Primeview Holdings Limited
領視控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board (the "Board") of directors (the "Directors") of Primeview Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2018, together with comparative figures for the preceding financial year ended 31 March 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
Revenue	3	**59,719**	14,847
Cost of sales		**(38,646)**	(9,016)
Gross profit		**21,073**	5,831
Other income	4	**45**	809
Other gains and losses, net	5	**(141,656)**	3,266
Net gains on disposals of subsidiaries		**–**	516
Selling and distribution expenses		**(3,681)**	(341)
Administrative expenses		**(18,917)**	(22,752)
Finance costs	6	**(15)**	(24)
Loss before income tax	8	**(143,151)**	(12,695)
Income tax expense	7	**(1,888)**	(1,695)
Loss for the year		**(145,039)**	(14,390)
Loss per share			
– Basic and diluted (HK$)	10	**(0.026)**	(0.004)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	2018	2017
	HK$'000	*HK$'000*
Loss for the year	**(145,039)**	(14,390)
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences arising on translation of foreign operations	**5,850**	1,480
Other comprehensive income for the year, net of income tax	**5,850**	1,480
Total comprehensive expense for the year	**(139,189)**	(12,910)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,230**	860
Goodwill	*11*	**2,534**	141,000
Intangible assets		**31,094**	–
Deposits paid		**–**	53,552
		34,858	195,412
CURRENT ASSETS			
Inventories		**1,776**	88
Trade and other receivables	*12*	**76,185**	45,061
Cash and bank balances		**45,033**	44,152
		122,994	89,301
CURRENT LIABILITIES			
Trade and other payables	*13*	**15,772**	5,730
Income tax payable		**9,397**	7,223
Amount due to a director		**258**	–
Obligations under finance lease – current portion		**177**	169
		25,604	13,122
NET CURRENT ASSETS		**97,390**	76,179
TOTAL ASSETS LESS CURRENT LIABILITIES		**132,248**	271,591
NON-CURRENT LIABILITY			
Obligations under finance lease – non-current portion		**45**	222
Deferred tax liabilities		**23**	–
		68	222
NET ASSETS		**132,180**	271,369
CAPITAL AND RESERVES			
Share capital		**55,198**	55,198
Reserves		**76,982**	216,171
TOTAL EQUITY		**132,180**	271,369

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL INFORMATION

Primeview Holdings Limited was incorporated in Bermuda on 30 May 2007 as an exempted company with limited liability under the Bermuda Companies Act 1981 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is Unit D, 16/F, Eton Building, 288 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in development and sale of standard software related applications ("Software sales business"). Upon the completion of the acquisition of the entire equity interest in Magic B2B Limited ("MBB") and Guangzhou Magic Technology Limited ("MJGZ") on 31 October 2017, the Group is also engaged in wholesale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform (the "Integrated Fashion Accessories Platform Business"). Details of the business combination are set out in note 14.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new/revised HKFRSs – effective 1 April 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of the amendments has led to the additional disclosure presented in the notes to the consolidated statement of cash flow.

Except as discussed above, the adoption of these amendments has no material impact on the Group's financial statements.

(b) New, revised HKFRSs that have been issued but not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue Contracts with Customers[1]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HKFRS 16	Leases[2]
HK(IFRIC) – Int 23	Uncertainty Over Income Tax Treatments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

3 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

HKFRS 9 – Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company have reviewed the Group's financial assets as at 31 March 2018 and anticipated that the application of HKFRS 9 in the future may result in early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised cost.

HKFRS 15 – Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipated that the application of HKFRS 15 in the future may result in more disclosures. However, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

Amendments to HKFRS 15 – Clarification to Revenue from Contracts with Customers

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review has been completed.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 March 2018, the Group had non-cancellable operating lease commitments of approximately HK$4,149,000. A preliminary assessment indicated that these arrangement will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-to-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

HK(IFRIC)-Int 22 Foreign Currency Transactions and Advance Consideration

The interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

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

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Except for the above impact, the Directors do not anticipate that the application of the other new and revised HKFRSs will have significant impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the board of Directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

a. Revenue

Revenue represents the net amounts received and receivables that are derived from (i) sales of goods to customers and (ii) sales from E-commerce Business (including sales of software and sales from providing related services) during the year.

b. Segment information

The Group's operating segments, based on information reported to the board of directors of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments were as follows:

Integrated Fashion Accessories Platform Business	Wholesale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform
Software Sales Business	Development and sale of standard software related applications
Retailing and Distribution	Sale of own brand fashion accessories
E-commerce Business	Sales from developing and selling software related applications and provision of related services
CDM Sales	Sale of the customer's chosen level of participation in the design process, concurrently working with the customers in designing the products and sales the same according to the customers' desired final design

Segment revenue and results

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

	E-commerce Business *HK$'000*	CDM Sales *HK$'000*	Integrated Fashion Accessories Platform Business *HK$'000*	Software sales business *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Year ended 31 March 2018						
Revenue						
Segment revenue – external sales	**–**	**–**	**51,320**	**8,399**	**–**	**59,719**
Results						
Segment results	**(275)**	**(1,420)**	**9,100**	**6,136**	**–**	**13,541**
Unallocated income						**45**
Impairment loss of goodwill						**(141,000)**
Unallocated expenses						
– Selling expenses						**(399)**
– Auditor's remuneration						**(1,100)**
– Rental expenses						**(748)**
– Salaries and retirement benefit scheme						**(4,439)**
– Other professional fee						**(6,042)**
– Other unallocated expenses						**(2,994)**
– Finance cost						**(15)**
Loss before income tax						**(143,151)**

	Retailing and Distribution (Mainland China) *HK$'000*	E-commerce Business *HK$'000*	CDM Sales *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Year ended 31 March 2017					
Revenue					
Segment revenue – external sales	8,730	6,117	–	–	14,847
Results					
Segment results	12,661	4,883	764*	–	18,308
Unallocated income					45
Unallocated other gains and losses, net					3,782
Unallocated expenses					
– Auditor's remuneration					(892)
– Rental expenses					(368)
– Salaries and retirement benefit scheme					(4,670)
– Other professional fee					(4,401)
– Other unallocated expenses					(24,476)
– Finance cost					(23)
Loss before income tax					(12,695)

* There were only agency fee income recognised for the CDM sales segment.

4. OTHER INCOME

	2018 *HK$'000*	2017 *HK$'000*
Agency fee income	**–**	764
Interest income	**45**	42
Others	**–**	3
	45	809

5. OTHER GAINS AND LOSSES, NET

	2018	2017
	HK$'000	*HK$'000*
Other gains and losses, net comprise of:		
Net exchange losses	**(564)**	(3,210)
Impairment losses on goodwill	**(141,000)**	(8,647)
Reversal of impairment losses recognised in respect of inventories	**–**	8,032
Reversal of impairment losses recognised in respect of trade receivables	**–**	1,919
Written off of other receivables	**–**	(2,698)
Written back of other payables	**–**	5,266
Written back of trade payables	**–**	2,604
Written-off of property, plant and equipment	**(92)**	–
	(141,656)	3,266

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on obligations under finance lease	**15**	24

7. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**–**	630
– Under/(over)-provision in prior years	**37**	(82)
	37	548
PRC Enterprise Income Tax ("PRC EIT")		
– Current year	**1,855**	1,147
Deferred tax		
– Current year	**(4)**	–
Income tax expense	**1,888**	1,695

Hong Kong Profits Tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the year.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2017: 25%) for the year.

Artini Macao Commercial Offshore Limited was established as a Macao offshore company under the Macao Offshore Law and is exempted from Macao Complementary Tax. No provision for Macao Complementary Tax has been made in the consolidated financial statements as the relevant group entities incurred tax losses for the years ended 31 March 2018 and 31 March 2017.

8. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2018	2017
	HK$'000	*HK$'000*
Staff costs (included directors' remuneration		
Salaries, wages and other benefits	**6,705**	5,580
Share-based payment expenses for the Directors and employees	**–**	873
Contributions to defined contribution retirement plans	**273**	140
	6,978	6,593
Cost of inventories recognised as an expense	**38,646**	8,460
Depreciation of property, plant and equipment	**313**	401
Amortisation of intangible assets	**15**	–
Share-based payment expenses for consultants	**–**	5,747
Auditor's remuneration		
– Audit services	**1,100**	850
– Non-audit services	**700**	42
Operating lease charges in respect of office premises	**953**	801

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year of approximately HK$145,039,000 (2017: HK$14,390,000) and the weighted average of approximately 5,519,840,000 (2017: approximately 3,647,430,000) ordinary shares of the Company in issue during the year.

The basic and diluted loss per share are the same for the years ended 31 March 2018 and 31 March 2017 as the exercise of outstanding share options during the years would have anti-dilutive effect on the loss per share.

