

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



財華社  
FINET

## **FINET GROUP LIMITED**

### **財華社集團有限公司**

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

**(Stock Code: 8317)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020**

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

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

**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 announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

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

## **RESULTS HIGHLIGHTS**

- The Group reported a turnover of approximately HK\$26.0 million for the year ended 31 March 2020, representing an increase of approximately 32.4% from approximately HK\$19.6 million of last year.
- The consolidated loss attributable to owners of the Company for the year ended 31 March 2020 was approximately HK\$20.3 million.
- The board of Directors does not recommend the payment of dividend for the year ended 31 March 2020.

## ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to present the consolidated results of the Group for the year ended 31 March 2020, together with the comparative figures for the corresponding period in 2019 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2020*

	Notes	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>25,991</b>	19,637
Cost of sales		<u>(1,876)</u>	<u>(2,201)</u>
<b>Gross profit</b>		<b>24,115</b>	17,436
Other income and other losses	5	<b>3,885</b>	(256)
Selling and marketing expenses		<b>(569)</b>	(244)
General and administrative expenses		<b>(46,014)</b>	(44,241)
Finance costs	6	<u><b>(556)</b></u>	<u>(491)</u>
<b>Loss before income tax</b>	7	<b>(19,139)</b>	(27,796)
Income tax expense	8	<u><b>(149)</b></u>	<u>(297)</u>
<b>Loss for the year</b>		<u><b>(19,288)</b></u>	<u>(28,093)</u>
<b>(Loss)/profit attributable to:</b>			
— Owners of the Company		<b>(20,293)</b>	(28,870)
— Non-controlling interests		<u><b>1,005</b></u>	<u>777</u>
		<u><b>(19,288)</b></u>	<u>(28,093)</u>
<b>Loss per share for loss attributable to owners of the Company during the year</b>			
— Basic and diluted ( <i>HK dollar per share</i> )	10	<u><b>(0.03)</b></u>	<u>(0.04)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2020*

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Loss for the year</b>	<b>(19,288)</b>	<b>(28,093)</b>
<b>Other comprehensive (expense)/income for the year, net of tax:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>4,716</u>	<u>(1,976)</u>
<b>Total comprehensive expense for the year</b>	<b><u>(14,572)</u></b>	<b><u>(30,069)</u></b>
<b>Total comprehensive (expense)/income for the year, attributable to:</b>		
— Owners of the Company	<b>(15,577)</b>	<b>(30,846)</b>
— Non-controlling interests	<u>1,005</u>	<u>777</u>
	<b><u>(14,572)</u></b>	<b><u>(30,069)</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2020*

	<i>Notes</i>	<b>2020</b> <b><i>HK\$'000</i></b>	<b>2019</b> <b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>53,448</b>	55,696
Right-of-use assets		<b>1,324</b>	—
Investment properties		<b>32,700</b>	32,700
Intangible assets		<b>950</b>	950
Statutory deposits and other assets		<b>456</b>	656
		<b>88,878</b>	90,002
<b>Current assets</b>			
Trade receivables	11	<b>2,858</b>	8,344
Prepayment, deposits and other receivables		<b>4,941</b>	5,992
Financial assets at fair value through profit or loss		<b>1,013</b>	1,278
Amounts due from related companies		<b>5,339</b>	2,005
Contract assets		—	100
Client trust bank balances		<b>818</b>	253
Cash and cash equivalents		<b>8,296</b>	12,749
		<b>23,265</b>	30,721
<b>Total assets</b>		<b>112,143</b>	120,723
<b>Current liabilities</b>			
Accounts payable	12	<b>2,451</b>	1,883
Accruals and other payables		<b>5,268</b>	7,728
Contract liabilities		—	2,044
Amount due to a related company		<b>42</b>	42
Lease liabilities		<b>1,171</b>	—
Borrowing — due within one year		<b>12,603</b>	14,436
Tax payables		<b>215</b>	215
		<b>21,750</b>	26,348
<b>Net current assets</b>		<b>1,515</b>	4,373
<b>Total assets less current liabilities</b>		<b>90,393</b>	94,375

	<i>Note</i>	<b>2020</b> <b><i>HK\$'000</i></b>	2019 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Loans from shareholder		<b>22,926</b>	14,725
Lease liabilities		<b>172</b>	—
Deferred tax liabilities		<b>11,184</b>	11,308
		<b>34,282</b>	26,033
<b>Net assets</b>		<b>56,111</b>	68,342
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	13	<b>6,665</b>	6,665
Reserves		<b>56,982</b>	70,218
		<b>63,647</b>	76,883
Non-controlling interests		<b>(7,536)</b>	(8,541)
<b>Total equity</b>		<b>56,111</b>	68,342

