not limited to gender, age, cultural and educational background, professional experience and qualification, skills and length of service of the prospective candidate. The ultimate decision of the appointment will be based on merit and the contribution which the prospective candidate would bring to the Board. All Board appointments will be considered against objective criteria, having due regard to the benefits of diversity on the Board in order to best serve the shareholders and other stakeholders of the Company going forward.

As at the date of this report, the Board comprises nine members, amongst them, three are independent non-executive Directors. All the executive Directors possess extensive experience in financial management, strategic development and marketing management. The independent non-executive Directors possess extensive knowledge and experience in the independent management and providing independent judgment on the issues of strategy performance, resources and standard of conduct of the Company as well as accounting and auditing.

The Board and its Nomination Committee have set and will continue to consider setting measurable objectives to implement the Board Diversity Policy, and they review the Board Diversity Policy and measurable objectives from time to time to ensure their appropriateness and continued effectiveness. The measurable objectives for the Board Diversity Policy are that selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Furthermore, the Board has a wide range of age, ranging from 37 years old to 72 years old. The ages of one of the Director is in the range of 31 to 40. The ages of five of the Directors are in the range of 41 to 50. The ages of other three Directors are above 51. Taking into account the existing needs of the Company, the combination of the Board would bring about the necessary balance of skills and experience appropriate for the requirements of the business development of the Company.

## BOARD COMMITTEES

The Board has established three committees, namely the Nomination Committee, the Remuneration Committee and the Audit Committee with defined terms of reference.

### Audit Committee

The Audit Committee was established on 29 August 2018 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. It currently comprises three independent non-executive Directors, namely Dr. Loke Yu, Ms. Jiao Jie and Mr. Man Kong Yui. Dr. Loke Yu currently serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditor and to provide advice and comments to the Board on matters related to corporate governance.

During the Reporting Period, five meetings of the Audit Committee were held to review the audited results of the Group for the twelve months ended 31 March 2021, and the unaudited results for the three months ended 30 June 2021, for the six-month period ended 30 September 2021 and for the nine months ended 31 December 2021 with recommendations to the Board for approval, to review the effectiveness of the risk management and internal control systems of the Group, and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting and financial reporting functions, to approve the fees, terms and conditions of engaging the Company’s external auditor.

# CORPORATE GOVERNANCE REPORT

Subsequent to the Reporting Period and up to the date of this report, the Audit Committee has held 2 meetings to:

- (1) meet with the external auditor, discuss the audit planning work (including the nature and scope of the audit and reporting obligations) in respect of the audit of the annual results of the Group for the Reporting Period;
- (2) to review and approve the audit fees for the Reporting Period;
- (3) to review with the external auditor the audited consolidated financial statements for the Reporting Period, with a recommendation to the Board for approval;
- (4) to review the external auditor's independence, its report and the management letter for the Reporting Period, and recommend to the Board on the re-appointment of SHINEWING (HK) CPA Limited as the external auditor of the Company at the forthcoming AGM of the Company; and
- (5) to review the effectiveness of the risk management and internal control systems of the Group.

## Remuneration Committee

The Remuneration Committee was established on 29 August 2018 in compliance with Rule 5.34 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. It currently comprises one executive Director and two independent non-executive Directors, namely Mr. LIU Yong, Ms. JIAO Jie and Mr. MAN Kong Yui. Mr. MAN Kong Yui currently serves as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include (i) reviewing and making recommendations to the Board and determine on the remuneration packages of individual Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; (ii) making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy; and (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives.

During the Reporting Period, two Remuneration Committee meetings was held. On 18 June 2021, the Remuneration Committee held a meeting to review the remuneration packages of the Directors and senior management of the Company, the policy for the remuneration of executive Directors, assess performance of executive Directors and approve the terms of executive directors' service agreements.

The remuneration of the members of the senior management of the Group excluding the Directors by band for the Reporting Period is set out below:

Remuneration band (HK\$)	Number of individuals
Below 1,000,000	2

Details of the emoluments of the Directors for the Reporting Period are set out in note 10 to the consolidated financial statements of this annual report.

# CORPORATE GOVERNANCE REPORT

## Nomination Committee

The Nomination Committee was established on 29 August 2018 with written terms of reference in compliance with the CG Code and the Corporate Governance Report as set out in Appendix 15 and Rule 5.36A of the GEM Listing Rules. It currently comprises one executive Director and two independent non-executive Directors, being Mr. LIU Yong, Ms. JIAO Jie and Mr. MAN Kong Yui. Mr. LIU Yong serves as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management.

During the Reporting Period, three Nomination Committee meetings was held. On 18 June 2021, the Nomination Committee held a meeting to review the structure, size and composition of the existing Board and assess the independence of the independent non-executive Directors. The Nomination Committee had recommended to the Board for consideration of the re-appointment of all the retiring Directors at the forthcoming AGM.

In assessing the structure, size, composition and diversity of the Board, the Nomination Committee takes into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The Nomination Committee agrees on measurable objectives for achieving diversity on the Board as set out in the Board Diversity Policy, where necessary, and recommends them to the Board for adoption.

## Nomination policy

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the shareholders of the Company for election as Directors at general meetings or appoint as Directors to fill casual vacancies. When the Nomination Committee considers it appropriate, it invites nominations of candidates from Board members or any person and makes recommendations for the Board's consideration and approval.

In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

- (a) Skills, Experience and Professional Expertise: The candidate should possess the skills, knowledge, experience and professional expertise which are relevant to the operations of the Company and its subsidiaries.
- (b) Diversity: Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the Board Diversity Policy of the Company.
- (c) Commitment: The candidate should be able to devote sufficient time to attend the board meetings and participate in induction, training and other board associated activities. In particular, if the proposed candidate will be nominated as an independent non-executive director and will be holding his/her seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the candidate for being able to devote sufficient time to the Board and committee meetings.
- (d) Standing: The candidate must satisfy the Board and the Stock Exchange that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a director of the Company.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole is responsible for performing the corporate governance functions set out in Code Provision D.3.1 of the CG Code, namely:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and
- (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual reports.

During the Reporting Period, the Board has reviewed the corporate governance measures of the Group and this corporate governance report.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group. In preparing the financial statements for the Reporting Period, the Directors have selected appropriate accounting policies, applied them consistently, made judgements and estimates that are prudent and reasonable, and ensured the preparation of the financial statements on the going concern basis.

The statement by the auditor of the Company, SHINEWING (HK) CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

## AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration for the Reporting Period is presented as follows:

Services rendered	Fees paid/ payable HK\$
Audit services	
2022 annual audit	640,000

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROL

The Company has in place policies and procedures in relation to risk management and internal control. The Board is primarily responsible for overseeing the risk management and internal control systems and for reviewing their effectiveness. The Company's internal control system and procedures are designed to meet its specific business needs and to minimise its risk exposure. The Company has adopted different internal guidelines, along with written policies and procedures to monitor and lessen the impact of risks which are relevant to its business and control its daily business operations. Management will identify the risks associated with the Group's day-to-day operations for review by the Board. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group considering the size, nature and geography of the Group's business. The Directors are responsible for formulating and overseeing the implementation of the Group's risk management and internal control measures. The Group has engaged an external consultant to conduct an internal control review on the internal control system of the Group on an annual basis. The review will cover certain business cycles and procedures undertaken by the Group and make recommendations for improving and strengthening the system. The Directors were of the view that the risk management and internal control systems were adequate and effective to safeguard the interest of Shareholders and the Group's assets.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions. The Board considers that the Group's risk management and internal control systems are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures are implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board conducts regular review and assessment of inside information, discusses with the management or authorized persons of the Company about disclosure of inside information, reports to the Board once identified any inside information for dissemination. Inside information disclosure policies are formulated to provide employees with guidelines on report and disseminating inside information, confidentiality and compliance with restrictions on trading.

# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

The company secretary of the Company is Mr. CHEUNG Kai Cheong Willie (張啟昌), a senior manager of SWCS Corporate Services Group (Hong Kong) Limited, mainly responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS Corporate Services Group (Hong Kong) Limited, he served as the company secretary and finance controller of certain companies whose shares are listed on the Stock Exchange. He has more than 20 years of professional experiences in company secretarial, accounting and finance matters. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. He obtained a Bachelor Degree of Arts (Honors) in Accounting and Finance at the University of Glamorgan in the United Kingdom. The main contact person at the Company is Mr. Wu Jieqiang, the chief operating officer and chief financial officer of the Group.

During the Reporting Period, Mr. CHEUNG Kai Cheong Willie undertook no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

## COMPLIANCE OFFICER

Mr. WAN Yong is the compliance officer of the Company. His biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” on page 15 of this annual report.

## SHAREHOLDERS’ RIGHTS

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

### Procedures to convene an extraordinary general meeting

Pursuant to Article 64 of the Articles of Association, shareholders may convene an extraordinary general meeting (the “EGM”) in accordance with the “Procedures for Shareholders to convene an EGM” set out below.

The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Procedures for shareholders to put forward proposals at general meeting

Proposals shall be directed in writing with contact details (including name, address, telephone number and email address) to the Company’s principal place of business in Hong Kong. The Board will carefully verify and examine the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

### Procedures by which enquiries may be put to the Board

Shareholders should direct their enquiries about their shareholdings to the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. For putting forward any enquiries to the Board, Shareholders may send written enquiries with contact details (including name, address, telephone number and email address) to the Company’s principal place of business in Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

# CORPORATE GOVERNANCE REPORT

## Contact details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Office No. 10, 16th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

## Communications with shareholders and investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the shareholders through the Company's quarterly, interim and annual financial reports, the publication and posting of notices, announcements, circulars, AGMs and other EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

Shareholders should direct their questions about their shareholdings to the Company's share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions, requests, comments and suggestions can be addressed to the Company by post to its head office and principal place of business in Hong Kong.

