



TradeGo FinTech Limited

捷利交易寶金融科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8017

2019

139.30

147.80

168.30

INTERIM REPORT





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

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

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

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

## Corporate Information

### DIRECTORS

#### Executive Directors:

Mr. LIU Yong (*Chairman of the board of Directors and Chief Executive Officer*)

Mr. WAN Yong

Mr. LIAO Jicheng

#### Non-executive Director:

Mr. LIN Hung Yuan

#### Independent Non-executive Directors:

Ms. JIAO Jie

Mr. MAN Kong Yui

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

### AUDIT COMMITTEE

Dr. LOKE Yu (*Chairman*)

Ms. JIAO Jie

Mr. MAN Kong Yui

### REMUNERATION COMMITTEE

Mr. MAN Kong Yui (*Chairman*)

Mr. LIU Yong

Ms. JIAO Jie

### NOMINATION COMMITTEE

Mr. LIU Yong (*Chairman*)

Ms. JIAO Jie

Mr. MAN Kong Yui

### COMPANY SECRETARY

Ms. CHEN Chun

### AUTHORISED REPRESENTATIVES

Mr. LIU Yong

Ms. CHEN Chun

### COMPLIANCE OFFICER

Mr. WAN Yong

### AUDITOR

KPMG

### STOCK CODE

8017

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited

PO Box 1350

Clifton House, 75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

208, 2/F, Fenghua Technology Tower

7th Street Hi-Tech South Road

Yuehai Street Technology Park

Nanshan District, Shenzhen

the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 10, 16th Floor

Hong Kong Plaza

188 Connaught Road West

Hong Kong

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

Estera Trust (Cayman) Limited

PO Box 1350

Clifton House, 75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

### COMPLIANCE ADVISER

Essence Corporate Finance (Hong Kong) Limited

39/F., One Exchange Square

Central, Hong Kong

### LEGAL ADVISER AS TO HONG KONG LAWS

Adrian Yeung & Cheng Solicitors

### PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

Bank of China Tower

1 Garden Road

Hong Kong

### COMPANY'S WEBSITE

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

## Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of Directors of TradeGo FinTech Limited, I am pleased to present you with the interim report of the Company and its subsidiaries for the six months ended 30 September 2019 (the "Reporting Period").

The financial results of the Group for the Reporting Period is encouraging even though there was a difficult time in the financial market. During the Reporting Period, the global financial market was impacted by many uncertainties such as the Sino-U.S. trade war and the turmoil of Hong Kong market, which led to the high volatility of the Hong Kong stock market. As a result of the uncertainty of the Group's development, the Group will be more cautious about its future development plans. Meanwhile, the set-up of Guangdong-Hong Kong-Macao Greater Bay Area brings the Group unprecedented development opportunities and competitive challenges. During the Reporting Period, the Group continued to increase investment in research and development to vigorously expand its front office trading system services and entered into new front office trading system services contracts with 5 Hong Kong brokerage firms. As at 30 September 2019, with the in-depth development of financial technology in the securities service business, 19 Hong Kong brokerage firms selected the Group as their supplier of online account opening appointment services and 35 brokerage firms selected us as their supplier of cloud infrastructure services.

During the Reporting Period, our global futures trading platform (the "**Futures Platform**") has gained the trust of a new customer, with which we signed new service agreements, and we are negotiating cooperation agreements with potential customers. Since the Futures Platform was officially launched in January 2019, more than 110,000 contracts in aggregate have been traded through it. The Futures Platform allows investors to conduct global futures trading any hours of the day via mobile phones or personal computers. Management believes that the number of futures contracts trading through the Futures Platform per month will continue to rise in the future.

The equity interest incentive system for management staff developed by the Group was well received by the market. A Hong Kong brokerage firm has signed new cooperation agreements with us. With the support of our system, we believe that the client will be able to secure business opportunities with listed companies.

The number of registered users of the Group's open securities trading platform software, TradeGo Pro, was 123,062 as at 30 September 2019 (104,620 as at 30 September 2018), increased by approximately 18,442 or 17.6%. As an open securities trading platform for individual investors, we are proud that TradeGo Pro has attracted more and more registered users and the investors in IPO market appreciate the trading data service of AiPO in TradeGo Pro.