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. On 16 June 2011, the Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Company's registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company's principal place of business is situated at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

The annual results set out in this announcement do not constitute the Group's financial statements for the year ended 31 March 2020 but are extract from those financial statements.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

#### **Basis of preparation**

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which is carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

#### **Going Concern**

The Group incurred a net loss of approximately HK\$19,288,000 during the year ended 31 March 2020 and, as of that date, the Group's net current assets was approximately HK\$1,515,000. The Group's current liabilities consist of bank loans of approximately HK\$12,603,000 that contain a repayment on demand clause. At 31 March 2020, the aggregate carrying amount of bank loans repayable after one year amounted to approximately HK\$10,834,000 based on the schedule of repayments set out in the loan agreements.

The Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. In addition, taking into account the cash flows from operations, implementing a series of cost-saving measures and as of the date of approval of these financial statements, the Group is in process of negotiating with a financial institution to obtain a new loans for the purpose of meeting Group's liabilities as and when they fall due. The Directors consider that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on going concern basis.

## ***Changes in accounting policy and disclosures***

### ***(a) New standards, amendments, interpretations and improvements adopted by the Group***

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

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

#### **HKFRS 16 “Leases”**

The Group has applied HKFRS 16 Leases (“HKFRS 16”) for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated the comparative for the last year, as permitted under the specific transition provisions in the standard.

On adoption of HKFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17.

#### **(i) Practical expedients applied**

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.



The Group has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17. The Group has also elected not to rely on previous assessments on whether leases are onerous as at 1 April 2019 over the impairment review on the right-of-use assets.

(ii) Measurement of lease liabilities

	2019 HK\$'000
Operating lease commitments disclosed as at 31 March 2019	3,263
Less: leases with terms ending within 12 months from the date of initial application not recognized as a liabilities	<u>(3,263)</u>
Lease liabilities recognized as at 1 April 2019	<u>—</u>

(iii) Measurement of right-of-use assets

The measurement calculated based on the carrying amount of the associated right-of-use assets were measured as if the new rule had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application in the consolidated statement of financial position.

The Group did not incur any right-of-use assets at the initial recognition from 1 April 2019 as the operating lease commitments leases fall within the practical expedients.

(iv) Lessor accounting

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

(b) *New standards and amendments to standards not yet adopted*

The following new standards, amendments and interpretations to existing standards and interpretations have been published that are mandatory for the Group's accounting periods on or after 1 April 2020 and have not been early adopted by the Group.

HKFRS 17	<i>Insurance Contracts</i> <sup>2</sup>
Amendments to HKFRS 3	<i>Definition of a Business</i> <sup>1</sup>
Conceptual Framework for Financial Reporting 2018	<i>Revised Conceptual Framework for Financial Reporting</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKFRS 16	<i>COVID-19 Related Rent Concession</i> <sup>4</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>1</sup>
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	<i>Hedge accounting</i> <sup>1</sup>

<sup>1</sup> Effective for the Group for annual periods beginning on or after 1 March 2020.

<sup>2</sup> Effective for the Group for annual periods beginning on or after 1 March 2021.

<sup>3</sup> Effective date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020.

The Group will apply the above new standards and amendments to existing standards when they become effective. The Group anticipates that the application of the above new standards and amendments to existing standards have no material impact on the results and the financial position of the Group.

### 3. REVENUE

An analysis of the Group's revenue for the years ended 31 March 2020 and 2019 are as follows:

	<b>2020</b> <b>HK\$'000</b>	2019 HK\$'000
Service income from provision of financial information service	<b>573</b>	838
Advertising and investor relationship service income	<b>23,751</b>	16,680
Brokerage commission and service income from securities and futures business	<b>6</b>	274
Loan interest income	—	263
Rental income from investment properties	<b>1,661</b>	1,582
	<b>25,991</b>	19,637
Revenue from contracts with customers		
— Service income from provision of financial information services	<b>573</b>	838
— Advertising and investor relationship service income	<b>23,751</b>	16,680
— Brokerage commission and services income from securities and future business	<b>6</b>	274
	<b>24,330</b>	17,792
<i>Represented by:</i>		
Timing of revenue recognition		
— At a point in time	<b>24,077</b>	14,047
— Over time	<b>253</b>	3,745
	<b>24,330</b>	17,792
Revenue from other sources		
— Loan interest income	—	263
— Rental income from investment properties	<b>1,661</b>	1,582
	<b>1,661</b>	1,845
	<b>25,991</b>	19,637

#### 4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors have reviewed the Group’s internal reports in order to assess the performance and allocate resources; they have also determined the operating segments based on these reports. The Executive Directors have further considered the business from product perspective and have assessed the performance of four business segments: (i) financial information, advertising and investor relationship service business, (ii) securities and futures business, (iii) money lending business and (iv) property investment business.