## DIVIDEND POLICY

The Company seeks to maintain a balance between meeting the shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various, inter alia:

- (1) the Group's actual and expected financial performance;
- (2) the Group's expected working capital requirements and future expansion plans;
- (3) the Group's debt to equity ratios and the debt level;
- (4) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (5) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company;
- (6) dividends received from the Company's subsidiaries and associates;
- (7) the Shareholders' and investors' expectation and industry's norm; and
- (8) any other conditions or factors that the Board deems relevant.



# CORPORATE GOVERNANCE REPORT

Any final dividends declared by the Company must be approved by an ordinary resolution of shareholders at an AGM and must not exceed the amount recommended by the Board. The Board may from time to time pay to the shareholders such interim dividends as appear to the directors to be justified by the profits of the Group.

## INVESTORS RELATIONS

The Company's website offers communication channel between the Company and its shareholders and investors. Apart from disclosure of all necessary information to the shareholders in compliance with the GEM Listing Rules, news update of Company's business development and operation are available on the Company's website.

## CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there were no changes to the memorandum and articles of association of the Company. The memorandum and articles of association of the Company is available on the website of the Company and the Stock Exchange.

# INDEPENDENT AUDITOR'S REPORT



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

信永中和(香港)會計師事務所有限公司  
香港銅鑼灣希慎道33號  
利園一期43樓

## TO THE SHAREHOLDERS OF TRADEGO FINTECH LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of TradeGo FinTech Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 49 to 107, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Capitalisation of development costs

Refer to note 15 to the consolidated financial statements and the accounting policies on page 58 and 59.

#### The key audit matter

#### How the matter was addressed in our audit

The Group capitalised certain costs incurred in the development of its software systems as intangible assets when they met the criteria for capitalisation as set out in the prevailing accounting standards.

Significant management judgement is required to be exercised in determining whether technical and commercial feasibility has been achieved for the software systems, identifying the relevant costs to be capitalised and assessing the timing of capitalisation.

Capitalised development costs of the Group are stated at cost less accumulated amortisation and impairment losses. At the end of each reporting period, internal and external sources of information are reviewed to identify indications that capitalised development costs may be impaired. As at 31 March 2022, the carrying amount of capitalised development costs was HK\$19,002,723.

We identified capitalisation and potential impairment of development costs as a key audit matter because of the significant level of management judgement involved in determining whether the criteria for capitalisation of development costs are met, identifying the relevant costs eligible for capitalisation, assessing the appropriateness of timing of capitalisation and in considering whether there are any external or internal sources of information that indicate the software systems may have been impaired.

Our audit procedures were designed to assess the capitalisation and potential impairment of development costs.

We obtained an understanding of and assessing the design and implementation and operating effectiveness of key internal controls in relation to the identification, capturing and capitalisation of eligible development costs.

We evaluated management's assessment of the technical and commercial feasibility of the relevant software systems by inquiring of the Group's internal specialists who prepared the assessment and by inspecting relevant documentation including feasibility reports that substantiate the commercial application, product testing reports and completion reports in relation to the software systems completed during the year.

We examined the nature and appropriateness of costs capitalised and how they were attributed to the related software development projects during the year and with reference to the requirements of the prevailing accounting standards on a sample basis.

We compared a sample of items capitalised during the year with relevant underlying documentation, including timesheet data.

We evaluated management's identification of impairment indicators with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards.

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

# INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chan Wing Kit.

#### **SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

#### **Chan Wing Kit**

Practising Certificate Number: P03224

Hong Kong

20 June 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	<b>2022 HK\$</b>	2021 HK\$
<b>Revenue</b>	5	<b>82,280,828</b>	64,949,522
Direct costs		<b>(13,606,678)</b>	(11,907,023)
Other gains and losses, net	6	<b>(3,248,765)</b>	1,827,320
Staff costs		<b>(19,875,452)</b>	(17,717,233)
Depreciation and amortisation		<b>(11,039,610)</b>	(8,045,044)
Selling, general and administrative expenses		<b>(9,115,438)</b>	(6,937,358)
Finance cost	7	<b>(470,604)</b>	(132,121)
Impairment losses reversed (recognised) on financial assets		<b>151,990</b>	(125,854)
<b>Profit before taxation</b>		<b>25,076,271</b>	21,912,209
Income tax credit (expenses)	8	<b>62,276</b>	(1,333,531)
<b>Profit for the year</b>	9	<b>25,138,547</b>	20,578,678
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<b>3,011,538</b>	3,541,202
<b>Total comprehensive income for the year</b>		<b>28,150,085</b>	24,119,880
Profit (loss) for the year attributable to:			
– Owners of the Company		<b>25,259,615</b>	20,578,678
– Non-controlling interests		<b>(121,068)</b>	–
		<b>25,138,547</b>	20,578,678
<b>Total comprehensive income (expense) for the year attributable to:</b>			
– Owners of the Company		<b>28,273,149</b>	24,119,880
– Non-controlling interests		<b>(123,064)</b>	–
		<b>28,150,085</b>	24,119,880
<b>Earnings per share</b>			
Basic (HK cents)	13	<b>4.41</b>	4.33
Diluted (HK cents)	13	<b>4.39</b>	4.33



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	Notes	2022 HK\$	2021 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	14	2,678,139	661,430
Intangible assets	15	19,002,723	15,129,796
Right-of-use assets	16(i)	13,163,237	1,700,350
Deferred tax assets	8	14,111	1,091,041
		<b>34,858,210</b>	18,582,617
<b>Current assets</b>			
Trade and other receivables	17	17,351,209	7,239,074
Amount due from a fellow subsidiary	18	246,265	167,765
Financial assets at fair value through profit or loss	19	5,714,515	6,599,324
Income tax recoverable		1,342,770	1,314,534
Cash and cash equivalents	20	155,221,382	73,721,534
		<b>179,876,141</b>	89,042,231
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	21	36,710,550	19,605,814
Lease liabilities	16(ii)	2,317,772	1,862,981
Dividend payable		19,020,000	–
Tax payable		1,408,237	3,302,417
		<b>59,456,559</b>	24,771,212
<b>Net current assets</b>		<b>120,419,582</b>	64,271,019
<b>Total assets less current liabilities</b>		<b>155,277,792</b>	82,853,636
<b>Non-current liability</b>			
Lease liabilities	16(ii)	11,578,584	–
<b>Net assets</b>		<b>143,699,208</b>	82,853,636

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Note</i>	<b>2022 HK\$</b>	2021 HK\$
<b>Capital and reserves</b>			
Share capital	23(b)	<b>6,000,000</b>	4,750,000
Reserves		<b>134,122,372</b>	78,103,636
Equity attributable to owners of the Company		<b>140,122,372</b>	82,853,636
Non-controlling interests		<b>3,576,836</b>	–
<b>Total equity</b>		<b>143,699,208</b>	82,853,636

The consolidated financial statements on pages 49 to 107 were approved and authorised for issue by the board of directors on 20 June 2022 and are signed on its behalf by:

\_\_\_\_\_  
**Liu Yong**  
*Director*

\_\_\_\_\_  
**Liao Jicheng**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Attributable to owners of the Company										
	Share capital HK\$ (Note 23(b))	Share premium HK\$ (Note 23(c))	Share Award Scheme ("SAS") reserve HK\$ (Note 23(d))	Employee share-based compensation reserve HK\$	Translation reserve HK\$ (Note 23(e))	Merger reserve HK\$ (Note 23(f))	Other reserve HK\$ (Note 23(g))	Retained earnings HK\$	Total HK\$	Non- controlling interests HK\$	Total HK\$
<b>At 1 April 2021</b>	4,750,000	62,987,553	(14,087,420)	1,087,181	4,049,041	1,147,798	8,180,682	14,738,801	82,853,636	-	82,853,636
Profit (loss) for the year	-	-	-	-	-	-	-	25,259,615	25,259,615	(121,068)	25,138,547
Other comprehensive income (expense)	-	-	-	-	3,013,534	-	-	-	3,013,534	(1,996)	3,011,538
Profit and total comprehensive income (expense) for the year	-	-	-	-	3,013,534	-	-	25,259,615	28,273,149	(123,064)	28,150,085
Establishment of a subsidiary	-	-	-	-	-	-	-	-	-	3,699,900	3,699,900
Equity-settled share-based transactions	-	-	-	3,978,167	-	-	-	-	3,978,167	-	3,978,167
Vesting of share awards	-	-	14,087,420	(14,087,420)	-	-	-	-	-	-	-
Exercise of share awards	250,000	14,087,420	-	9,022,072	-	-	-	(9,022,072)	14,337,420	-	14,337,420
Share issued	1,000,000	28,700,000	-	-	-	-	-	-	29,700,000	-	29,700,000
Dividends declared	-	(19,020,000)	-	-	-	-	-	-	(19,020,000)	-	(19,020,000)
<b>At 31 March 2022</b>	<b>6,000,000</b>	<b>86,754,973</b>	<b>-</b>	<b>-</b>	<b>7,062,575</b>	<b>1,147,798</b>	<b>8,180,682</b>	<b>30,976,344</b>	<b>140,122,372</b>	<b>3,576,836</b>	<b>143,699,208</b>