The Group has been committed to providing better services and more popular products to both institutional and individual customers in the Hong Kong financial securities market. I believe that with our development experience and customer base accumulated over years, the Group will continue to maintain its position as a market leader in providing integrated securities trading platform to Hong Kong brokerage firms.

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

**Mr. LIU Yong**

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 8 November 2019

## Highlights

- Revenue of the Group for the Reporting Period amounted to HK\$21,871,882 (for the six months ended 30 September 2018: HK\$24,385,993), representing a decrease of 10.3% as compared with the six months ended 30 September 2018 (the “Corresponding Period”).
- The net profit of the Group for the Reporting Period was approximately HK\$5,886,305 (for the six months ended 30 September 2018: a loss of approximately HK\$(9,546,635)).
- The number of registered users of our open securities trading platform software “TradeGo Pro” increased by approximately 18,442 or 17.6% to approximately 123,062 as at 30 September 2019 (approximately 104,620 as at 30 September 2018).
- The basic earning per share attributable to owners of the Company for the six months ended 30 September 2019 was HK cent 1.22 (for the six months ended 30 September 2018: the basic loss per share attributable to owners of the Company of approximately HK cent 2.76).
- The board of Directors does not declare the payment of any dividend for the six months ended 30 September 2019 (for the six months ended 30 September 2018: Nil).

## Management's Discussion and Analysis

The Group was one of the leading integrated securities trading platform service providers serving primarily Hong Kong brokerage firms<sup>Note 1</sup> and their clients. The Group's Hong Kong brokerage firm customers are all Category B<sup>Note 2</sup> and Category C<sup>Note 3</sup> Exchange Participants<sup>Note 4</sup>. The Group's integrated securities trading platform services mainly consist of front office trading system services, market data services and value-added services.

With the new feature incorporating the initial public offering information (“**AiPO**”) into the TradeGo Pro and the recent increasing active capital market for new issues in Hong Kong, more and more IPO investors were attracted to use the TradeGo Pro. In addition to a larger market database on IPOs, AiPO provides a user friendly interface.

The Group is confident in the future of business development, with the continuous increase in the number of exchange participants in Hong Kong, with the increase of new products and services such as futures trading platforms which have begun to help the Group's revenue.

### BUSINESS REVIEW

During the Reporting Period, the integrated securities trading platform services remained the major source of income of the Group. The Group signed the new front office trading system services contracts with 11 Hong Kong brokerage firms. The number of registered users of the Group's open securities trading platform software “TradeGo Pro” increased by approximately 18,442 or 17.6% to approximately 123,062 as at 30 September 2019 (approximately 104,620 as at 30 September 2018). The increase of registered users of TradeGo Pro was benefited from the implementation of various promotion activities and the expansion of AiPO's influence in the IPO market. The Group will focus on marketing the AiPO launched on TradeGo Pro by online promotion and publication to attract more registered users.

During the Reporting Period, the Group launched the data-based product “AiH”, a product to trace the information of the stocks listed on the Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect regime.

Furthermore, one more institutional customer adopted the global futures trading platform developed by the Group with the support of other software developer. This platform, which is a front-end, front-office and back-office integrated trading system, enables investors to conduct global futures transactions in a faster and safer manner through mobile and personal computer. The Group expects more and more institutional customers to select this platform to serve their clients. This platform will contribute more to the Group's revenue as a new product line in the future.

During the Reporting Period, the Group continued to look for a suitable place with reasonable costs to establish a marketing centre in Hong Kong to promote its market position. The establishment of the Guangdong-Hong Kong-Macau Greater Bay Area has brought unprecedented development opportunities and competition challenges to the Group. It has also stimulated the property leasing costs of the Bay Area and brought uncertainty to the Group's plan to establish a domestic R&D center in Shenzhen, the PRC.

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

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

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

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

## Management's Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue and Direct Cost

Revenue of the Group for the Reporting Period was approximately HK\$21,871,882 (for the six months ended 30 September 2018: approximately HK\$24,385,993), representing a decrease of approximately HK\$2,514,111 or 10.3% as compared with that of the Corresponding Period. Such decrease in revenue of the Group for the Reporting Period was primarily attributable to the decrease in revenue from the market data services and value-added services as a result of the decrease in stock market trading activities of Hong Kong.