At 31 March 2020 and 2019, the Group is organized into four operating segments as below:

- (i) financial information, advertising and investor relationship service business — the development, production and provision of financial information service and technology solutions to corporate and retail clients in Hong Kong and the People’s Republic of China (the “PRC”); this segment also include results of the media business, providing advertising, investor relationship and branding promotion and communication service;
- (ii) securities and futures business that specializes in the provision of online securities and futures trading;
- (iii) money lending business; and
- (iv) property investment business.

The segment results for the year ended 31 March 2020 are as follows:

	Financial information, advertising and investor relationship service business <i>HK\$'000</i>	Securities and futures business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Property investment business <i>HK\$'000</i>	Group <i>HK\$'000</i>
Gross revenue	24,458	6	—	1,661	26,125
Inter-segment revenue	(134)	—	—	—	(134)
Revenue from external customers	24,324	6	—	1,661	25,991
Segment results	(13,393)	(4,687)	(13)	(490)	(18,583)
Finance costs					(556)
Loss before income tax					(19,139)
Income tax expense					(149)
Loss for the year					(19,288)
Other segment items included in the consolidated income statement are as follows:					
Interest income from bank deposits	1	6	—	—	7
Finance costs	(556)	—	—	—	(556)
Reversal of provision for impairment loss of contract assets	61	—	—	—	61
Reversal of provision for impairment loss of trade receivable	140	—	—	—	140
Provision for impairment loss of amounts due from related companies	(593)	—	—	—	(593)
Fair value change on financial assets at fair value through profit or loss	—	(201)	—	—	(201)
Depreciation of property, plant and equipment	(2,143)	(22)	—	—	(2,165)
Depreciation of right-of-use assets	(634)	—	—	—	(634)

The segment results for the year ended 31 March 2019 are as follows:

	Financial information, advertising and investor relationship service business <i>HK\$'000</i>	Securities and futures business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Property investment business <i>HK\$'000</i>	Group <i>HK\$'000</i>
<b>Gross revenue</b>	18,044	274	263	1,582	20,163
<b>Inter-segment revenue</b>	<u>(526)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(526)</u>
<b>Revenue from external customers</b>	<u>17,518</u>	<u>274</u>	<u>263</u>	<u>1,582</u>	<u>19,637</u>
Segment results	(18,580)	(7,304)	(57)	(1,364)	(27,305)
Finance costs					<u>(491)</u>
<b>Loss before income tax</b>					(27,796)
Income tax expense					<u>(297)</u>
<b>Loss for the year</b>					<u><u>(28,093)</u></u>
Other segment items included in the consolidated income statement are as follows:					
Interest income from bank deposits	3	6	—	—	9
Finance costs	(491)	—	—	—	(491)
Provision for impairment loss of trade receivables	(1,519)	—	—	—	(1,519)
Provision for impairment loss of contract assets	(61)	—	—	—	(61)
Write-off of other receivables	(4,682)	—	—	—	(4,682)
Reversal of provision for impairment loss of loans receivables	—	—	4,868	—	4,868
Fair value change on financial assets at fair value through profit or loss	—	(3,041)	—	—	(3,041)
Fair value gain on investment properties	—	—	—	200	200
Depreciation of property, plant and equipment	<u>(2,625)</u>	<u>(27)</u>	<u>—</u>	<u>(62)</u>	<u>(2,714)</u>

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, right-of-use assets, trade and loans receivables, prepayment, deposits and other receivables, amounts due from related companies, financial assets at fair value through profit or loss, contract assets, client trust bank balances and cash and cash equivalents. Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties, intangible assets and statutory deposits and other assets.

The segment assets and liabilities at 31 March 2020 and capital expenditure for the year then ended are as follows:

	<b>Financial information, advertising and investor relationship service business HK\$'000</b>	<b>Securities and futures business HK\$'000</b>	<b>Money lending business HK\$'000</b>	<b>Property investment business HK\$'000</b>	<b>Group HK\$'000</b>
Assets	<u>69,234</u>	<u>8,392</u>	<u>25</u>	<u>34,492</u>	<u>112,143</u>
Liabilities	<u>26,837</u>	<u>1,355</u>	<u>257</u>	<u>27,583</u>	<u>56,032</u>
Capital expenditure	<u>42</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>42</u>

The segment assets and liabilities at 31 March 2019 and capital expenditure for the year then ended are as follows:

	<b>Financial information, advertising and investor relationship service business HK\$'000</b>	<b>Securities and futures business HK\$'000</b>	<b>Money lending business HK\$'000</b>	<b>Property investment business HK\$'000</b>	<b>Group HK\$'000</b>
Assets	<u>70,090</u>	<u>12,552</u>	<u>48</u>	<u>38,033</u>	<u>120,723</u>
Liabilities	<u>34,996</u>	<u>310</u>	<u>257</u>	<u>16,818</u>	<u>52,381</u>
Capital expenditure	<u>151</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>151</u>

The Group mainly operates in Hong Kong and the PRC.