	Attributable to owners of the Company										
	Share capital HK\$ (Note 23(b))	Share premium HK\$ (Note 23(c))	Share Award Scheme ("SAS") reserve HK\$ (Note 23(d))	Employee share-based compensation reserve HK\$	Translation reserve HK\$ (Note 23(e))	Merger reserve HK\$ (Note 23(f))	Other reserve HK\$ (Note 23(g))	Retained earnings (Accumulated losses) HK\$	Total HK\$	Non- controlling interests HK\$	Total HK\$
<b>At 1 April 2020</b>	4,750,000	62,987,553	(14,087,420)	347,597	507,839	1,147,798	8,180,682	(5,839,877)	57,994,172	-	57,994,172
Profit for the year	-	-	-	-	-	-	-	20,578,678	20,578,678	-	20,578,678
Other comprehensive expense	-	-	-	-	3,541,202	-	-	-	3,541,202	-	3,541,202
Profit and total comprehensive income for the year	-	-	-	-	3,541,202	-	-	20,578,678	24,119,880	-	24,119,880
Equity-settled share-based transactions	-	-	-	739,584	-	-	-	-	739,584	-	739,584
<b>At 31 March 2021</b>	<b>4,750,000</b>	<b>62,987,553</b>	<b>(14,087,420)</b>	<b>1,087,181</b>	<b>4,049,041</b>	<b>1,147,798</b>	<b>8,180,682</b>	<b>14,738,801</b>	<b>82,853,636</b>	<b>-</b>	<b>82,853,636</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	2022 HK\$	2021 HK\$
OPERATING ACTIVITIES		
Profit before taxation	25,076,271	21,912,209
Adjustments for:		
Depreciation of property, plant and equipment	390,069	343,388
Depreciation of right-of-use assets	1,840,195	1,535,577
Amortisation of intangible assets	8,809,346	6,166,079
Gain on termination of leases	(78,827)	–
Interest income	(1,978,217)	(861,894)
Government grants	(809,515)	(598,319)
Equity-settled share-based payments	3,978,167	739,584
Fair value loss (gain) on financial assets at fair value through profit or loss	5,574,647	(1,211,394)
Impairment losses (reversed) recognised on financial assets	(151,990)	125,854
Finance cost	470,604	132,121
Operating profit before movements in working capital	43,120,750	28,283,205
Changes in working capital:		
Decrease (increase) in trade and other receivables	1,250,841	(2,329,431)
Increase in trade and other payables and contract liabilities	17,219,611	2,732,086
Increase in amount due from a fellow subsidiary	(78,500)	(28,500)
Cash generated from operations	61,512,702	28,657,360
Tax (paid) refunded, net	(687,730)	184,858
NET CASH FROM OPERATING ACTIVITIES	60,824,972	28,842,218
INVESTING ACTIVITIES		
Payment for the purchase of property, plant and equipment	(2,348,584)	(59,468)
Addition in intangible assets	(10,799,462)	(6,749,978)
Payment for financial assets at fair value through profit or loss	(63,415,813)	(8,416,200)
Proceeds from sales of financial assets at fair value through profit or loss	58,725,975	13,026,593
Interest received	1,978,217	861,894
NET CASH USED IN INVESTING ACTIVITIES	(15,859,667)	(1,337,159)

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	2022 HK\$	2021 HK\$
FINANCING ACTIVITIES		
Proceeds from shares issued	29,700,000	–
Capital contribution by non-controlling interests	3,699,900	–
Exercise of share awards	3,024,170	–
Interest paid	(470,604)	(132,121)
Repayment of lease liabilities	(2,881,388)	(2,268,365)
Government grants received	809,515	598,319
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	<b>33,881,593</b>	(1,802,167)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>78,846,898</b>	25,702,892
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>73,721,534</b>	45,798,364
Effect of foreign exchange rate changes	<b>2,652,950</b>	2,220,278
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	<b>155,221,382</b>	73,721,534

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 1. GENERAL INFORMATION

TradeGo FinTech Limited (the “**Company**”) was incorporated in the Cayman Islands on 15 June 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its ultimate controlling party is Mr. Liu Yong. The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited since 28 September 2018. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company and the principal activities of the Company’s subsidiaries are set out in note 28(a).

Other than those subsidiaries established in the PRC whose functional currency is Renminbi (“**RMB**”), the functional currency of the Company and other subsidiaries is Hong Kong dollars (“**HK\$**”). For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) adopted HK\$ as its presentation currency.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRS(s)**”)

In the current year, the Group has applied, for its first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning 1 April 2021:

Amendment to HKFRS 16	Covid-19 Related Rent Concessions
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (CONTINUED)

### New and amendments to HKFRSs issued 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 related Amendments <sup>2</sup>
Amendments to HKFRS 3	Reference to Conceptual Framework <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendment to HKFRSs	Annual Improvements to IFRSs 2018-2020 cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangement;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Subsidiaries and controlled structured entities

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

### (c) Intangible assets

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, capitalised development costs are stated at cost less accumulated amortisation and accumulated impairment losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Intangible assets (continued)

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The internally developed software systems are amortised for 3 years from the date they are available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

### (d) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts. Specifically, the Group uses a 5-step approach to revenue recognition:

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue recognition (continued)

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

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

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

Further details of the Group's revenue and other income recognition policies are as follows:

#### (i) *Front office trading system service income*

Front office trading system service income is derived principally from the provision of upfront work to launch the trading system, provision of the licence of right to use the trading system and provision of unspecified upgrades and technical support after launch of the trading system during the licence period (together, the "**Post Delivery Support**"). Revenue from front office trading system service is recognised over time on a straight-line basis over the licence period after the launch of the trading system. For certain new customers, the Group receives 25% of the contract values as initial payments when they sign the contracts for provision of front office trading system services.

#### (ii) *Market data service income*

Market data service refers to provision of market data feeds from stock and future exchanges, with which the Group obtained market data vendor licences, via the Group's securities trading platform software. Revenue from provision of continuous data feed is recognised over time during the contract period and revenue from provision of per quote data feed is recognised at a point in time when the quote data feed is provided.

#### (iii) *Other services*

Other services include primarily cloud infrastructure and hosting service, online advertising service, simulation trading platform service, online account opening appointment service, two-factor authentication service and customised software development service. Except for revenue from cloud infrastructure and hosting service and online advertising service that are recognised over time on a straight-line basis during the contract period, revenue from other services are normally recognised at a point in time upon completion of the services. The Group receives initial payments ranging from 50% to 100% of the contract values from certain customers when they sign the contracts for provision of certain other services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

### (f) Leasing

#### *Definition of a lease*

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

#### *The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Lease liabilities*

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments, less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Leasing (continued)

*The Group as lessee (continued)*

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

### (g) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

### (h) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### (i) Translation of foreign currencies

Foreign currency transactions during the years are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (“**MPF Scheme**”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Payments to the state-managed retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

### (k) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### (l) Share based payment

#### *Share Award Scheme*

The Group operates a share award scheme for remuneration of its employees and directors.

All services received in exchange for the grant of any awarded shares are measured at fair value. These are indirectly determined by reference to the fair value of the awarded shares granted. Its value is appraised at the grant date and excludes the impact of any service and non-market performance vesting condition (for example, profitability and sales growth targets, if any).

All services received is ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when awarded shares granted vest immediately unless the expense qualifies for the recognition as asset, with a corresponding increase in “Employee share-based compensation reserve” within equity. If service or non-market performance conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of awarded shares expected to vest. Non-market performance and service conditions are included in assumptions about the number of awarded shares that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of awarded shares expected to vest differs from previous estimates. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to “Employee share-based compensation reserve”.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Share based payment (continued)

#### *Share Award Scheme (continued)*

Where a grant of awarded shares is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the grant is recognised immediately. This includes any grant where non-vesting conditions within the control of either the Group or the employee are not met.

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as “SAS reserve” and deducted from total equity. When the awarded shares are transferred to the awardees upon vesting, the related weighted average cost of the awarded shares vested are credited to “SAS reserve”, the related service costs of awarded shares vested are debited to the “Employee share-based compensation reserve”, and any difference will be transferred to retained earnings. Where the shares held for employee share-based payment reserve are revoked and the revoked shares are disposed of, the related gain or loss is transferred to retained earnings.

### (m) Taxation

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss.

### (n) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Office equipment	3–5 years
Computer equipment	4 years
Leasehold improvements	Over the term of the lease

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (“**ECL**”) in accordance with the policy set out in note 3(p).

### (p) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### *Financial assets*

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group’s financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss (“**FVTPL**”).

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

*Financial assets (continued)*

Financial assets at amortised cost (debt instruments)

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

#### (i) Amortised cost and effective interest method

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

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other gains and losses, net" line item (note 6).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

*Financial assets (continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (“**FVTOCI**”) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “Other gains and losses, net” line item. Fair value is determined in the manner described in note 24(d).

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Impairment of financial assets

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

*Financial assets (continued)*

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

#### *Financial assets (continued)*

##### Definition of default

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

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is significantly past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

##### Credit-impaired financial assets

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

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

##### Write-off policy

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

#### *Financial assets (continued)*

##### Measurement and recognition of expected credit losses

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

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

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

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

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

#### *Financial liabilities and equity instruments*

##### Classification as debt or equity

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

##### Equity instruments

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

##### Financial liabilities

The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Financial instruments (continued)

*Financial liabilities and equity instruments (continued)*

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

### (q) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 3(p)).

### (r) Fair value measurement

When measuring fair value, except for the Group's leasing transactions, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### Critical judgement in applying accounting policies

#### *Capitalisation of development costs*

Significant judgement is required to be exercised by management in respect of the capitalisation of development costs, amortisation of capitalised development costs and determining whether there are any impairment indicators.