Direct cost of the Group for the Reporting Period was approximately HK\$5,520,515 (for the six months ended 30 September 2018: approximately HK\$5,730,719), representing a slight decrease of approximately HK\$210,204 or 3.7% as compared with that of the Corresponding Period.

#### Other gains, net

The Group's other income for the Reporting Period amounted to HK\$2,565,482 (for the six months ended 30 September 2018: HK\$(42,703)). The improvement was mainly due to the increase in exchange gain and government grants.

#### Staff Costs

The Group's staff costs for the Reporting Period amounted to approximately HK\$6,456,872 (for the six months ended 30 September 2018: approximately HK\$11,345,092), representing a decrease of HK\$4,888,220 or 43.1%. The decrease was due to the increase in capitalization of R&D projects.

#### Depreciation and Amortisation

The Group's depreciation and amortisation expenses for the Reporting Period amounted to approximately HK\$2,186,298 (for the six months ended 30 September 2018: approximately HK\$1,670,632), representing an increase of HK\$515,666 or 30.9%. The increase was due to the increase in amortisation of internally developed software system.

#### Selling, General and Administrative Expenses

The Group's selling, general and administrative expenses for the Reporting Period amounted to approximately HK\$4,387,374 (for the six months ended 30 September 2018: approximately HK\$2,996,852), representing an increase of HK\$1,390,522 or 46.4%. The increase was due to the increase in legal and professional fees, advertising fees and other administrative expenses.

#### Profit for the Reporting Period

During the Reporting Period, the Group recorded a profit of HK\$5,797,507 (for the six months ended 30 September 2018: loss of HK\$10,374,895), representing an increase of HK\$16,172,402. Such change in the Group's financial performance was primarily attributable to the increase in other income and the decrease in the staff costs and listing expenses.

## Management's Discussion and Analysis

### LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2019, the Group held bank and cash balance of approximately HK\$45,335,720 (as at 31 March 2019: approximately HK\$48,657,816) and HK\$111,629 (as at 31 March 2019: approximately HK\$260,340) respectively. Net current assets amounted to approximately HK\$38,298,377 (as at 31 March 2019: approximately HK\$38,730,100). Approximately 65.7% of the Group's cash and cash equivalents were denominated in Hong Kong dollars ("**HK\$**"), and the remaining was denominated in Renminbi ("**RMB**") and United States dollars. Current ratio (defined as total current assets divided by total current liabilities) was approximately 3.68 times (as at 31 March 2019: approximately 3.04 times).

As at 30 September 2019, the gearing ratio was not applicable as the Group had no borrowings and loans (as at 30 September 2018, the Group's gearing ratio was 6.9%).

### Capital Structure

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

As at 30 September 2019, the Company's issued share capital was HK\$5,000,000 and the number of its issued ordinary Shares was 500,000,000 of HK\$0.01 each.

### DIVIDEND

The Board did not declare the payment of any dividend for the Reporting Period (for the six months ended 30 September 2018: Nil).

### PROSPECTS

#### Business objectives, future strategies and prospects

The Group's objectives are to enhance and promote its integrated securities trading platform services and further expand its customer base by improving its existing service offerings and developing new service offerings, obtaining more market data vendor licences, spending more sales and marketing efforts and establishing a marketing centre in Hong Kong, with an aim to consolidate and further promote the Group's market position. The Group believes that the diversification of its business segments can maintain a healthy financial profile and promote a sustainable growth of the Group. In the future, the Group will seize cooperation and acquisition opportunities with more business partners in various fields to expand its business scales and bring sustainable returns to the shareholders of the Company (the "**Shareholders**"). The Group will continue to strive for excellence in its products and services, in order to maintain its competitiveness and enhance growth potential in the fintech industry. The Group will continue to carry out the implementation plans set forth in the prospectus of the Company dated 17 September 2018 (the "**Prospectus**") and assess new business opportunities prudently, so as to create maximum return to the Shareholders and to facilitate the long-term growth of the business of the Group.