11. GOODWILL

	HK$'000
Cost	
As at 1 April 2016	–
Acquisition of a subsidiary *(note 14(b))*	149,647
As at 31 March 2017 and 1 April 2017	149,647
Acquisition of a subsidiaries *(note 14(a)) (Note (b))*	2,534
As at 31 March 2018	**152,181**
Impairments	
As at 1 April 2016	–
Impairment losses recognised in the year *(note 5)*	8,647
As at 31 March 2017 and 1 April 2017	8,647
Impairment losses recognised in the year *(note 5)*	141,000
As at 31 March 2018	**149,647**
Carrying amount	
As at 31 March 2018	**2,534**
As at 31 March 2017	141,000

Notes:

(a) Goodwill arises from acquisition of Primeview Technology Limited ("PVT") on 31 October 2016 (note 14(b)). The goodwill is allocated to the cash generating unit ("CGU") of the E-commerce Business.

During the year ended 31 March 2018, the management has determined that an impairment loss of HK$141,000,000 in relation to goodwill allocated to the CGU of the E–commerce Business as the business was inactive since the resignation of PVT's management during the year and the recoverable amount of the CGU is less than its carrying amount. The management does not expect PVT to operate at a profit in the foreseeable future. The estimated recoverable amount of the CGU is determined from fair value less cost of disposal calculation by reference to the valuation carried out by an external independent valuer by using market approach. The valuer assumed that the carrying amount of the PVT's current assets and current liabilities were almost equal to their fair value, and it is considered that the recoverable amount of the CGU of the E-commerce Business as a whole was approximately HK$13,000,000, which is HK$141,000,000 less than its carrying amount. Except for the goodwill, the major assets of the CGU of the E-commerce Business was cash and bank balances, property, plant and equipment, and receivables from fellow subsidiaries, which recoverable amounts were almost the same as their carrying amount, therefore, no impairment loss on the other assets is recognised.

The goodwill is tested for impairment as at 31 March 2017 based on value in use calculation using cash flow projection and impairment losses of approximately HK$8,647,000 is being identified as the recoverable amount of the CGU was less than its carrying amount.

The recoverable amounts of the CGU has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3%.

	2017
Discount rate	16.46%
Operating margin	91-93%
Growth rate within the five-year period	10%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience.

(b) Goodwill arises from acquisition of MBB and MJGZ on 31 October 2017 (note 14(a)). This goodwill is allocated to the CGU of Integrated Fashion Accessories Platform Business.

The recoverable amounts of the CGU has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3%.

	2018 MBB	**2018 MJGZ**
Discount rate	**13.67%**	**16.56%**
Operating margin	**24.14-25.77%**	**20.50-21.55%**
Growth rate within the five-year period	**3.00-20.51%**	**3.00-7.62%**

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience.

12. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**16,155**	43,384
Less: Allowances	**(15,257)**	(15,257)
Trade receivables, net	**898**	28,127
Rental deposits	**243**	144
Trade Deposit paid	**20,960**	–
Prepayments	**219**	41
Other receivables, net of allowances	**53,865**	16,749
	75,287	16,934
	76,185	45,061

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods and sales from the E-commerce Business. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

As at 31 March 2018, included in other receivables were receivables from a few independent third parties. All these balances have been fully settled subsequently.

As at 31 March 2017, included in other receivables were receivables from two customers amounting to approximately HK$11,252,000 in relation to agency fee income and amounts due from two independent individuals amounting to HK$5,500,000. All these balances have been fully settled during the financial reporting period.

The Group generally allows an average credit period of 30 to 180 days (2017: 30 to 180 days) to its customers. The ageing analysis of the Group's trade receivables presented (net of allowances) based on invoice date as at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**882**	2,000
31 – 60 days	**10**	1,800
61 – 90 days	**6**	15,767
91 – 180 days	**–**	8,560
	898	28,127

The ageing analysis of trade receivables which are past due but not impaired is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days past due	**6**	9,767
31 – 60 days past due	**–**	4,550
91 – 180 days past due	**–**	3,000
181 – 365 days past due	**–**	7,010
	6	24,327

13. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**3,111**	779
Receipts in advance	**3,624**	57
Value-added tax and other tax payables	**2,540**	1,236
Payrolls and staff cost payables	**315**	201
Other payables	**6,182**	3,457
	15,772	5,730

The Group's trade payables principally comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit term of 30 to 90 days (2017: 30 to 90 days).