Management judgement is required to determine whether technical and commercial feasibility has been achieved for the software system, identify the relevant costs to be capitalised and assess the timing of capitalisation. These are estimated based on current market situation and historical experience on similar software systems. Any change in the assumptions would increase or decrease the amount of capitalised development costs on the consolidated statement of financial position and affect the results of the Group.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset, after taking into account the estimated residual value. The Group reviews annually the useful life of the asset, amortisation method and its residual value, if any. The amortisation expense for future periods could be adjusted if there are significant changes from previous estimates.

The Group reviews the carrying amounts of the capitalised development costs and other available information to determine whether there is objective evidence of impairment. When indication of impairment is identified, management assesses the differences between the carrying amounts and recoverable amounts and makes provision for impairment loss. Any change in the assumptions adopted to determine if there is any potential impairment of development costs might affect the Group's financial position and results.

### Key source of estimation uncertainty

#### *Income taxes*

The Group is subject to income taxes in different jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

As at 31 March 2021, deferred tax assets of HK\$1,076,930 (2022: nil) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. As at 31 March 2022, no deferred tax asset has been recognised on the remaining tax losses of HK\$246,126 (2021: HK\$6,391,360) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less or more than expected, a material reversal or recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or recognition takes place.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 5. REVENUE AND SEGMENT INFORMATION

### Revenue

The principal activities of the Group are the provision of front office trading system services, market data services and other services to its customers.

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

	2022 HK\$	2021 HK\$
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major services lines		
– Front office trading system services	30,223,028	23,569,280
– Market data services	14,027,999	14,427,485
– SaaS services	26,228,647	19,032,935
– Hosting and cloud infrastructure services	4,678,353	4,586,754
– Other value added services	7,122,801	3,333,068
	82,280,828	64,949,522

### Disaggregation of revenue by timing of recognition

	2022 HK\$	2021 HK\$
At a point in time	10,125,392	10,389,591
Over time	72,155,436	54,559,931
	82,280,828	64,949,522

The Group's customer base is diversified and includes no customer with whom transactions have exceeded 10% of the Group's revenue during the years ended 31 March 2022 and 2021. Details of concentrations of credit risk arising from the Group's largest customer are set out in note 24(a).

### Segment information

The Group has one reportable segment and the Group's chief operating decision maker, which has been identified as the executive directors of the Company, reviews the consolidated results of the Group for the purpose of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right of use assets and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the service was provided. The geographical location of the specified non-current assets, is based on the physical locations of the operations to which they are allocated.

	Revenue from external customers during the years ended 31 March		Specified non-current assets as at 31 March	
	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$
Hong Kong (place of domicile)	62,176,708	52,696,253	34,685	231,274
The PRC	20,104,120	12,253,269	34,809,414	17,260,302
	<b>82,280,828</b>	64,949,522	<b>34,844,099</b>	17,491,576

## 6. OTHER GAINS AND LOSSES, NET

	2022	2021
	HK\$	HK\$
Net exchange loss	(80,869)	(856,401)
Government subsidy and grants (note)	809,515	598,319
Interest income	1,978,217	861,894
Loss on termination of leases	(297,502)	–
Fair value (loss) gain on financial assets at FVTPL	(5,574,647)	1,211,394
Sundry (expenses) income	(83,479)	12,114
	<b>(3,248,765)</b>	1,827,320

Note: During the years ended 31 March 2022 and 2021, the Group successfully applied for several funding support of HK\$809,515 (2021: HK\$436,994) from the government of Shenzhen and Hong Kong. The purpose of the funding support is to encourage innovation by granting financial assistance to commercial entities whose research and development projects meet certain criteria.

In addition, during the year ended 31 March 2021, the Group recognised government grants of HK\$161,325 (2022: nil) in respect of COVID-19-related subsidies related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

There were no unfulfilled conditions and other contingencies attached to the receipts of these grants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 7. FINANCE COST

	2022 HK\$	2021 HK\$
Interest on lease liabilities	470,604	132,121

## 8. INCOME TAX (CREDIT) EXPENSES

	2022 HK\$	2021 HK\$
Current year taxation		
Hong Kong Profits tax		
Charge for the year	406,988	317,594
PRC Enterprise Income Tax		
Charge for the year	257,442	1,577,728
Over-provision in prior years	(1,822,713)	–
Deferred taxation	1,096,007	(561,791)
	<b>(62,276)</b>	1,333,531

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 March 2022 and 2021, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. A reduction was granted by the Hong Kong SAR Government of 100% (2021: 100%) of the tax payable for the year of assessment 2021/22 subject to a maximum reduction of HK\$10,000 (2020/21: HK\$20,000) for each group entity in Hong Kong.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in respective jurisdictions in which the Group operates. In accordance with the relevant PRC rules and regulations, the PRC Enterprise Income Tax (“EIT”) rate applicable to the Group’s subsidiaries in the PRC is principally 25% during the years ended 31 March 2022 and 2021. Two of the subsidiaries were subject to EIT at a rate of 2.5% for first RMB1 million of profits and 10% for above RMB1 million but below RMB3 million, as they were classified as small and low profit enterprises during the year ended 31 March 2022.

According to the PRC Corporate Income Tax Law and its relevant regulations, entities that are qualified as High and New Technology Enterprise under the tax law are entitled to a preferential income tax rate of 15%. Tele-Trend Konson Software (Shenzhen) Limited (“Tele-Trend Konson SZ”) filed the application for status of High and New Technology Enterprise (“HNTE status”) and has obtained the HNTE status on 31 October 2017 with an effective period of three years and renewed for further three years ending December 2023. Therefore, Tele-Trend Konson SZ was entitled to a preferential income tax rate of 15% for the calendar years 2021, 2022 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 8. INCOME TAX (CREDIT) EXPENSES (CONTINUED)

The tax charge for the years can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 HK\$	2021 HK\$
Profit before taxation	25,076,271	21,912,209
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	5,680,286	5,625,716
Tax effect of expenses not deductible for tax purposes	3,999,413	733,998
Tax effect of income not taxable for tax purposes	(2,306)	(96,015)
Utilisation of tax loss previously not recognised	(1,300,495)	(1,806,949)
Tax effect of tax loss not recognised	60,534	–
Super deduction of research and development costs ( <i>note</i> )	(5,676,454)	(1,652,973)
Income tax on concessionary expense	(165,000)	(165,000)
Effect of tax exemption granted	(10,000)	(20,000)
PRC Corporate Income Tax concessionaries	(825,541)	(1,285,246)
Over-provision in prior years	(1,822,713)	–
Income tax (credit) expense for the year	(62,276)	1,333,531

*Note:* According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2017 onwards, enterprises engaging in research and development activities are entitled to claim 175% on their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”). The Group has made its best estimate for Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the year.

	Tax losses HK\$	Others HK\$	Total HK\$
<b>Deferred tax arising from:</b>			
At 1 April 2020	458,063	14,111	472,174
Credited to profit or loss	561,791	–	561,791
Translation differences	57,076	–	57,076
At 31 March 2021	1,076,930	14,111	1,091,041
Credited to profit or loss	(1,096,007)	–	(1,096,007)
Translation differences	19,077	–	19,077
At 31 March 2022	–	14,111	14,111

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary taxable difference attributable to accumulated profits of the PRC subsidiaries amounting to HK\$66,979,418 (2021: HK\$32,074,563) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 8. INCOME TAX (CREDIT) EXPENSES (CONTINUED)

The Group had unused tax losses of HK\$246,126 (2021: HK\$10,699,080) as at 31 March 2022, available for offsetting against future profits. As at 31 March 2021, deferred tax asset of HK\$1,076,930 (2022: nil) had been recognised on tax losses of HK\$4,307,720 (2022: nil). No deferred tax asset has been recognised on the remaining tax losses of HK\$246,126 (2021: HK\$6,391,360) due to the unpredictability of future profit streams. The tax losses will be expired as follow:

	2022 HK\$	2021 HK\$
2024	–	1,431,800
2025	–	3,395,853
2026	–	5,871,427
2027	<b>246,126</b>	–
	<b>246,126</b>	10,699,080

## 9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2022 HK\$	2021 HK\$
Staff costs		
– Salaries and other benefits	<b>12,244,114</b>	13,636,696
– Retirement benefit scheme contributions	<b>424,385</b>	474,719
– Equity-settled share-based payments	<b>3,978,167</b>	739,584
Total staff costs (excluding directors' remuneration ( <i>note 10</i> )) ( <i>note (i)</i> )	<b>16,646,666</b>	14,850,999
Amortisation of intangible assets	<b>8,809,346</b>	6,166,079
Depreciation of property, plant and equipment	<b>390,069</b>	343,388
Depreciation of right-of-use assets ( <i>note (ii)</i> )	<b>1,840,195</b>	1,535,577
Total depreciation and amortisation	<b>11,039,610</b>	8,045,044
Auditor's remuneration	<b>640,000</b>	600,000
Research and development expenses recognised as an expense included in staff costs ( <i>note (iii)</i> )	<b>3,326,878</b>	5,387,141

Notes:

- (i) The total staff costs for the year ended 31 March 2022 is HK\$27,446,128 (2021: HK\$21,600,977), of which HK\$10,799,462 (2021: HK\$6,749,978) is capitalised as development costs.
- (ii) The total depreciation of right-of-use assets for the year ended 31 March 2022 is HK\$3,044,363 (2021: HK\$2,175,984), of which HK\$1,204,168 (2021: HK\$640,407) is capitalised as development costs.
- (iii) The total research and development cost for the year ended 31 March 2022 is HK\$15,330,508 (2021: HK\$12,777,526), comprising staff costs and depreciation of right-of-use assets of HK\$14,126,340 and HK\$1,204,168 respectively, of which HK\$10,799,462 (2021: HK\$6,749,978) and HK\$1,204,168 (2021: HK\$640,407) respectively are capitalised as development costs.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight (2021: seven) directors including the chief executive officer ("CEO") of the Company were as follows:

### Year ended 31 March 2022

	Directors' fee HK\$	Salaries and allowance HK\$	Retirement scheme contributions HK\$	Total HK\$
<b>Executive Directors</b>				
Liu Yong ( <i>CEO of the Company</i> )	-	848,607	35,669	884,276
Liao Jicheng	-	779,794	35,669	815,463
Wan Yong	-	663,760	17,669	681,429
Zhang Wenhua (Appointed on 1 October 2021)	-	238,526	9,092	247,618
<b>Non-executive Director</b>				
Lin Hung Yuan	-	-	-	-
<b>Independent non-executive Directors</b>				
Jiao Jie	200,000	-	-	200,000
Loke Yu	200,000	-	-	200,000
Man Kong Yui	200,000	-	-	200,000
	<b>600,000</b>	<b>2,530,687</b>	<b>98,099</b>	<b>3,228,786</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 10. DIRECTORS' EMOLUMENTS (CONTINUED)

Year ended 31 March 2021

	Directors' fee HK\$	Salaries and allowance HK\$	Retirement scheme contributions HK\$	Total HK\$
<b>Executive Directors</b>				
Liu Yong ( <i>CEO of the Company</i> )	–	900,147	27,048	927,195
Liao Jicheng	–	748,878	27,048	775,926
Wan Yong	–	554,065	9,048	563,113
<b>Non-executive Director</b>				
Lin Hung Yuan	–	–	–	–
<b>Independent non-executive Directors</b>				
Jiao Jie	200,000	–	–	200,000
Loke Yu	200,000	–	–	200,000
Man Kong Yui	200,000	–	–	200,000
	600,000	2,203,090	63,144	2,866,234

Note:

- (i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2022 and 2021. No director waived or agreed to waive any emoluments during the years ended 31 March 2022 and 2021.
- (ii) Mr. Liu Yong is also the CEO of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

## 11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2021: three) of them were directors or the CEO of the Company whose emoluments are included in note 10 above. The emoluments of the remaining two (2021: two) individuals were as follows:

	2022 HK\$	2021 HK\$
Salaries, allowances and other benefits	773,662	816,000
Discretionary bonus	56,200	122,076
Retirement scheme contributions	28,030	36,000
Share-based payments	226,000	318,099
	1,083,892	1,292,175

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 11. INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

Their emoluments were within the following band

	2022 No. of employees	2021 No. of employees
Nil to HK\$1,000,000	2	2

## 12. DIVIDENDS

	2022 HK\$	2021 HK\$
Dividends for shareholders of the Company recognised as distribution during the year:		
2022 Special dividends (HK3.17 cents per share)	19,020,000	–

Other than the above, no dividend was paid or proposed for shareholders of the Company during the years ended 31 March 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

## 13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to equity shareholders of the Company of HK\$25,259,615 (2021: HK\$20,578,678), and the weighted average number of ordinary shares of 572,876,712 (2021: 475,000,000) in issue, taking into consideration of the effect of the shares held for the Share Award Scheme (defined in note 22).

The calculations of the basic and diluted earnings per share are based on the following details:

	2022 HK\$	2021 HK\$
Profit attributable to ordinary equity shareholders of the Company	25,259,615	20,578,678

	Number of shares 2022	2021
Number of shares		
Weighted average number of shares in issue used in the basic earnings per share calculation	572,876,712	475,000,000
Effect of dilutive potential ordinary shares:		
Share awards	2,938,527	–
Weighted average number of shares during the year used in the diluted earnings per share calculation	575,815,239	475,000,000

For the year ended 31 March 2021, diluted earnings per share are calculated on the same basis as basic earnings per share, as the exercise price of the share awards was higher than the average market price for the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 14. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment HK\$	Office equipment HK\$	Leasehold improvement HK\$	Total HK\$
<b>COST</b>				
At 1 April 2020	2,742,129	626,913	–	3,369,042
Additions	23,471	35,997	–	59,468
Exchange realignment	182,752	53,044	–	235,796
At 31 March 2021	<b>2,948,352</b>	<b>715,954</b>	<b>–</b>	<b>3,664,306</b>
Additions	<b>332,642</b>	<b>275,651</b>	<b>1,740,291</b>	<b>2,348,584</b>
Exchange realignment	<b>102,819</b>	<b>33,283</b>	<b>28,687</b>	<b>164,789</b>
At 31 March 2022	<b>3,383,813</b>	<b>1,024,888</b>	<b>1,768,978</b>	<b>6,177,679</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 April 2020	2,230,674	253,803	–	2,484,477
Charge for the year	194,297	149,091	–	343,388
Exchange realignment	157,490	17,521	–	175,011
At 31 March 2021	<b>2,582,461</b>	<b>420,415</b>	<b>–</b>	<b>3,002,876</b>
Charge for the year	<b>130,034</b>	<b>70,693</b>	<b>189,342</b>	<b>390,069</b>
Exchange realignment	<b>85,529</b>	<b>17,945</b>	<b>3,121</b>	<b>106,595</b>
At 31 March 2022	<b>2,798,024</b>	<b>509,053</b>	<b>192,463</b>	<b>3,499,540</b>
<b>NET CARRYING VALUES</b>				
At 31 March 2022	<b>585,789</b>	<b>515,835</b>	<b>1,576,515</b>	<b>2,678,139</b>
At 31 March 2021	365,891	295,539	–	661,430

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 15. INTANGIBLE ASSETS

	Internally developed software systems HK\$
<b>COST</b>	
At 1 April 2020	22,558,261
Additions through internal development	7,390,385
Exchange realignment	2,138,913
At 31 March 2021	<b>32,087,559</b>
Additions through internal development	<b>12,003,630</b>
Exchange realignment	<b>1,537,152</b>
At 31 March 2022	<b>45,628,341</b>
<b>ACCUMULATED AMORTISATION</b>	
At 1 April 2020	9,767,744
Charge for the year	6,166,079
Exchange realignment	1,023,940
At 31 March 2021	<b>16,957,763</b>
Charge for the year	<b>8,809,346</b>
Exchange realignment	<b>858,509</b>
At 31 March 2022	<b>26,625,618</b>
<b>NET CARRYING VALUES</b>	
At 31 March 2022	<b>19,002,723</b>
At 31 March 2021	<b>15,129,796</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 16. LEASES

### (i) Right-of-use assets

	Buildings HK\$
<b>COST</b>	
At 1 April 2020	5,549,749
Exchange realignment	436,956
At 31 March 2021	<b>5,986,705</b>
Addition	<b>14,942,046</b>
Termination of lease	<b>(5,652,089)</b>
Exchange realignment	<b>381,399</b>
At 31 March 2022	<b>15,658,061</b>
<b>ACCUMULATED DEPRECIATION</b>	
At 1 April 2020	1,882,875
Charge for the year	2,175,984
Exchange realignment	227,496
At 31 March 2021	<b>4,286,355</b>
Charge for the year	<b>3,044,363</b>
Termination of lease	<b>(4,966,986)</b>
Exchange realignment	<b>131,092</b>
At 31 March 2021	<b>2,494,824</b>
<b>NET CARRYING VALUES</b>	
At 31 March 2022	<b>13,163,237</b>
At 31 March 2021	<b>1,700,350</b>

The Group has lease arrangements for buildings. The lease terms are generally ranged from two to five years.

During the year ended 31 March 2022, the Group entered into the lease agreements in respect of renting offices and recognised right-of-use assets and lease liabilities of HK\$14,942,046 (2021: nil).

During the year ended 31 March 2022, right-of-use assets and lease liabilities of HK\$685,103 (2021: nil) and HK\$763,930 (2021: nil) respectively are derecognised due to early termination of leases, resulting in losses on termination of leases of HK\$297,502 comprising write-off of rental deposits upon termination of leases of HK\$376,329.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 16. LEASES (CONTINUED)

### (ii) Lease liabilities

	2022 HK\$	2021 HK\$
Non-current	11,578,584	–
Current	2,317,772	1,862,981
	<b>13,896,356</b>	1,862,981

### (iii) Amounts payable under lease liabilities

	2022 HK\$	2021 HK\$
Within one year	2,317,772	1,862,981
After one year but within two years	3,137,298	–
After two years but within five years	8,441,286	–
	<b>13,896,356</b>	1,862,981
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(2,317,772)</b>	(1,862,981)
Amount due for settlement after 12 months	<b>11,578,584</b>	–

### (iv) Amounts recognised in profit or loss

	2022 HK\$	2021 HK\$
Depreciation expense on right-of-use assets before capitalisation: – Buildings	3,044,363	2,175,984
Less: Amount capitalised	<b>(1,204,168)</b>	(640,407)
Amount recognised in profit or loss	<b>1,840,195</b>	1,535,577
Interest expense on lease liabilities	470,604	132,121
Expense relating to short-term leases	42,000	–

### (v) Others

During the year ended 31 March 2022, the total cash outflow for leases amounted to HK\$3,393,992 (2021: HK\$2,400,486).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 17. TRADE AND OTHER RECEIVABLES

	2022 HK\$	2021 HK\$
Trade receivables, net of loss allowance	1,736,936	3,669,586
Staff advances	11,313,250	–
Deposits and other receivables, net of loss allowance	1,210,319	856,990
	<b>14,260,505</b>	4,526,576
Prepaid expenses	3,090,704	2,712,498
	<b>17,351,209</b>	7,239,074

The Group does not hold any collateral over these balances.