## Management's Discussion and Analysis

**USE OF PROCEEDS**

The net proceeds from the Listing were approximately HK\$41.5 million (after deducting the underwriting fees and the listing expenses). The unutilized proceeds were placed with a bank in Hong Kong. The Company has utilized the proceeds in accordance with the plans set out in the Prospectus, and the utilization amount of net proceeds is set out as below:

	Approximate percentage of total amount	Net proceeds HK\$ million	Utilized amount up to 30 September 2019 HK\$ million	Unutilized amount up to 30 September 2019 HK\$ million
Developing innovative product offerings and enhance R&D capabilities	14.7%	6.1	6.1	–
Apply for additional market data vendor licences and conduct further marketing activities	12.9%	5.4	1.8	3.6
Expand the hardware infrastructure capacities and software portfolio	5.7%	2.3	0.6	1.7
Recruit non-R&D staff and conduct staff trainings	7.2%	3.0	1.2	1.8
Establish an R&D centre in the PRC	37.5%	15.6	–	15.6
Establish a marketing centre in Hong Kong	17.7%	7.3	–	7.3
General working capital	4.3%	1.8	1.8	–
	100.0%	41.5	11.5	30.0

## Management's Discussion and Analysis

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

The proceeds raised from the Listing are targeted to further strengthen the Group's market position and expand the Group's market shares by pursuing the Group's business strategies. As stated in the Prospectus, the Group will endeavor to complete the main tasks and achieve the milestone events as mentioned in the Prospectus. An analysis comparing the future plans as set out in the Prospectus with the Group's actual business progress for the period from the date of Listing which was 28 September 2018 (the "Listing Date") up to 30 September 2019 is set out below:

Future plans as stated in the Prospectus	Implementation plans as stated in the Prospectus	Actual business progress up to 30 September 2019
Develop innovative product offerings and enhance research and development capabilities	<ul style="list-style-type: none"> <li>• New products               <ul style="list-style-type: none"> <li>• launch China-Hong Kong Stock Connect Data Analyst;</li> <li>• launch Trading Counter Product;</li> <li>• launch the OTC transaction platform for transaction during non-trading hours;</li> </ul> </li> <li>• Existing products               <ul style="list-style-type: none"> <li>• complete the integration of over 80 brokerage firms onto the iOS/Android version of TradeGo Pro;</li> <li>• replace with new version of web browser securities trading platform software for the existing end users of brokerage firms and deploy the same to new end users of brokerage firms;</li> <li>• recruit R&amp;D staff to enhance our R&amp;D capabilities.</li> </ul> </li> </ul>	<p>For new products, we launched China-Hong Kong Stock Connect Data Analyst and Trading Counter Product during the Reporting Period. As the relevant regulation is not clear, we suspended the development of the OTC transaction platform for transaction during non-trading hours.</p> <p>For existing products, we have integrated 48 brokerage firms onto TradeGo Pro; replaced with new version of web browser securities trading platform software for the existing end users of brokerage firms and deploy the same to new end users of brokerage firms; and recruited R&amp;D staff to enhance our R&amp;D capabilities.</p>
Apply for additional market data vendor licences and conduct further marketing activities	<ul style="list-style-type: none"> <li>• promote China-Hong Kong Stock Connect Data Analyst via advertisements and propaganda campaigns;</li> <li>• promote Trading Counter Product via advertisements and propaganda campaign;</li> <li>• promote various types of market data feeds;</li> <li>• obtain relevant data licence for markets out of Hong Kong.</li> </ul>	<p>We have promoted the China-Hong Kong Stock Connect Data Analyst and Trading Counter Product via advertising campaigns to customers. We have held online and offline activities to promote TradeGo Pro. We have increased the number of registered users of TradeGo Pro to approximately 123,062. We have obtained one new data licence for future market of Hong Kong and are still seeking for new data licence for market out of Hong Kong.</p>