	<b>2020 HK\$'000</b>	<b>2019 HK\$'000</b>
<b>Revenue</b>		
Hong Kong	<b>20,456</b>	12,712
The PRC	<b>5,535</b>	6,925
	<u><b>25,991</b></u>	<u>19,637</u>

Revenue is allocated based on the country in which the customer is located.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Total assets</b>		
Hong Kong	62,885	75,271
The PRC	<u>49,258</u>	<u>45,452</u>
	<u><u>112,143</u></u>	<u><u>120,723</u></u>

Total assets are allocated based on where the assets are located.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Non-current assets</b>		
Hong Kong	54,810	55,200
The PRC	<u>34,068</u>	<u>34,802</u>
	<u><u>88,878</u></u>	<u><u>90,002</u></u>

Non-current assets are allocated based on where the assets are located.

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Customer A <sup>1</sup>	NA <sup>2</sup>	2,950
Customer B <sup>1</sup>	NA <sup>2</sup>	2,000
Customer C <sup>1</sup>	<u>NA<sup>2</sup></u>	<u>3,644</u>

<sup>1</sup> Revenue from financial information, advertising and investor relationship service business.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. OTHER INCOME AND OTHER LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest income from bank deposits	7	9
Income from sharing of administrative expenses	4,041	2,473
Fair value gain on investment properties	—	200
Fair value loss on financial assets at fair value through profit or loss	(201)	(3,041)
Sundry income	38	103
	<u>3,885</u>	<u>(256)</u>

## 6. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest expense on borrowing	505	491
Interest expense on lease liabilities	51	—
	<u>556</u>	<u>491</u>

## 7. LOSS BEFORE INCOME TAX

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Expenses related to short-term leases/operating lease payments		
— in respect of rented premises	4,602	6,799
— in respect of office equipment	8	12
Employee benefits expense (including directors' emoluments)	26,162	26,635
(Reversal of)/provision for impairment loss of trade receivables	(140)	1,519
(Reversal of)/provision for impairment loss of contract assets	(61)	61
Provision for impairment loss of amounts due from related companies	593	—
Write-off of other receivables	—	4,682
Reversal of provision for impairment loss of loans receivables	—	(4,868)
Depreciation of property, plant and equipment	2,165	2,714
Depreciation of right-of-use assets	634	—
Direct operating expenses arising on rental-earning investment properties	67	34
Auditors' remuneration		
— Audit service	565	625
	<u>565</u>	<u>625</u>



## 8. INCOME TAX EXPENSE

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

The directors of the Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Regulations on the Implementation of the EIT Law in the PRC, the applicable tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

	2020 HK\$'000	2019 HK\$'000
<b>Current tax:</b>		
— Hong Kong Profits Tax	268	—
— Overseas taxation — the PRC	5	276
<b>Deferred tax:</b>	(124)	21
	<hr/>	<hr/>
Income tax expense	<u>149</u>	<u>297</u>

## 9. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2020 (2019: Nil) nor has any dividend been proposed since the end of the reporting period.

## 10. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company for the year ended 31 March 2020 of approximately HK\$20,293,000 (2019: approximately HK\$28,870,000) by the weighted average number of approximately 666,539,000 (2019: approximately 666,539,000) ordinary shares in issue during the year.

### (b) Diluted

Share options of the Company are not dilutive as the exercise prices were higher than the share prices of the Company's share during the year ended 31 March 2020.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2020 and 2019.

## 11. TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables ( <i>Note (i)</i> )	5,572	11,233
Less: Provision for impairment loss of trade receivables	<u>(2,714)</u>	<u>(2,889)</u>
	<u><b>2,858</b></u>	<u><b>8,344</b></u>

*Note:*

- (i) As at 31 March 2020, the trade receivables of amount approximately HK\$2,470,000 (2019: HK\$2,950,000) related to the Group's related company.