The ageing analysis of the Group's trade payables presented based on invoice date as at the end of the reporting period is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 3 months	**1,489**	88
Over 1 year	**1,622**	691
	3,111	779

During the year ended 31 March 2017, the directors of the Company identified certain trade payables and other payables, amounting to approximately HK$2,604,000 and HK$5,266,000, respectively, and considered these trade and other payables were no longer payable. As a result, a written back of trade payables and a written back of other payables of approximately HK$2,604,000 and HK$5,266,000, respectively, were recognised to other gains and losses, net for the year ended 31 March 2017.

14. BUSINESS COMBINATION

(a) Acquisition of the entire equity interests of companies providing online product listing and wholesale services

On 31 October 2017, China Regent Investments Limited ("CRL"), a wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest in Guangzhou Wei Ya Smart Technology Limited (廣州唯亞智能科技有限公司) ("Wei Ya Guangzhou") and Viennois Online Limited ("Viennos Hong Kong") from Mr. Tse Chi Ho, an associate of Mr. Tse Hoi Chau being a director of the Company, (the "Vendor A") for an aggregate consideration of HK$2,500,000 (the "Acquisition A"). The principal business of Wei Ya Guangzhou and Viennos Hong Kong is engaged in operating online platforms providing fashion jewellery products listing services (including marketing artwork design, photo-taking) to business customers in both the PRC and other regions who are mainly fashion accessories manufacturers. After the completion of acquisition, Wei Ya Guangzhou and Viennos Hong Kong are renamed as Guangzhou Magic Technology Limited (廣州市碼吉科技有限公司) ("MJGZ") and Magic B2B Limited ("MBB") respectively.

Further details of the above transactions are set out in the Company's announcements dated 18 October 2017.

The fair value of the identifiable assets and liabilities of MJGZ and MBB as at the date of Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

	MJGZ Carrying amount	MBB Carrying amount	Total Carrying amount	Fair value
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Property, plant and equipment	3	–	3	3
Intangible assets	–	–	–	109
Deferred tax liabilities	–	–	–	(27)
Trade and other receivables	6	209	215	215
Cash and cash equivalents	11	206	217	217
Trade and other payables	(236)	(111)	(347)	(347)
Income tax payable	–	(204)	(204)	(204)
Total identifiable net assets acquired	(216)	100	(116)	(34)
Goodwill				2,534
Purchase consideration				2,500
Net cash outflow arising on the Acquisition:				
Cash consideration				(2,500)
Cash and cash equivalents acquired				217
				(2,283)

On 18 October 2017, the Acquisition of MJGZ and MBB is for the diversification of the Group's business and the managements considered goodwill arising from the Acquisition is attributable to the knowledge and experience of the management of MJGZ and MBB which is valuable to the development and expansion of the integrated fashion accessories platform business.

Revenue generated by MJGZ and MBB since the date of its Acquisition up to 31 March 2018 amounted to HK$51,320,000 and it made an operating profits of HK$9,125,000 during that period. Had the Acquisition taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been approximately HK$66,710,000 and HK$142,480,000 respectively. The cost of the Acquisition is immaterial.

(b) Acquisition of the entire equity interests of PVT

On 31 October 2016, Artini Sales Company Limited ("ACL"), a wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest in PVT from Stand Charm Limited ("Stand Charm") and Dragon Max Enterprises Limited ("Dragon Max") (collective referred to as the "Vendors") for an aggregate consideration of HK$160,000,000 (the "Acquisition"). The principal business of PVT is engaged in developing and selling software related applications which can be purchased by businesses to facilitate e-commerce of their products and services.

Further details of the above transactions are set out in the Company's announcements dated 13 April 2016, 4 May 2016, 25 May 2016, 15 June 2016, 30 June 2016, 17 August 2016, 7 September 2016, 29 September 2016 and 31 October 2016, and the circular of the Company dated 17 August 2016.

The fair value of the identifiable assets and liabilities of PVT as at the date of Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

	Carrying amount *HK$'000*	**Fair value** *HK$'000*
Property, plant and equipment	382	394
Trade and other receivables	17,827	17,827
Cash and cash equivalents	929	929
Trade and other payables	(3,342)	(3,342)
Income tax payable	(5,455)	(5,455)
Total identifiable net assets acquired	10,341	10,353
Goodwill		149,647
Purchase consideration		160,000
Net cash outflow arising on the Acquisition:		
Cash consideration		(160,000)
Cash and cash equivalents acquired		929
		(159,071)

The Acquisition of PVT is for the diversification of the Group's business and the managements considered goodwill arising from the Acquisition is attributable to the knowledge and experience of PVT's management which is valuable to the development and expansion of the E-commerce Business.