## Management's Discussion and Analysis

Future plans as stated in the Prospectus	Implementation plans as stated in the Prospectus	Actual business progress up to 30 September 2019
Expand our hardware infrastructure capacities and software portfolio	<ul style="list-style-type: none"> <li>purchase computers and test mobile phones to enhance R&amp;D ability and improve quality control;</li> </ul>	We have purchased computers to enhance R&D ability and improve quality control. We have purchased test mobile phones such as Huawei Mate 20 Pro and iPhone XS MAX to improve the compatibility of our softwares with different devices.
Recruit non-R&D staff and conduct staff trainings	<ul style="list-style-type: none"> <li>salary for newly recruited staff.</li> </ul>	We have recruited new staffs for operation, sales and finance function.
Establish an R&D centre in the PRC	<ul style="list-style-type: none"> <li>purchase a newly-developed office premises of approximately 700-square-metre in Shenzhen for the establishment of an R&amp;D centre, which is expected to be ready for occupation in one to two years after the purchase.</li> </ul>	The management inspected the suitable office property for purchase in the Hightech Park of Nanshan District, Shenzhen City. However, After the announcement of the development plan of Guangdong-Hong Kong-Macau Greater Bay Area, the real estate market in Shenzhen has been greatly stimulated, and the real estate price of the area planned by the management has already exceeded the budget. Management will look for the right place with more patience. Therefore, the management decided to suspend the purchase of the R&D center and will put more effort into search for the suitable location.
Establish a marketing centre in Hong Kong	<ul style="list-style-type: none"> <li>recruit staff for managing and operating the Hong Kong sales and customer service centre;</li> <li>lease an office in Central district of Hong Kong for the establishment of a Hong Kong sales and customer service centre;</li> <li>salary for newly recruited staff.</li> </ul>	We have slowed down to lease an office in Central district of Hong Kong for the establishment of a Hong Kong sales and customer service centre, because of the slowdown of economic growth and the uncertainty of trade friction between China and the United States. We will re-start the establishment of a marketing centre after reviewing the macro economic environment in the future. The Group is searching for opportunities to explore the market and increase its presence in the market. We have recruited one new sales staff in Hong Kong.

The net proceeds from the Listing, after deducting related expenses, were approximately HK\$41.5 million. After the Listing, a part of these proceeds has been applied in accordance with the future plans and use of proceeds as set out in the Prospectus, and the remainder of which will be deployed in accordance with previously stated plans as soon as the opportunity arises. The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

## Management's Discussion and Analysis

### **FOREIGN EXCHANGE EXPOSURE**

The Group's income, direct cost, expenses, investment and borrowings are mainly denominated in HK\$ and RMB. Fluctuations of the exchange rates of RMB could affect the operating costs of the Group. The Group currently does not have a foreign currency hedging policy. However, the Directors will continue to monitor foreign exchange exposure and will take prudent measure to minimise the currency translation risk. The Group will consider hedging significant foreign currencies when the need arises.

### **CONTINGENT LIABILITIES**

As at 30 September 2019, the Group did not have any contingent liabilities (as at 30 September 2018: Nil).

### **CAPITAL COMMITMENT**

As at 30 September 2019, the Group did not have any significant capital commitment (as at 30 September 2018: Nil).

### **CHARGES ON ASSETS**

As at 30 September 2019, the Group did not have any material charges on assets (as at 30 September 2018: Nil).

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

During the Reporting Period, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures.

### **SIGNIFICANT INVESTMENTS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There were no significant investments held and there was no plan authorised by the Board for any material investments or additions of capital assets at the date of this report.

### **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2019, the Group had 105 employees (as at 30 September 2018: 112). The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of ordinary remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as individual performance.

For the Reporting Period, total employee benefits expense (including Directors' emoluments) was approximately HK\$6,456,872 (for the six months ended 30 September 2018: approximately HK\$11,345,092).

The remuneration of the Directors are determined by the Board, under the recommendation from the Remuneration Committee of the Company, with reference to the background, qualifications, experience of such Directors, their respective duties and responsibilities within the Group and the prevailing market conditions.

## Other Information

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

As at 30 September 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its any associated corporation (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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

Name of Directors	Nature of Interest	Number of Shares held/ interested in	Long position/ Short position	Approximate percentage of shareholding <sup>(1)</sup>
Mr. LIU Yong <sup>(2)(3)</sup>	Interest of a controlled corporation	228,303,791	Long position	45.66%
Mr. LIAO Jicheng <sup>(3)</sup>	Interests held jointly with another person	74,039,137	Long position	14.81%
Mr. WAN Yong <sup>(3)(4)</sup>	Interest of a controlled corporation	52,650,053	Long position	
	Interests held jointly with another person	74,039,137	Long position	
		<b>Total: 126,689,190</b>	Long position	25.34%
Mr. LIN Hung Yuan <sup>(5)</sup>	Interest of a controlled corporation	56,150,000	Long position	11.23%