As at 31 March 2022, the gross amount of trade receivables arising from contracts with customers amounted to HK\$1,933,297 (2021: HK\$4,017,937).

### Ageing analysis of trade receivables

As the end of the reporting period, the ageing analysis of trade receivables based on invoice date which approximates the respective revenue recognition date, and net of loss allowance, is as follows:

	2022 HK\$	2021 HK\$
Within 1 month	1,000,710	1,910,781
1 to 3 months	725,227	1,306,398
3 to 6 months	10,999	322,118
Over 6 months	–	130,289
	<b>1,736,936</b>	3,669,586

The average credit period granted to trade customers ranges from 0 to 30 days.

Trade receivables are generally due immediately from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables and other receivables are set out in note 24(a).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 18. AMOUNT DUE FROM A FELLOW SUBSIDIARY

The amount is interest-free, unsecured and repayable on demand.

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HK\$	2021 HK\$
Listed equity investments in Hong Kong	848,625	6,599,324
Listed equity investments in United States of America	4,865,890	–
	<b>5,714,515</b>	6,599,324

The fair value of the listed equity investments is determined based on quoted market prices at the end of the reporting period.

## 20. CASH AND CASH EQUIVALENTS

### (a) Cash and cash equivalents comprise:

	2022 HK\$	2021 HK\$
Cash at banks, financial institutions and on hand	155,221,382	73,721,534

Bank balances carried interest at market rates ranged from 0.01% to 0.05% (2021: 0.01% to 0.07%) per annum as at 31 March 2022. As at 31 March 2022, the Group's cash and cash equivalents included balances of HK\$90,614,860 (2021: HK\$48,237,495), which were bank balances in the PRC. The remittance of such balances out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 20. CASH AND CASH EQUIVALENTS (CONTINUED)

### (b) Reconciliation of liabilities arising from financing activities

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

	Lease liabilities HK\$
At 1 April 2020	3,838,500
Changes from financing cash flows:	
– Payment of lease liabilities	(2,268,365)
– Payment of interest on lease liabilities	(132,121)
	1,438,014
Non-cash changes:	
Exchange realignment	292,846
Finance costs incurred	132,121
At 31 March 2021	<b>1,862,981</b>
Changes from financing cash flows:	
– Payment of lease liabilities	<b>(2,881,388)</b>
– Payment of interest on lease liabilities	<b>(470,604)</b>
	<b>(1,489,011)</b>
Non-cash changes:	
Addition of lease	<b>14,942,046</b>
Termination of lease	<b>(763,930)</b>
Exchange realignment	<b>736,647</b>
Finance costs incurred	<b>470,604</b>
At 31 March 2022	<b>13,896,356</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 21. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2022 HK\$	2021 HK\$
Trade payables	1,349,752	1,337,837
Contract liabilities	28,057,519	11,964,959
Other payables and accrued liabilities	7,303,279	6,303,018
	<b>36,710,550</b>	19,605,814

All trade and other payables were expected to be settled within one year or are repayable on demand.

### (a) An ageing analysis of trade payables based on the invoice date is as follows:

	2022 HK\$	2021 HK\$
Within 1 month	779,679	744,027
1 to 2 months	527,739	593,810
Over 3 months	42,334	–
	<b>1,349,752</b>	1,337,837

### (b) Contract liabilities

For certain front office trading system services and other services, the Group normally requires advance payment from the certain new customers prior to provision of the services. When the Group receives such advance before commencement of providing the services this will give rise to contract liabilities.

Significant changes in contract liabilities balances during the current year are as follows:

	2022 HK\$	2021 HK\$
Revenue recognised that was included in the contract liabilities at the beginning of the year	(11,964,959)	(8,565,758)
Increase due to cash received, excluding amounts recognised as revenue during the year	28,057,519	11,964,959

The increase in cash received was mainly because more sales order received during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

### Share Award Scheme

The Share Award Scheme was adopted on 19 December 2018. Subject to any early termination as contemplated under the Share Award Scheme, the scheme shall be valid and effective for a term of 10 years commencing on the date of adoption. The purpose of the Share Award Scheme is to provide incentives for the Group's employees to make contributions to the Group's long-term growth and to attract and retain employees who may be beneficial to the growth and development of the Group.

The awarded shares will be acquired by the Share Award Scheme Trust from the open market by utilising the Group's resources provided thereto. Shares repurchased by the Company on the Stock Exchange are held by the Share Award Scheme trustee for the purpose of the Share Award Scheme. The maximum number of shares may be granted under the Share Award Scheme shall not exceed 25,000,000 shares, representing 5% of the total number of issued shares as at 19 December 2018, and the total consideration used for purchase of awarded shares pursuant to the Share Award Scheme shall not exceed HK\$15,000,000.

Movements in the number of shares held for the Share Award Scheme and the awarded shares of the Company are as follows:

	Number of shares held for Share Award Scheme		Number of awarded shares	
	2022	2021	2022	2021
At 1 April	25,000,000	25,000,000	20,000,000	8,000,000
Lapsed	-	-	(2,500,000)	-
Granted (note (a))	-	-	7,500,000	12,000,000
Exercised	(25,000,000)	-	(25,000,000)	-
At 31 March	-	25,000,000	-	20,000,000

Notes:

- (a) On 30 December 2021 (the "Grant Date I"), 7,500,000 shares are granted to the Group's thirteen selected employees under the Share Award Scheme, of which the grantees shall contribute HK\$0.5735 per share. The granted shares represent approximately 1.25% of the total number of shares of the Company in issue as at the Grant Date I. At the Grant Date I, the estimated fair value of the awarded shares granted, amounting to HK\$1,692,748, is measured through Binomial model method with time to maturity of 2 years resulting in fair value of HK\$0.23 per granted share on Grant Date I. The granted shares will be vested within two years since the date of grant under certain conditions. Share-based compensation expenses of HK\$1,692,748 (2021: nil) were recognised by the Group under "staff costs" during the year ended 31 March 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

### Share Award Scheme (continued)

Notes: (continued)

- (b) On 5 February 2021 (the “**Grant Date II**”), 12,000,000 shares are granted to the Group’s sixteen selected employees under the Share Award Scheme, of which the grantees shall contribute HK\$0.5735 per share. The granted shares represent approximately 2.4% of the total number of shares of the Company in issue as at the Grant Date II. At the Grant Date II, the estimated fair value of the awarded shares granted, amounting to HK\$2,229,600, is measured through Binomial model method with time to maturity of 2 years resulting in fair value of HK\$0.19 per granted share on Grant Date II. The granted shares will be vested within two years since the date of grant under certain conditions. 500,000 shares (2021: nil) were lapsed during the year ended 31 March 2022. Share-based compensation expenses of HK\$2,061,616 (2021: HK\$167,984) were recognised by the Group under “staff costs” during the year ended 31 March 2022.
- (c) On 22 August 2019 (the “**Grant Date III**”), 8,000,000 shares are granted to the Group’s employees under the Share Award Scheme, of which the grantees shall contribute HK\$0.5735 per share. The granted shares represent approximately 1.6% of the total number of shares of the Company in issue as at the Grant Date III. At the Grant Date III, the estimated fair value of the awarded shares granted, amounting to HK\$1,143,000 is measured through Binomial model with time to maturity of 2 years resulting in fair value of HK\$0.14 per granted share on the Grant Date III. The granted shares will be vested within two years since the date of grant under certain conditions. 2,000,000 shares (2021: nil) were lapsed during the year ended 31 March 2022. Share-based compensation expenses of HK\$223,803 (2021: HK\$571,600) were recognised by the Group under “staff costs” during the year ended 31 March 2022.

The fair value is calculated using the Binomial model. The inputs into the model were as follows:

	30 December 2021	5 February 2021
Share price	<b>HK\$0.7270</b>	HK\$0.4900
Exercise price	<b>HK\$0.5735</b>	HK\$0.5735
Knock-in price	<b>HK\$0.6400</b>	HK\$0.6400
Expected life	<b>2 years</b>	2 years
Risk-free rate	<b>0.64%</b>	0.13%
Expected dividend yield	<b>0%</b>	0%

Expected volatility was determined by using the historical volatility of the Company’s share price over the previous years. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the awarded shares. The variables and assumptions used in computing the fair value of the award shares are based on the directors’ best estimate. The value of an award share varies with different variables of certain subjective assumptions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 23. CAPITAL AND RESERVES

### (a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes of the Company's individual components of equity are set out below:

	Share capital HK\$ (Note 23(b))	Share premium HK\$ (Note 23(c))	SAS reserve HK\$ (Note 23(d))	Employee share-based compensation reserve HK\$	Accumulated losses HK\$	Other reserve HK\$ (Note 23(h))	Total equity HK\$
<b>At 1 April 2020</b>	4,750,000	62,987,553	(14,087,420)	347,597	(12,922,987)	16,369,912	57,444,655
Loss and total comprehensive expense for the year	-	-	-	-	(4,125,307)	-	(4,125,307)
Equity-settled share-based transactions	-	-	-	739,584	-	-	739,584
<b>At 31 March 2021</b>	<b>4,750,000</b>	<b>62,987,553</b>	<b>(14,087,420)</b>	<b>1,087,181</b>	<b>(17,048,294)</b>	<b>16,369,912</b>	<b>54,058,932</b>
Loss and total comprehensive expense for the year	-	-	-	-	(9,156,613)	-	(9,156,613)
Equity-settled share-based transactions	-	-	-	3,978,167	-	-	3,978,167
Vesting of share awards	-	-	14,087,420	(14,087,420)	-	-	-
Exercise of share awards	250,000	14,087,420	-	9,022,072	(9,022,072)	-	14,337,420
Shares issued	1,000,000	28,700,000	-	-	-	-	29,700,000
Dividends declared	-	(19,020,000)	-	-	-	-	(19,020,000)
<b>At 31 March 2022</b>	<b>6,000,000</b>	<b>86,754,973</b>	<b>-</b>	<b>-</b>	<b>(35,226,979)</b>	<b>16,369,912</b>	<b>73,897,906</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 23. CAPITAL AND RESERVES (CONTINUED)