Revenue generated by PVT since the date of its Acquisition up to 31 March 2017 amounted to HK$6,117,000 and it made an operating profits of HK$4,485,000 during that period. Had the Acquisition taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been approximately HK$31,472,000 and HK$10,732,000 respectively. The cost of the Acquisition is immaterial.

15. EVENTS AFTER REPORTING PERIOD

Delisting stage

On 4 May 2018, the Company received a letter from The Stock Exchange of Hong Kong Limited informing its decision to place the Company into second delisting stage under Practice Note 17 of the listing rule. Further details are set out in the Company announcement dated 13 April 2018 and 7 May 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the year ended 31 March 2018 (the "Year"), the Group recorded a total revenue of approximately HK$59,719,000 (2017: HK$14,847,000), representing an increase of approximately 302.2% as compared to last financial year. Gross profit was approximately HK$21,073,000 (2017: HK$5,831,000) for the Year and loss for the Year amounted to approximately HK$145,039,000 (2017: HK$14,390,000).

BUSINESS REVIEW

The Group's main businesses are broadly divided into (i) fashion accessories businesses and (ii) software businesses.

Fashion Accessories Businesses

The fashion accessories businesses mainly comprise of retail and distribution segment and integrated fashion accessories platform segment.

The Group's retail and distribution segment mainly focused on the operation of retail distribution network to sell fashion accessories under its own brand name of "Artini" in the PRC. Due to the recent change in customers' shopping behavior in the PRC and to minimise incurring of fixed costs in operating brick and mortar shops, in recent years the Group has gradually shifted its business strategy in this segment from physical retail shops to online distribution channel and during the year ended 31 March 2017, the Group closed down all its retailing points. During the Year, the Group did not generate revenue from the retail and distribution segment as compared to that of approximately HK$8,730,000 during the year ended 31 March 2017 for a one-off sale of remaining obsolete inventories to wholesalers.

Although the retail and distribution business had gradually diminished operations, the management of the Group remained confident about the fashion accessories industry and believed that a shift of its mode of selling fashion accessories products in response to the modern shopping patterns is the key to the revitalisation of the fashion accessories businesses. In October 2017, the Group acquired entire equity interests in Viennois Online Limited and Guangzhou Wei Ya Smart Technology Limited* (collectively "Online Platform Group"). Online Platform Group is principally engaged in the business of operating online platforms providing fashion jewellery products listing services to business customers all over the world. Subsequent to this acquisition, the Group commenced its business of integrated fashion accessories platform segment, and this new business segment brought approximately HK$51,320,000 revenue to the Group during the Year.

* *For identification purposes only*

Software Businesses

In October 2016, the Group acquired the entire equity interest in PVT, and started the new software businesses of developing and selling of software related applications. The software businesses further comprise of e-commerce segment and software sales segment. The e-commerce segment mainly focus on development and sale of tailor-made software related applications which can be purchased by businesses to facilitate distribution of their products and services via e-commerce, while the software sales segment mainly represented the development and sale of standard software related applications to the Group's customers in the fashion accessories businesses who were in need of those standard software for the development of their business. Total revenue for the whole software businesses of the Year was approximately HK$8,399,000 (2017: HK$6,117,000).

PROSPECTS

Since the acquisition of Online Platform Group during the Year, the Group decided to allocate more resources on the development of the integrated fashion accessories platform segment which was expected to generate more revenue and with larger potential growth, the Group will shift all of its available resources on hand from the software businesses to the integrated fashion accessories platform business. The Group will keep exploring and launching new types of services and variety range of products it offers to customers and develop different digital marketing channels to reach a broader geographical spread of customers.

Moving forward, the Group plans to further diversify the existing business stream by introducing a line of business which involves tailor-made fashion accessories products according to customers' specifications. The preliminary business model involves (i) receiving orders from customers (including retailers, resellers and end-customers), (ii) designing the products by the Group's designers, and (iii) procuring suppliers to produce the products for delivery to customers. The Group is currently lining up its team of designers, sourcing fashion accessories suppliers as strategic partners, and contacting potential customers.

The Group will continue to evaluate the current business strategies and explore suitable business opportunities to create and nurture new profit growth drivers which in time will bring sustainable and stable development to the Group, and in return safeguard the interest of the shareholders of the Company.

Financial Review

Revenue

Revenue of the Group for the Year amounted to approximately HK$59,719,000 (2017: HK$14,847,000), representing an increase of approximately 302.2% from that of 2017. The increase in the Group's revenue during the Year was mainly attributable to the additional turnover from the new integrated fashion accessories platform segment of approximately HK$51,320,000, offset with the decrease in the revenue from the retail and distribution segment of approximately HK$8,730,000. Details of which are as set out under the section headed "Business Review".