The credit terms granted by the Group to its customers range from 10 days to 90 days from the date of billing. The carrying amounts of the trade receivables approximate to their fair values as these financial assets, which are measured at amortized cost, are expected to be paid within a short period of time, such that the impact of the time value of money is not significant. At 31 March 2020 and 2019, the aging analysis of the trade receivables are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0–30 days	1,101	7,849
31–60 days	637	47
61–90 days	76	408
Over 90 days	<u>1,044</u>	<u>40</u>
	<u><b>2,858</b></u>	<u><b>8,344</b></u>

Movements on the provision for impairment loss of trade receivables were as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
At the beginning of year	2,889	1,197
Initial recognition of HKFRS 9	—	173
(Decrease)/increase in impairment allowance recognized in profit or loss during the year	(140)	1,519
Exchange adjustments	<u>(35)</u>	<u>—</u>
At the end of year	<u><b>2,714</b></u>	<u><b>2,889</b></u>

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong dollars	2,858	4,943
Renminbi	—	3,398
United States dollars	—	3
	<u>2,858</u>	<u>8,344</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of the trade receivables mentioned above. The Group does not hold any collateral as security.

## 12. ACCOUNTS PAYABLE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Accounts payable arising from securities broking		
— Clients	818	240
Accounts payable arising from futures broking		
— Clients	—	13
Other accounts payable	<u>1,633</u>	<u>1,630</u>
Accounts payable	<u>2,451</u>	<u>1,883</u>

The settlement terms of accounts payable arising from securities broking are one or two trade days after the trade execution date.

Accounts payable to clients arising from futures broking are margin deposits received from clients for their trading of futures contracts. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

At 31 March 2020 and 2019, the aging analysis of the other accounts payable were as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Over 90 days	<u>1,633</u>	<u>1,630</u>

The carrying amounts of the Group's accounts payable are denominated in the following currencies:

	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Renminbi	<b>11</b>	12
Hong Kong dollars	<b>2,440</b>	1,862
United States dollars	<u>—</u>	<u>9</u>
	<b><u>2,451</u></b>	<b><u>1,883</u></b>

### 13. SHARE CAPITAL

	<b>2020</b>		2019
	<b>Number of shares</b>	<b>Amount HK\$'000</b>	Number of shares      Amount HK\$'000
Ordinary shares of HK\$0.01 (2019: HK\$0.01) each	<b><u>15,000,000,000</u></b>	<b><u>150,000</u></b>	<u>15,000,000,000</u> <u>150,000</u>
Authorized:			
At the beginning of year and at the end of year	<b><u>15,000,000,000</u></b>	<b><u>150,000</u></b>	<u>15,000,000,000</u> <u>150,000</u>
Issued and fully paid:			
At the beginning of year and at the end of year	<b><u>666,538,774</u></b>	<b><u>6,665</u></b>	<u>666,538,774</u> <u>6,665</u>

### 14. CONTINGENT LIABILITIES

During the year ended 31 March 2008, three libel actions were brought by a company and an individual (collectively the "Plaintiffs") against the Group in respect of the publication of words alleged to be defamatory and concerning articles published on the Group's website in 2007. The Plaintiffs sought, among other things, injunctive relief and unliquidated damages. The Executive Directors of the Company are of the opinion that the Group has a meritorious defense against such claims and therefore filed defense on 13 November 2007 and 9 April 2008 against all three libel actions consecutively. No further steps have been taken by the Plaintiffs since the filing of the defense. Accordingly, the Directors of the Company are of the opinion that these claims would not have any material adverse effect on the Group, and no provisions have been made in the consolidated financial statements in respect thereof.

### 15. EVENTS AFTER REPORTING PERIOD

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Company is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the Company's result of operations, cash flows and financial condition. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak. As at the date on which the publication of the annual report is approved, the Board was not aware of any material adverse impact on the consolidated financial statement as a result of the COVID-19 outbreak.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the year, the Group continued its Internet, Mobile and Media (“IMM”) growth strategy, the Group further strengthened its hold on media business with focus on financial sector through the continuous development of the “FinTV” branding. Both the broadness and depth of programmes offered by FinTV has continued to multiply. FinTV brings investors and financial elites in greater China the latest professional report, through television, internet and mobile channels at the same time. The Group believes that the FinTV will be one of the major drivers for future growth in business. To broaden its revenue bases and to better utilize its resources, the Group continued to tap on the property investment with satisfactory results.

### **Effect on the Group of Novel Coronavirus (“COVID-19”)**

Since the beginning of 2020, the COVID-19 epidemic has caused a significant impact on Hong Kong and other countries in the world. Governments in different countries have adopted a series of prevention and control measures, including the regional traffic control, restrictions or suspension of sports activities and entertainment. The World Health Organization (“WHO”) has also alerted that the COVID-19 might become an epidemic. Under this circumstance, resumption of global economies were delayed and interrupted, as a results of the COVID-19 outbreak, the numbers of initial public offering in Hong Kong was decreased, certain clients postponed their advertising and investor relationship service accordingly. However, we work closely with our customers and have caught the opportunities from providing online results announcement for listed companies.