#### Notes:

- As at 30 September 2019, the total number of issued Shares was 500,000,000 Shares.
- Mao Jia Holdings Limited (茂嘉控股有限公司) (“**Mao Jia**”) holds a total of 154,264,654 Shares. Mao Jia is wholly owned by Fortune Promise Global Limited (富望環球有限公司) (“**Fortune Promise**”), which is in turn wholly-owned by Mr. LIU Yong. Therefore, Mr. LIU Yong is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.
- Xin Cheng International Limited (鑫誠國際有限公司) (“**Xin Cheng**”), holds a total of 74,039,137 Shares. Xin Cheng is wholly-owned by Stand Tall International Limited (立高國際有限公司) (“**Stand Tall**”). Therefore, according to the SFO, Stand Tall is deemed or taken to be interested in the Shares held by Xin Cheng. The details of the Shares held by Stand Tall are set out in the section headed “Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme” in the Appendix IV to the Prospectus. According to Pre – IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng (as at 30 September 2019, Mr. LIU Yong is the sole director of Xin Cheng), and Mr. LIU Yong, Mr. LIAO Jicheng and Mr. WAN Yong are all shareholders of Stand Tall. Therefore, Mr. LIU Yong, Mr. LIAO Jicheng and Mr. WAN Yong are deemed to be or are taken to be interested in all the Shares held by Xin Cheng.
- The total number of Shares held by Joint Smart Global Limited (合智環球有限公司) (“**Joint Smart**”) was 52,650,053 Shares. Joint Smart is wholly-owned by Mass Victory Ventures Limited (眾勝創投有限公司) (“**Mass Victory**”), which is in turn owned as to 75% by Mr. WAN Yong. Therefore, Mr. WAN Yong is deemed, or taken to be, interested in all the Shares held by Joint Smart for the purposes of the SFO.
- VMI Mega Growth Fund SPC – VMI Mega Equity Investment Fund SP (“**VMI**”) holds a total of 56,150,000 Shares. VMI is wholly-owned by VMI Capital Group Limited (“**VMI Capital**”), which in turn wholly-owned by Mr. LIN Hung Yuan. Therefore, Mr. LIN Hung Yuan is deemed, or taken to be, interested in all the Shares held by VMI for the purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2019, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## Other Information

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

As at 30 September 2019 and so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

**Long position/short position in the Shares**

Names of shareholders	Capacity/Nature of Interest	Number of Shares held/ interested in	Long position/ Short position	Approximate percentage of shareholding <sup>(1)</sup>
Mao Jia Holdings Limited (茂嘉控股有限公司) <sup>(2)</sup>	Beneficial owner	154,264,654	Long position	30.85%
Fortune Promise Global Limited (富望環球有限公司) <sup>(2)</sup>	Interest of a controlled corporation	154,264,654	Long position	30.85%
Xin Cheng International Limited (鑫誠國際有限公司) <sup>(3)</sup>	Beneficial owner	72,854,511	Long position	
	Trustee	1,184,626	Long position	
		<u>Total: 74,039,137</u>	Long position	14.81%
Stand Tall International Limited (立高國際有限公司) <sup>(3)</sup>	Interest of a controlled corporation	74,039,137	Long position	14.81%
VMI Mega Growth Fund SPC – VMI Mega Equity Investment Fund SP <sup>(4)</sup>	Beneficial owner	56,150,000	Long position	11.23%
VMI Capital Group Limited <sup>(4)</sup>	Investment manager	56,150,000	Long position	11.23%
Joint Smart Global Limited (合智環球有限公司) <sup>(5)</sup>	Beneficial owner	52,650,053	Long position	10.53%
Mass Victory Ventures Limited (眾勝創投有限公司) <sup>(5)</sup>	Interest of a controlled corporation	52,650,053	Long position	10.53%
Ms. LIU Xiaoming <sup>(6)</sup>	Interest of spouse	228,303,791	Long position	45.66%
Ms. ZHANG Tian <sup>(7)</sup>	Interest of spouse	56,150,000	Long position	11.23%
Ms. CHEN Zhaoxia <sup>(8)</sup>	Interest of spouse	126,689,190	Long position	25.34%
Ms. LU Ximeng <sup>(9)</sup>	Interest of spouse	74,039,137	Long position	14.81%
First Shanghai Securities Limited <sup>(10)</sup>	Trustee	25,000,000	Long position	5.00%