Cost of sales

The Group's cost of sales for the Year was approximately HK$38,646,000 (2017: HK$9,016,000), representing an increase of approximately 328.6%. The increase in cost of sales is in line with the increase in the Group's revenue.

Other gains and losses

The Group's other gains and losses for the Year was losses of approximately HK$141,656,000 (2017: gains of approximately HK$3,266,000). The changes from gains in last financial year to losses in current year was primarily due to the impairment losses on goodwill of approximately HK$141,000,000 recognised during the Year. As at 31 March 2017, the Group recognised a goodwill arising from the acquisition of PVT of approximately HK$141,000,000. Such goodwill has been allocated to the CGU of the e-commerce business segment. The Group has performed the annual assessment of impairment on goodwill based on the recoverable amount of the e-commerce business CGU, and the goodwill was fully impaired in the Year due to the revision of the Group's future business development plan that the Group decided to allocate more resources on the development of the integrated fashion accessories platform business with larger potential growth.

Selling and distribution expenses

The Group's selling and distribution expenses for the Year was approximately HK$3,681,000 (2017: HK$341,000), representing an increase of approximately 979.5%. The increase in the Group's selling and distribution expenses during the Year was mainly attributable to the large sum of distribution costs such as logistics and shipping costs and the marketing and promotion expenses for the new integrated fashion accessories platform segment in the Year, and is in line with the increase in the Group's revenue.

Administrative expenses

The Group's administrative expenses for the Year was approximately HK$18,917,000 (2017: HK$22,752,000), representing a decrease of approximately 16.9%. The decrease in the Group's administrative expenses was mainly due to the absence of the share-based payment expenses for consultants incurred during the year ended 31 March 2017 of approximately HK$5,747,000.

Loss for the Year

As a result of the foregoing, the Group's loss for the Year was approximately HK$145,039,000 (2017: HK$14,390,000).

Dividend

The Board does not recommend the payment of any final dividend for the year ended 31 March 2018 (2017: Nil).

Capital structure

There has been no change in the capital structure of the Group during the Year. The capital of the Group only comprises ordinary shares.

Foreign exchange exposure

The major business activities of the Group take place in the PRC and Hong Kong. Accordingly, the potential foreign exchange exposure of the Group is mainly attributable to fluctuations of Renminbi. The Group has not used or has no plan to use any forward contract or other derivative products to hedge exchange rates exposure as the management considers it more difficult to monitor and manage the risks arising from such forward contracts or derivative products. The management of the Group will, nonetheless, continue to monitor the Group's foreign currency risks exposures and consider adopting prudent measures as appropriate.

Charges on assets

As at 31 March 2018 and 2017, the Group did not have any charges on its assets.

Discloseable and Connected Transaction in relation to Acquisition of Online Retail Platform Business

On 18 October 2017, the Board announced that China Regent Investments Limited (the "Purchaser"), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Mr. Tse Chi Ho (the "Vendor") for the acquisition of the Online Platform Group, which are wholly-owned by the Vendor at consideration of HK$2.5 million (the "Acquisition").

The Vendor, is the son of Mr. Tse Hoi Chau, an executive Director and the chairman of the Board and the controlling shareholder of the Company, and Ms. Yu Zhonglian, an executive Director. The Vendor is also the nephew of Mr. Lin Shao Hua, an executive Director.

The Vendor is an associate of Mr. Tse Hoi Chau, who is a connected person of the Company under Rule 14A.07 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and accordingly the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Besides, as one of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition were more than 5% but less than 25% and the total consideration being less than HK$10,000,000, Acquisition constituted a discloseable transaction and connected transaction which is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of Acquisition has been set out in the announcement of the Company dated 18 October 2017.

Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Group had no significant investments held and no material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year. The Group continues to seek opportunities to acquire and cooperate with international customers in order to generate better returns for its shareholders. In addition, the Board will decide what the best available source of funding is for investments and acquisitions when suitable opportunities arise.

Employees and emoluments

As at 31 March 2018, the Group had 27 employees (2017: 14), and the total staff cost including Directors' emoluments amounted to approximately HK$6,978,000 (2017: HK$6,593,000). To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasises on communication with employees and continually developing paths for staff promotion.