## **MEDIA BUSINESS**

The Group mainly conducted its media business through the establishment of Xian Dai TV Limited together with a number of subsidiaries (“Xian Dai TV”). In addition to the production and distribution of programmes through the branding “FinTV”, Xian Dai TV also engaged in investor relationship business and creative advertising. For the purpose of segment reporting in this annual results, the results of the media business has been included in the “Financial information, advertising and investor relationship service business” segment.

## **PROPERTY INVESTMENT BUSINESS**

The investment properties in the People’s Republic of China (the “PRC”) continued to provide stable income and result a positive contribution to the financial results of the Group.

## **MONEY LENDING BUSINESS**

The Group holds Money Lenders Licence to engage in money lending business for providing loan and financing to customers. Due to the social unrest in Hong Kong since the second half year of 2019, and Hong Kong economy become unstable, in order to minimize the default risk of loan receivable, we need to tighten our internal works of credit control measurement, and the difficulties in granting loan became higher. During the year under review, no new loan was granted by the group. No interest income was derived from providing loan and finance to customers for the year ended 31 March 2020 (2019: approximately HK\$263,000).

## **FINANCIAL INFORMATION, ADVERTISING AND INVESTOR RELATIONSHIP SERVICE BUSINESS**

Service income from provision of financial information service business was decreased during the year as the business segment continue to scale down.

On the other hand, the service income generated from advertising and investor relationship business continue to increase because of the continuous effort of our Group.

## **SECURITIES BROKERAGE AND ASSETS MANAGEMENT BUSINESS**

The Group through its wholly owned subsidiary, Finet Securities Limited, holds licence under the Securities and Futures Ordinance (“Licence”), to engage in Type 1, 4 and 9 regulated activities. During the year under review, the Group surrendered the Securities and Futures Commission the Licence of Type 2 regulated activities — Dealing in futures contracts. Thus the Group can focus on securities brokerage, placing and underwriting and asset management business.

The commission and brokerage fee from securities dealing for the year ended 31 March 2020 was approximately HK\$6,000 (2019: approximately HK\$274,000).

As at 31 March 2020, the total value of asset under management maintained by the subsidiary was approximately HK\$19 million.

## **FINANCIAL REVIEW**

Revenue of the Group for the year ended 31 March 2020 was approximately HK\$25,991,000 (2019: approximately HK\$19,637,000), which represented an increase of approximately 32.4% as compared to the previous financial year. The net increase was primarily attributable to the increase in income from financial information services, advertising and investor relationship services of approximately HK\$6,806,000.

Other income of the Group for the year ended 31 March 2020 was approximately HK\$3,885,000 (2019: other losses approximately HK\$256,000). The increase in other income was mainly due to: (i) an increase in income from sharing of administrative expenses of approximately HK\$1,568,000; and (ii) decrease in fair value loss on financial assets at fair value through profit or loss of approximately HK\$2,840,000.

Cost of sales of the Group for the year ended 31 March 2020 was approximately HK\$1,876,000 (2019: approximately HK\$2,201,000), which represented a decrease of approximately 14.8% as compared to the previous financial year.

General and administrative expenses of the Group for the year ended 31 March 2020 were increased by approximately HK\$1,773,000 to approximately HK\$46,014,000 (2019: approximately HK\$44,241,000), representing an increase of approximately 4.0% as compared to the previous financial year. The increase was mainly due to the net effect of (i) a decrease in the rental expenses in the PRC office and the studios located in Hong Kong of approximately HK\$1,508,000 during the year; (ii) decrease in the employee benefit expense (excluding the effect of HK\$360,000 of the fair value of share option expenses recognized for the year end 31 March 2020) of approximately HK\$833,000, and the absent of the reversal of impairment loss of contract assets of HK\$4,868,000 as compared to the figures recorded for the year ended 31 March 2019.

Finance costs for the year ended 31 March 2020 were approximately HK\$556,000 (2019: approximately HK\$491,000), which represented the interest charged on bank loans for the investment properties in Hong Kong of approximately HK\$505,000 (2019: approximately HK\$491,000).

Hong Kong taxation expenses for the year ended 31 March 2020 were approximately HK\$268,000 (2019: Nil). Approximately HK\$169,000 was paid during the year ended 31 March 2020 (2019: approximately HK\$158,000) for income tax on rental income for the investment properties of the Company in the PRC. The deferred tax refund of approximately HK\$124,000 (2019: approximately HK\$21,000) was mainly attributable to investment properties in Hong Kong during the year.