### (b) Share capital

Share capital as at 31 March 2022 and 2021 included in the consolidated statement of financial position represents the share capital of the Company as follows:

	2022		2021	
	Number of shares	HK\$	Number of shares	HK\$
Issued and fully paid:				
– Shares	600,000,000	6,000,000	500,000,000	5,000,000
– Shares held for Share Award Scheme	–	–	(25,000,000)	(250,000)
<b>At 31 March</b>	<b>600,000,000</b>	<b>6,000,000</b>	475,000,000	4,750,000

The movements of the share capital during the year are as follow:

	Authorised		Issued and fully paid	
	Number of shares	HK\$	Number of shares	HK\$
At 1 April 2021	2,000,000,000	20,000,000	475,000,000	4,750,000
Issues of new shares	–	–	100,000,000	1,000,000
Exercise of share awards	–	–	25,000,000	250,000
<b>At 31 March 2022</b>	<b>2,000,000,000</b>	<b>20,000,000</b>	<b>600,000,000</b>	<b>6,000,000</b>

### (c) Share premium

The share premium represents the difference between the nominal value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

### (d) SAS reserve

The SAS reserve represents the difference between (i) the purchase consideration for issued shares of the Company acquired for the purpose of satisfying the award of share granted or to be granted to eligible employees of the Group under the Company's Share Award Scheme and (ii) the aggregate par value of the shares purchased.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 23. CAPITAL AND RESERVES (CONTINUED)

### (e) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation which are dealt with in accordance with the accounting policies set out in note 3(i).

### (f) Merger reserve

The merger reserve represents the difference between the considerations and the aggregate share capital of subsidiaries acquired under business combinations under common control.

### (g) Other reserve

Other reserve mainly comprises the (i) debt of HK\$676,380 waived by a former shareholder and (ii) the difference between the nominal value of the share capital of the subsidiary acquired as a result of the Reorganisation and the nominal value of the share capital of the Company issued in exchange thereof.

### (h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its business and provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

### Categories of financial instruments

	2022 HK\$	2021 HK\$
<b>Financial assets</b>		
Financial assets at amortised cost (including cash and cash equivalents)	<b>169,728,152</b>	78,415,875
Financial assets at FVTPL	<b>5,714,515</b>	6,599,324
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	<b>27,673,031</b>	7,640,855

The Group's major financial instruments include financial asset at FVTPL, trade receivables, other receivables, amount due from a fellow subsidiary, cash and cash equivalents, trade and other payables and dividend payable. Details of the financial instruments are disclosed in respective notes.

Exposure to credit, liquidity and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other financial assets measured at amortised cost. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a good credit rating for which the Group considers to have low credit risk.

##### *Trade receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, none (2021: none) of the total trade receivables was due from the Group's largest customer and 1% (2021: 39%) of the total trade receivables was from the five largest customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due immediately from the date of billing. Normally, the Group does not obtain collateral from customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (a) Credit risk (continued)

*Trade receivables (continued)*

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

As at 31 March 2022, there was loss allowance of HK\$196,361 (2021: HK\$348,351) with respect to the Group's trade receivables, of which trade receivables of HK\$186,709 (2021: HK\$186,709) were from customers with known financial difficulties or significant doubt on collection that are individually assessed to be fully impaired. The Group's exposure to credit risk and ECLs for the remaining trade receivables as at 31 March 2022 and 2021 is as follows:

As at 31 March 2022:

	ECL rate %	Gross carrying amount HK\$	Loss allowance HK\$	Carrying amount, net of loss allowance HK\$
Not past due	0.2%	85,237	(179)	85,058
Past due less than 1 month	0.2%	917,571	(1,919)	915,652
Past due 1 to 3 months	0.6%	729,780	(4,553)	725,227
Past due 3 to 6 months	21.4%	14,000	(3,001)	10,999
		<b>1,746,588</b>	<b>(9,652)</b>	<b>1,736,936</b>

As at 31 March 2021:

	ECL rate %	Gross carrying amount HK\$	Loss allowance HK\$	Carrying amount, net of loss allowance HK\$
Not past due	0.2%	95,730	(191)	95,539
Past due less than 1 month	0.2%	1,818,874	(3,632)	1,815,242
Past due 1 to 3 months	0.6%	1,314,600	(8,202)	1,306,398
Past due 3 to 6 months	21.4%	410,007	(87,889)	322,118
Past due over 6 months	32.1%	192,017	(61,728)	130,289
		<b>3,831,228</b>	<b>(161,642)</b>	<b>3,669,586</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (a) Credit risk (continued)

#### *Trade receivables (continued)*

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the years is as follows:

	Lifetime ECL (not credit- impaired) HK\$	Lifetime ECL (credit- impaired) HK\$	Total HK\$
As at 1 April 2020	35,788	186,709	222,497
Allowance for impairment loss	125,854	–	125,854
As at 31 March 2021	<b>161,642</b>	<b>186,709</b>	<b>348,351</b>
Reversal of impairment loss	<b>(151,990)</b>	<b>–</b>	<b>(151,990)</b>
As at 31 March 2022	<b>9,652</b>	<b>186,709</b>	<b>196,361</b>

#### *Other financial assets measured at amortised cost*

Other financial assets mainly comprised of non-trade amount due from a fellow subsidiary and other receivables. These financial assets at amortised costs are generally considered to have low credit risk. In determining the ECL, management has taken into account the credit ratings, historical default experience and the financial position of the counterparties, adjusted for factors, where applicable, that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (a) Credit risk (continued)

*Other financial assets measured at amortised cost (continued)*

The following table shows these other financial assets that were subject to a 12-month ECL and lifetime ECL allowance when there were normally significant increase in credit risk.

	12-month ECL HK\$	Lifetime ECL HK\$	Total HK\$
<b>At 31 March 2022</b>			
Gross amount			
– Deposits and other receivables	12,523,569	1,088,000	13,611,569
– Amount due from a fellow subsidiary	246,265	–	246,265
Loss allowance	–	(1,088,000)	(1,088,000)
Carrying amount, net of loss allowance	12,769,834	–	12,769,834

	12-month ECL HK\$	Lifetime ECL HK\$	Total HK\$
<b>At 31 March 2021</b>			
Gross amount			
– Deposits and other receivables	856,990	1,088,000	1,944,990
– Amount due from a fellow subsidiary	167,765	–	167,765
Loss allowance	–	(1,088,000)	(1,088,000)
Carrying amount, net of loss allowance	1,024,755	–	1,024,755

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

All financial liabilities are carried at amounts not materially different from their contractual undiscounted cash flows as all the financial liabilities are with maturities within one year or repayable on demand at the end of each reporting period.

Additional information about the maturity of lease liabilities is provided in the following table:

At 31 March 2022	Less than 1 year HK\$	More than 1 year but less than 2 years HK\$	More than 2 years but less than 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
Lease liabilities	2,853,233	3,538,008	8,748,011	15,139,252	13,896,356

At 31 March 2021	Less than 1 year HK\$	More than 1 year but less than 2 years HK\$	More than 2 years but less than 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
Lease liabilities	1,892,503	–	–	1,892,503	1,862,981

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (c) Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions related. The currency giving rise to this risk are primarily RMB and HK\$.

#### (i) Exposure to currency risk

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in HK\$)	
	RMB	HK\$
	HK\$	HK\$
<b>At 31 March 2022</b>		
Cash and cash equivalents	6,957,539	4,192,352
Trade and other payables	(197,639)	–
	<b>6,759,900</b>	<b>4,192,352</b>
<b>At 31 March 2021</b>		
Cash and cash equivalents	3,788,551	2,420,031
Trade and other payables	(111,355)	–
	<b>3,677,196</b>	<b>2,420,031</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

### (c) Foreign currency risk (continued)

#### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period had changed at that date, assuming all other risk variables remained constant.

	31 March 2022		31 March 2021	
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax HK\$	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in prof it after tax HK\$
RMB	5% (5)%	282,226 (282,226)	5% (5)%	153,523 (153,523)
HK\$	5% (5)%	157,213 (157,213)	5% (5)%	90,751 (90,751)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each reporting period. The analysis is performed on the same basis for the years ended 31 March 2022 and 2021.

### (d) Fair values measurement

The valuation techniques and inputs used in fair value measurements of each financial instrument on a recurring basis are set out below:

		Fair value as at		Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
		31/3/2022	31/3/2021			
		HK\$	HK\$			
Financial assets at fair value through profit or loss						
- Listed equity investments	Level 1	5,714,515	6,599,324	Quoted bid prices in an active market	N/A	N/A

The directors of the Company consider that the carrying amounts of other current financial assets and current financial liabilities recorded at amortised cost approximate their fair values as at 31 March 2022 and 2021.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 25. MATERIAL RELATED PARTY TRANSACTIONS

All members of key management personnel are the directors of the Group and their remuneration is disclosed in note 10.