Liquidity and financial resources

During the Year, the Group generally financed its operations with internally generated resources and its own working capital. As at 31 March 2018, the Group had cash and cash equivalents of approximately HK$45,033,000 (2017: HK$44,152,000). As at 31 March 2018 and 2017, there was no undrawn general banking facilities available to the Group, and the Group did not have any outstanding borrowing. The Group monitors its capital structure on the basis of gearing ratio, which is calculated as total liabilities over total equity. The gearing ratio of the Group was approximately 19.4% as at 31 March 2018 (2017: approximately 4.9%).

Capital commitments

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

Operating lease commitments

The Group's operating lease commitments are primarily related to the leases of its office premises, and amounted to approximately HK$4,149,000 and HK$924,000 as at 31 March 2018 and 2017, respectively.

Contingent liabilities

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2018.

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the Shareholders as a whole. The Directors continuously observe the principles of good corporate governance in the interests of shareholders of the Company and devote considerable effort to identifying and formalizing best practice.

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Listing Rules. Save as disclosed below, the Company has complied with all the provisions in the CG Code during the year ended 31 March 2018.

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 21 June 2013 onwards, the roles of chairman and chief executive of the Company were performed by Mr. Tse Hoi Chau.

The Board considers that the vesting of the roles of chairman of the Board and chief executive of the Company in the same individual is beneficial to the business prospects and management of the Company. The Board will review the need of appointing suitable candidate to assume the role of chief executive officer if and when necessary.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the year ended 31 March 2018.

CHANGE OF AUDITOR

On 27 March 2018, the Company received a resignation letter from Moore Stephens CPA Limited ("Moore Stephens") as auditor of the Company with effect from 27 March 2018, as the Company takes consideration of their available internal resources in light of their current work flows. On the same day, the Company engaged BDO Limited as the Company's auditor to fill the casual vacancy following Moore Stephens's resignation. Further details regarding the change of auditor are set out in the Company's announcement dated 29 March 2018.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 23 April 2008 with written terms of reference adopted by the Company on 29 February 2016 in compliance with the CG Code. As at the date of this announcement, the Audit Committee comprised three members, all being independent non-executive Directors, namely Mr. Lau Fai Lawerence (Chairman), Mr. Lau Yiu Kit and Mr. Zeng Zhaohui. The Audit Committee has held meetings with the Company's auditor, BDO Limited to discuss the auditing, risk management and internal control systems and financial reporting matters of the Group. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 March 2018.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following has been extracted from the independent auditor's report issued by BDO Limited, the Company's auditor, to be incorporated in the annual report to be issued by the Company and it is not expected to be amended prior to issue of that report:

Qualified Opinion

We have audited the consolidated financial statements of Primeview Holdings Limited (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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, except for the possible effects of the matters described in the "BASIS FOR QUALIFIED OPINION" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

(a) Revenue of E-commerce Business

During the year ended 31 March 2017, the Group had acquired the entire equity interest in Primeview Technology Limited ("PVT"), whose principal activity was developing and selling software related applications which could be purchased by businesses to facilitate e-commerce of their products and services (the "E-commerce Business").

The revenue generated from the E-commerce Business for the year ended 31 March 2017 amounted to approximately HK$6,117,000 ("Revenue of E-commerce Business"). Due to most of the communications between the staff of PVT and the customers were conducted verbally, the management did not maintain the supporting documents, in particular, relating to the final form of the user-interface. Accordingly, the directors of the Company were unable to provide the predecessor auditors with the relevant supporting documents for the Revenue of E-commerce Business for the year ended 31 March 2017. The Group abandoned the E-commerce Business during the year ended 31 March 2018.

Due to lack of supporting documents of the Revenue of E-commerce Business, the predecessor auditors were unable to obtain sufficient appropriate audit evidence relating to the Revenue of E-commerce Business included in the profit or loss of the Group. Specifically, the predecessor auditors were unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the occurrence of the Revenue of E-commerce Business recognised as revenue by the Group during the year ended 31 March 2017.

In addition, the Group had recognised certain advertising expenses amounting to approximately HK$21,426,000 and subsequently reversed the same during the year ended 31 March 2017. The predecessor auditors were unable to satisfy themselves regarding the occurrence and completeness of the advertising expenses.

Among other limitations in their scope of work, the auditor disclaimed their opinion on the consolidated financial statements for the year ended 31 March 2017. The above-mentioned limitations remain unresolved in our audit of the consolidated financial statements for the year ended 31 March 2018. Our opinion on the consolidated financial statements for the year ended 31 March 2018 was also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

(b) Valuation and recoverability of goodwill and interests in subsidiaries relating to the E-commerce Business

As mentioned above, during the year ended 31 March 2017, the Group had acquired the E-commerce Business. The details of the acquisition of PVT are set out in Note 14(b) to the consolidated financial statements. The goodwill arising from the acquisition of PVT, amounting to approximately HK$149,647,000, had been allocated to the E-commerce Business cash-generating unit ("E-commerce Business CGU").