Loss after tax for the year ended 31 March 2020 was approximately HK\$19,288,000 (2019: approximately HK\$28,093,000). The significantly dropped in loss for the year ended 31 March 2020 was mainly attributable to (i) an net increase in income from financial information services, advertising and investor relationship services of approximately HK\$6,806,000; (ii) a decrease in fair value loss on financial assets at fair value through profit or loss of approximately HK\$2,840,000; and (iii) a decrease in the rental expenses in PRC office and studio in Hong Kong totally amounting of approximately HK\$1,508,000 as compared to the figures recorded for the year ended 31 March 2019.

Profit attributable to non-controlling interests of approximately HK\$1,005,000 in 2020 (2019: profit attributable to non-controlling interests approximately of HK\$777,000) represented its share of profit or loss in the Group's media business.

The consolidated loss attributable to owners of the Company for the year ended 31 March 2020 was approximately HK\$20,293,000 (2019: approximately HK\$28,870,000).

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 March		
	2020	2019	change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Net current assets	<b>1,515</b>	4,373	(65.4%)
Total assets	<b>112,143</b>	120,723	(7.1%)
Total liabilities	<b>56,032</b>	52,381	7.0%
Total equity	<b>56,111</b>	68,342	(17.9%)
Cash and cash equivalents	<b>8,296</b>	12,749	(34.9%)
Debts to equity ratio	<b>1.0x</b>	0.8x	30.3%
Gearing ratio	<b>0.50x</b>	0.43x	15.2%

As at 31 March 2020, the total assets of the Group decreased by approximately HK\$8,580,000 to approximately HK\$112,143,000 as compared to approximately HK\$120,723,000 as at the end of the previous financial year, representing a decrease of approximately 7.1%.

As at 31 March 2020, the total liabilities of the Group increased by approximately HK\$3,651,000 to approximately HK\$56,032,000 as compared to approximately HK\$52,381,000 as at the end of the previous financial year, representing an increase of approximately 7.0%.

As at 31 March 2020, the total equity of the Group decreased by approximately HK\$12,231,000 to approximately HK\$56,111,000 as compared to approximately HK\$68,342,000 as at the end of the previous financial year, representing a decrease of approximately 17.9%.



## RELATED PARTY TRANSACTIONS

The Group had the following related party transactions during both years:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Income from financial information services received from Top 100 Hong Kong Listed Companies Research Centre Limited ( <i>Note i</i> )	2,520	2,950
Income from sharing of administrative expenses received from Top 100 Hong Kong Listed Companies Research Centre Limited ( <i>Note i</i> )	475	—
Income from sharing of administrative expenses received from International Links Limited ( <i>Note i</i> )	1,716	661
Income from sharing of administrative expenses received from Maxx Capital Finance Limited ( <i>Note i</i> )	1,850	1,812
Rental expenses paid to Cyber Feel Limited ( <i>Note i</i> )	3,675	3,962
Rental expenses paid to Great Heep International Investment Limited ( <i>Note i</i> )	—	330
Loan interest income from the Group's subsidiary director ( <i>Note ii</i> )	—	128
	<u>          </u>	<u>          </u>

*Notes:*

- (i) Maxx Capital Finance Limited, Top 100 Hong Kong Listed Companies Research Centre Limited, Great Heep International Investment Limited, Cyber Feel Limited and International Links Limited are beneficially owned by Ms. LO, the chairman and the executive director of the Company.
- (ii) Finet Finance Limited, a wholly-owned subsidiary of the Company entering into loan agreements with the Borrower, Ms. Chan Kwai Yuet, the Group's subsidiary director, constituted the connected transaction with the Group.

The independent non-executive Directors of the Company have reviewed and confirmed that the continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

HLB Hodgson Impey Cheng Limited (“HLB”), the Company’s auditors, were engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. HLB have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions which are subject to annual review under Rule 20.38 of the GEM Listing Rules. A copy of the auditors’ letter has been provided by the Company to the Stock Exchange.

## **GEARING RATIO**

As at 31 March 2020, the Group’s gearing ratio was approximately 43% (2019: 48%), based on total borrowings of approximately HK\$12,603,000 (2019: approximately HK\$14,436,000) and the loans from shareholder of approximately HK\$22,296,000 (2019: approximately HK\$14,725,000) and total equity of the Group of approximately HK\$56,111,000 (2019: HK\$68,342,000).

## **INVESTMENT HOLDING**

As at 31 March 2020, the Group held financial assets at fair value through profit or loss of approximately HK\$1,013,000 (2019: approximately HK\$1,278,000) representing highly liquid equity securities listed in the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The value of portfolio of listed equity as of 31 March 2020 was approximately HK\$1,013,000 (2019: approximately HK\$1,278,000), the investment represented approximately 0.9% of the Group total assets as at 31 March 2020 (2019: 1.06%). Net fair value loss on financial assets at fair value through profit or loss for the year ended 31 March 2020 was approximately HK\$201,000 (2019: approximately HK\$3,041,000).