## Other Information

### Notes:

- (1) As at 30 September 2019, the total number of issued Shares was 500,000,000 Shares.
- (2) Mao Jia is wholly-owned by Fortune Promise. Therefore, Fortune Promise is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.
- (3) Xin Cheng holds 72,854,511 and 1,184,626 Shares as beneficial owner and trustee respectively. The 1,184,626 Shares are held by Xin Cheng as trustee arising from or in relation to the employee share ownership scheme of Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司) which is an indirectly wholly-owned subsidiary of the Company. Xin Cheng is wholly-owned by Stand Tall. Therefore, Stand Tall is deemed, or taken to be, interested in all the Shares held by Xin Cheng for the purposes of the SFO. The detailed information in relation to the Shares held by Stand Tall is set out in the section headed “Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme” in Appendix IV to the Prospectus. According to Pre-IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng.
- (4) The management shares of VMI are all held by VMI Capital in its capacity as investment manager. Therefore, VMI Capital is deemed, or taken to be, interested in all the Shares held by VMI for the purposes of the SFO.
- (5) Joint Smart is wholly-owned by Mass Victory. Therefore, Mass Victory is deemed, or taken to be, interested in all the Shares held by Joint Smart for the purposes of the SFO.
- (6) Ms. LIU Xiaoming is the spouse of Mr. LIU Yong. Therefore, Ms. LIU Xiaoming is deemed, or taken to be, interested in all the Shares held by Mr. LIU Yong for the purpose of the SFO.
- (7) Ms. ZHANG Tian is the spouse of Mr. LIN Hung Yuan. Therefore, Ms. ZHANG Tian is deemed, or taken to be, interested in all the Shares held by Mr. LIN Hung Yuan for the purpose of the SFO.
- (8) Ms. CHEN Zhaoxia is the spouse of Mr. WAN Yong. Therefore, Ms. CHEN Zhaoxia is deemed, or taken to be, interested in all the Shares held by Mr. WAN Yong for the purpose of the SFO.
- (9) Ms. LU Ximeng is the spouse of Mr. LIAO Jicheng. Therefore, Ms. LU Ximeng is deemed, or taken to be, interested in all the Shares held by Mr. LIAO Jicheng for the purpose of the SFO.
- (10) The 25,000,000 Shares are award shares held by First Shanghai Securities Limited in the capacity as trustee of a share award scheme adopted by the Company on 19 December 2018.

Save as disclosed above, as at 30 September 2019, the Directors were not aware of any interests or short positions owned by any other persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 29 August 2018. The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (fulltime and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the success of the business of the Group. Details of the share option scheme are set out in the section headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV of the Prospectus. From the date of adoption of such share option scheme to 30 September 2019, no share option was granted, exercised or cancelled and there is no outstanding share option as at 30 September 2019.

## PRE-IPO EQUITY INTEREST INCENTIVE SCHEME

The Company adopted a pre-IPO equity interest incentive scheme on 16 July 2015 which was revised on 10 July 2017. The pre-IPO equity interest incentive scheme was established by Xin Cheng International Limited (鑫誠國際有限公司) to recognise and reward the contribution of certain eligible participants who have or may have made to the growth and development of the business of the Group. The principal terms of which are set out in the section headed “Statutory and General Information – E. Pre-IPO Equity Interest Incentive Scheme” in Appendix IV of the Prospectus.

## Other Information

### SHARE AWARD SCHEME

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

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

The Company shall comply with the relevant GEM Listing Rules when granting the award shares. As at 30 September 2019, the trustee of the Share Award Scheme had purchased a total of 25,000,000 shares of the Company from the secondary market at a total consideration of about HK\$14,337,420.