## 26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	<b>2022 HK\$</b>	2021 HK\$
<b>Non-current asset</b>			
Investment in subsidiaries		<b>16,765,610</b>	16,375,610
<b>Current assets</b>			
Other receivables		<b>11,454,917</b>	2,165,034
Amount due from subsidiaries		<b>31,714,961</b>	14,960,653
Cash and cash equivalents		<b>32,900,828</b>	15,017,492
Financial assets at FVTPL		<b>848,625</b>	6,599,324
		<b>76,919,331</b>	38,742,503
<b>Current liabilities</b>			
Accrual and other payables		<b>767,035</b>	1,059,181
Dividend payable		<b>19,020,000</b>	–
		<b>19,787,035</b>	1,059,181
<b>Net current assets</b>		<b>57,132,296</b>	37,683,322
<b>Net assets</b>		<b>73,897,906</b>	54,058,932
<b>Capital and reserves</b>			
Share capital	23(b)	<b>6,000,000</b>	4,750,000
Reserves	23(a)	<b>67,897,906</b>	49,308,932
<b>Total equity</b>		<b>73,897,906</b>	54,058,932



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 27. RETIREMENT BENEFIT PLANS

### Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

In addition, as stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal government of Shenzhen and provincial government of Guangdong for its staff. The Group is required to make contributions to such retirement plans. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

The total cost paid amounted to HK\$1,280,105 (2021: HK\$1,172,397) in which the cost charged to profit or loss amounted to HK\$921,011 (2021: HK\$537,863) for the year ended 31 March 2022 after capitalisation those directly attribute to development costs. The payment represents contributions payable to these schemes by the Group in respect of the current accounting period.

During the year ended 31 March 2022 and 2021, the Group had no forfeited contribution under the retirement benefit schemes to reduce future contributions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 28. PRINCIPAL SUBSIDIARIES AND A CONTROLLED STRUCTURED ENTITY

### (a) Principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of subsidiaries	Place of incorporation/ establishment	Place of operation	Issued and fully paid share capital/ registered capital		Percentage of equity interest/voting power attributable to the Company				Principal activities
			2022	2021	2022		2021		
					Direct	Indirect	Direct	Indirect	
Power Mind Global Limited	The British Virgin Islands ("BVI")	Hong Kong	1 ordinary share of US\$1	1 ordinary share of US\$1	100%	-	100%	-	Investment holding
Tele-Trend Konson	Hong Kong	Hong Kong	Ordinary shares HK\$7,510,000	Ordinary shares HK\$7,510,000	-	100%	-	100%	Provision of front office trading system services and market data services
Tele-Trend Konson SZ (note i) (捷利港信軟件(深圳)有限公司) (Note)	The PRC	The PRC	Registered capital RMB31,000,000	Registered capital RMB20,000,000	-	100%	-	100%	Development of computer hardware and software technology
Shenzhen Rongyi Technology Company Limited (“Shenzhen Rongyi”) (note ii) (深圳市融易科技有限公司) (Note)	The PRC	The PRC	Registered capital RMB5,000,000	Registered capital RMB5,000,000	-	100%	-	100%	Development of computer hardware and software technology
Shenzhen Xinfeng Network Technology Company Limited (note ii) (深圳市新峰網絡科技有限公司) (Note)	The PRC	The PRC	Registered capital RMB5,000,000	Registered capital RMB5,000,000	-	100%	-	100%	Development of computer hardware and software technology
Sullivan TradeGo (Shenzhen) Cloud Technology Co., Ltd. (note ii and iii) 沙利文捷利(深圳)云科技有限公司(「沙利文捷利」) (Note)	The PRC	The PRC	Paid up issued capital RMB6,000,000	N/A	-	50%	-	-	Research on the industry and secondary market performances of the listed companies
TradeGo Markets Limited (note v)	The British Virgin Islands ("BVI")	Hong Kong	1 ordinary share of US\$1	N/A	100%	-	-	-	Investment holding
TradeGo Markets Limited (note vi)	Hong Kong	Hong Kong	Ordinary shares HK\$5,000,000	N/A	-	100%	-	-	Investment holding

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 28. PRINCIPAL SUBSIDIARIES AND A CONTROLLED STRUCTURED ENTITY (CONTINUED)

### (a) Principal subsidiaries (continued)

Notes:

- (i) This entity is wholly foreign owned entity.
- (ii) These entities are domestic enterprises.
- (iii) On 19 November 2021, 沙利文捷利, an 50% owned subsidiary of the Company was incorporated. The Group can appoint the chairman of the board and three out of five directors under the provisions stated in the Article of Association of 沙利文捷利 and the chairman of the board and the Group has the final decision on the resolution when the voting result is equally divided. Therefore, the directors of the Company concluded that the Group had control over 沙利文捷利 and consolidated its assets, liabilities and result in the consolidated financial statements.
- (iv) TradeGo Market Limited BVI is 100% owned subsidiary of TradeGo FinTech Limited and, accordingly, is accounted for as subsidiary by virtue of the company's control over it.
- (v) The subsidiary was incorporated on 23 June 2021.
- (vi) The subsidiary was incorporated on 8 July 2021.

Note: The English names of these entities are for reference only. The official names of these entities are in Chinese.

At the end of the reporting period, the Group has other subsidiaries that are not individually material to the Group. Details of these subsidiaries are set out as follows:

Principal activity	Principal place of business	Number of subsidiaries	
		2022	2021
Inactive	Hong Kong	2	2

None of the subsidiaries had issued any debt securities subsisting at the end of both years or at any time during both years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 28. PRINCIPAL SUBSIDIARIES AND A CONTROLLED STRUCTURED ENTITY (CONTINUED)

### (a) Principal subsidiaries (continued)

The table below shows details of non-wholly owned subsidiary of the Group that has non-controlling interests that are material to the Group:

Name of subsidiary	Place of incorporation/ establishment and principal place of business	Proportion of ownership interest held by non-controlling interests		Proportion of voting power held by non-controlling interests		Loss attributable to non-controlling interests		Accumulated non-controlling interests	
		2022	2021	2022	2021	2022	2021	2022	2021
		%	%	%	%	HK\$	HK\$	HK\$	HK\$
沙利文捷利	The PRC	50	50	40	40	(121,068)	-	3,576,836	-

	2022 HK\$
Current assets	7,335,640
Current liabilities	181,968
Equity attributable to owners of the Company	3,576,836
Non-controlling interests	3,576,836

	For the period from 19 November 2021 to 31 March 2022 HK\$
Revenue	478,112
Expenses	(720,248)
Loss for the year	(242,136)
Loss attributable to owners of the Company	(121,068)
Loss attributable to non-controlling interests	(121,068)
Loss for the year	(242,136)
Net cash outflows from operating activities	(74,707)
Net cash inflows from investing activities	6,070
Net cash inflows from financing activities	7,399,800
Net cash inflows	7,331,163

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

## 28. PRINCIPAL SUBSIDIARIES AND A CONTROLLED STRUCTURED ENTITY (CONTINUED)

### (b) A controlled structured entity

The Company directly controlled a trust (the “**Share Award Scheme Trust**”) that was set up in relation to the Group’s share award scheme adopted on 19 December 2018 (the “**Share Award Scheme**”). Principal activities of the Share Award Scheme Trust include purchasing, administering and holding the Company’s shares under the Share Award Scheme for the benefit of eligible employees (see note 22).

The Company has the power to direct the relevant activities of the Share Award Scheme Trust and it has the ability to use its power over the trust to affect its exposure to returns. Therefore, the Share Award Scheme Trust is considered as a controlled structured entity of the Group.

## 29. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2022, the Group entered into a new lease arrangement in respect of office premise. Right-of-use assets and lease liabilities of HK\$14,942,046 (2021: nil) were recognised at the commencement of the lease.

During the year ended 31 March 2022, there was exercise of share awards amounting to HK\$14,337,420, with HK\$11,313,250 unpaid consideration recorded in “Staff advances” under trade and other receivables.

## 30. EVENT AFTER THE REPORTING PERIOD

The Group adopted a share award scheme which is valid and effective for a term of 10 years commencing on 20 June 2022. The total number of shares to be awarded under the scheme throughout its duration is limited to 30,000,000 shares. Details are set out in the announcement dated 20 June 2022.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from this annual report and the Prospectus of the Company dated 17 September 2018, is set out below.

### RESULTS

	For the year ended 31 March				
	2022 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2018 HK\$
Revenue	<b>82,280,828</b>	64,949,522	51,752,730	46,311,429	43,209,034
Profit/(loss) before taxation	<b>25,076,271</b>	21,912,209	13,253,371	(16,892,454)	643,186
Income tax credit (expenses)	<b>62,276</b>	(1,333,531)	(228,266)	(805,286)	(1,712,534)
Profit/(loss) for the year	<b>25,138,547</b>	20,578,678	13,025,105	(17,697,740)	(1,069,348)
Other comprehensive (expense) income, net of tax	<b>3,011,538</b>	3,541,202	(1,421,747)	(72,614)	385,519
Total comprehensive income/(expense) for the year	<b>28,150,085</b>	24,119,880	11,603,358	(17,770,354)	(683,829)

### ASSETS AND LIABILITIES

	As at 31 March				
	2022 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2018 HK\$
Total assets	<b>214,734,351</b>	107,624,848	80,292,468	66,920,949	35,938,685
Total liabilities	<b>71,035,143</b>	24,771,212	22,298,296	18,985,091	21,862,094
Total equity	<b>143,699,208</b>	82,853,636	57,994,172	47,935,258	14,076,591

Notes to the five-year financial summary:

1. The financial information for the years ended 31 March 2016, 2017 and 2018 were extracted from the Prospectus of the Company dated 17 September 2018. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 2(b) to the consolidated financial statements.
2. The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of revenue recognition and presentation of contract liabilities. Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balances at 1 April 2018. Prior to 1 April 2018, figures were stated in accordance with the accounting policies applicable in those years.