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

During the year ended 31 March 2020 and 2019, the Group did not have significant investments or material acquisitions or disposals.

## **CHARGES OF ASSETS**

As at 31 March 2020, the Group’s property, plant and equipment with an aggregate carrying value of approximately HK\$51,120,000 (2019: approximately HK\$52,200,000) was pledged as security for the borrowing facilities of the Group.

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES**

The Group holds investment properties which denominated in RMB. The Group is therefore exposed to currency risks, as the value of the assets will fluctuate due to change in exchange rates.

## **STAFF**

The Group had 84 (2019: 105) full-time employees (including directors) in Hong Kong and the PRC as at 31 March 2020.

During the year, the Group incurred total staff costs (including Directors' emoluments) of approximately HK\$26,162,000 (2019: approximately HK\$26,635,000).

Employees' remuneration are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, commission, discretionary bonus or other incentives are offered to employees to reward their performance and contributions.

The emoluments of the Directors are decided by their individual performance, their responsibilities and the current market rate.

The Company has adopted a share option scheme under which the Company may grant options to Directors and eligible employees to subscribe the shares of the Company.

## **DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES**

The Directors confirmed that they were not aware of any circumstances which would give rise to disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2020. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the year ended 31 March 2020.

## **AUDIT COMMITTEE**

The annual results announcement of the Group for the year ended 31 March 2020 have been reviewed by the audit committee of the Company.

## **EVENT AFTER REPORTING PERIOD**

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Company is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the Company's result of operations, cash flows and financial condition. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak. As at the date on which the publication of the annual report is approved, the Board was not aware of any material adverse impact on the consolidated financial statement as a result of the COVID-19 outbreak.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year ended 31 March 2020.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is committed to maintaining a high standard of corporate governance. The corporate governance principles of the Company emphasize a quality board, sound internal control, transparency and accountability to all shareholders.

The Board has reviewed the Company's corporate governance practices and is of the opinion that the Company has met the provisions set out in the Corporate Governance Code ("CG Code"), contained in Appendix 15 to the GEM Listing Rules during the year ended 31 March 2020, except for the following deviation:

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 the same individual. Ms. LO Yuk Yee was the chairman of the Company since 25 January 2011. Mr. LUM Chor Wah, Richard was appointed as an executive Director and chief executive officer of the Company on 30 September 2010 until 28 June 2011. Thereafter, the post of chief executive officer was vacant and its roles and responsibilities were shared amongst the members of the Board. The Board is presently identifying a suitable candidate to be appointed as the chief executive officer and will make an announcement upon the appointment.

## PROSPECT

The outbreak of COVID-19 in early 2020 severely affected the economic activities in PRC and even the whole world and reduced demand from freezing of marketing spend. The financial market is expected to be challenging in coming year.

We will continue to allocate our resources to strengthen our leading position in providing financial news services. With our competitive edge and strength arising from our integrated multiple platforms in our three vertical websites and two mobile App (Finet.hk, FinTV.hk, Fin.com.cn, FinTV APP, Finet Finance APP), we can achieve a further improvement in our market share in the media industry in China and Hong Kong, and further strengthen our Digital marketing business development.

We will continue to strengthen our sales and marketing team to boost and diversify the Group revenue. Moreover, FinTV is expected to provide strong support to our investor relationship business. Investor relationship business is expected to become our profitable stream (“IR business”) of the Group in the coming years. IR business will both cover the listed companies and pre-IPO assignments. The services that we have been providing include the followings: (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; (5) news distribution for the listed companies and pre-IPO assignments; and (6) online results announcement.

Our outstanding FinTV production team will continue to support the growth and expansion of our IR business.

The Group continues to host the TOP 100 HK awards Ceremony events that created a strong foundation for us to develop the event management business and to achieve lots of reputation and recognition in China included Hong Kong.

Meanwhile, Finet Securities Limited (“Finet Securities”), our securities arm, continue to expand our services including discretionary portfolio management, investment advisory and management of private funds. Finet Securities is expected to generate satisfactory management fee and performance fee income from fund management business in near future,

By order of the Board  
**Finet Group Limited**  
**Lo Yuk Yee**  
*Chairman*

Hong Kong, 29 June 2020

*As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee and Mr. Lee Yu Chung, and the independent non-executive Directors are Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading or deceptive.*

*This announcement will remain on the “Latest Company Announcements” page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its posting and on the website of the Company at [www.finet.hk](http://www.finet.hk).*