In accordance with Hong Kong Accounting Standard 36 *Impairment of Assets*, the management carried out assessment of impairment of the Group's goodwill and the Company's interests in subsidiaries relating to the E-commerce Business as at 31 March 2017. The impairment assessment had been performed by comparing the carrying amount and the recoverable amount of the E-commerce Business CGU. As a result of the impairment assessment, impairment loss was recognised by the Group to write down the goodwill relating to the E-commerce Business (the "E-commerce Business Goodwill") to HK$141,000,000. However, the predecessor auditors were unable to satisfy themselves as to whether the impairment of the E-commerce Business Goodwill of HK$8,647,000 recognised in the Group's profit or loss for the year ended 31 March 2017 was free from material misstatements.

The E-commerce Business was formally abandoned in September 2017. The management carried out assessment of impairment of the Group's E-commerce Business Goodwill and, as a result, impairment loss was recognised by the Group to fully write off the remaining E-commerce Business Goodwill of HK$141,000,000 for the year ended 31 March 2018.

Among other limitations in their scope of work, the auditor disclaimed their opinion on the consolidated financial statements for the year ended 31 March 2017. The above-mentioned limitation remain unresolved in our audit of the consolidated financial statements for the year ended 31 March 2018. Any adjustment to the carrying amount of the E-commerce Business Goodwill as at 31 March 2017 would affect the amount of write off recognised in consolidated profit or loss for the year ended 31 March 2018. As a result, we were unable to satisfy ourselves as to whether the impairment loss of the E-commerce Business Goodwill of HK$141,000,000 recognised in the Group's profit or loss for the year ended 31 March 2018 was free from material misstatements and the carrying amounts of E-commerce Business Goodwill as at 31 March 2018 and 31 March 2017 may not be comparable. Our opinion on the consolidated financing statements for the year ended 31 March 2018 was modified accordingly.

(c) Agency fee income

During the year ended 31 March 2017, the Group had made some sales of fashion accessories and considered that in substance the Group had been acting as an agent in these sales transactions ("Agency Fee Income"). Due to the directors of the Company considered that the Group fulfilled its responsibilities as an agent upon lining up the customers and suppliers, the management did not maintain any relevant supporting documents relating to the delivery and receipt of the goods. Accordingly, the directors were unable to locate the supporting documents for the Agency Fee Income for the year ended 31 March 2017. For the purpose of preparing the consolidated financial statements for the year ended 31 March 2017, there was Agency Fee Income of approximately HK$764,000 included as part of other income in the profit or loss. The Group has not acted as an agent in fashion accessories sales transaction in the year ended 31 March 2018.

Due to lack of supporting documents of the above, the predecessor auditors were unable to obtain sufficient appropriate audit evidence and explanations in relation to the above Agency Fee Income included in the profit or loss of the Group for the year ended 31 March 2017, and the related net receivables of approximately HK$11,251,000 as at 31 March 2017. Specifically, the predecessor auditors were unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, occurrence, valuation, ownership, classification, disclosures and presentation of the Agency Fee Income for the year ended 31 March 2017 undertaken by the Group.

Among other limitations in their scope of work, the auditor disclaimed their opinion on the consolidated financial statements for the year ended 31 March 2017. The above-mentioned limitation remain unresolved in our audit of the consolidated financial statements for the year ended 31 March 2018. Our opinion on the consolidated financial statements for the year ended 31 March 2018 was modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

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 "Auditor's 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 qualified opinion.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement of the Group's annual results for the year ended 31 March 2018 is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.primeview.com.hk.

The 2018 annual report of the Company will be dispatched to the shareholders of the Company and will be made available on the above websites in due course.

At the request of the Company, trading in the shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 July 2017 and will remain suspended until further notice.

By order of the Board
Primeview Holdings Limited
Tse Hoi Chau
Chairman

Hong Kong, 29 June 2018

As at the date of this announcement, the executive Directors are Mr. Tse Hoi Chau (Chairman), Mr. Lin Shao Hua, Mr. Leung Yiu Cho and Ms. Yu Zhonglian; and the independent non-executive Directors are Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Zeng Zhaohui.

* *For identification purposes only*