On 22 August 2019, the Board has resolved to award 8,000,000 award shares (the “**Award Shares**”) to four selected employees under the Share Award Scheme, of which the relevant grantees shall contribute HK\$0.5735 per Award Share. The Award Shares represent approximately 1.6% of the total number of shares of the Company in issue as at the date of this report. Each of the grantees shall be awarded 2,000,000 Award Shares. Subject to the satisfaction of the vesting criteria and conditions, the Award Shares shall be vested to the selected employees commencing from the date of grant and ending on the one year period from the date of grant. For more details, please refer to the announcement of the Company dated 22 August 2019.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

### DIRECTORS’ SECURITIES TRANSACTIONS

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

### CORPORATE GOVERNANCE PRACTICE

During the Reporting Period, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules, except for the deviation from Code Provision A.2.1.

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

## Other Information

### COMPETING BUSINESS

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

### DEED OF NON-COMPETITION

The deed of non-competition (the “**Deed of Non-Competition**”) dated 29 August 2018 was entered into by Mr. LIU Yong, Fortune Promise Global Limited (富望環球有限公司), Mao Jia Holdings Limited (茂嘉控股有限公司), Stand Tall International Limited (立高國際有限公司) and Xin Cheng International Limited (鑫誠國際有限公司) in favour of the Company (for the Company and as trustee for and on behalf of the subsidiaries of the Company) in regard to non-competition undertakings. The details of the Deed of Non-Competition have been disclosed in the Prospectus under the section headed “Relationship with Controlling Shareholders – Non-Competition Undertakings”.

### INTEREST OF THE COMPLIANCE ADVISER

As advised by the Company’s compliance adviser, Essence Corporate Finance (Hong Kong) Limited (the “**Compliance Adviser**”), as at 30 September 2019, save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 29 September 2017, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company or in any member of the Group (including options or rights to subscribe for such securities (if any)) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

### CHANGES IN DIRECTORS

During the Reporting Period, there was no change in Directors.

### SIGNIFICANT EVENTS AFTER REPORTING PERIOD

The Directors confirmed that no significant event that affected the Group has occurred after 30 September 2019 and up to the date of this report.

### REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 29 August 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. LOKE Yu, Ms. JIAO Jie and Mr. MAN Kong Yui. Dr. LOKE Yu is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 September 2019 and was of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

## Consolidated Statement of Profit or Loss

For the six months ended 30 September 2019 – unaudited (Expressed in Hong Kong dollars)

		Six months ended 30 September	
	Note	2019	2018 (Note)
<b>Revenue</b>	4	<b>21,871,882</b>	24,385,993
Direct costs		<b>(5,520,515)</b>	(5,730,719)
Other income/(loss), net		<b>2,565,482</b>	(42,703)
Staff costs	5(a)	<b>(6,456,872)</b>	(11,345,092)
Listing expenses		–	(12,044,712)
Depreciation and amortisation	5(b)	<b>(2,186,298)</b>	(1,670,632)
Finance costs		–	(101,918)
Selling, general and administrative expenses		<b>(4,387,374)</b>	(2,996,852)
<b>Profit/(loss) before taxation</b>		<b>5,886,305</b>	(9,546,635)
Income tax	6	<b>(88,798)</b>	(828,260)
<b>Profit/(loss) for the period</b>		<b>5,797,507</b>	(10,374,895)
<b>Other comprehensive income (expense), net of nil tax:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of financial statements of PRC subsidiaries		<b>(1,047,692)</b>	(618,340)
<b>Total comprehensive income (expense) for the period</b>		<b>4,749,815</b>	(10,993,235)
<b>Earnings/(losses) per share</b>	7		
Basic and diluted (HK cent)		<b>1.22</b>	(2.76)

## Consolidated Statement of Financial Position

As at 30 September 2019 – unaudited (Expressed in Hong Kong dollars)

	<i>Note</i>	As at 30 September 2019	As at 31 March 2019 <i>(Note)</i>
<b>Non-current assets</b>			
Property, plant and equipment		1,179,241	1,496,593
Intangible assets		12,501,611	7,572,654
Deferred tax assets		128,698	135,911
Right of use assets	3(a)	4,479,415	–
		<b>18,288,965</b>	9,205,158
<b>Current assets</b>			
Trade and other receivables	8	4,522,219	6,017,991
Cash and cash equivalents	9	45,447,349	48,918,156
Amounts due from directors		–	488,703
Amount due from a fellow subsidiary		139,265	–
Income tax recoverable		2,642,029	2,290,941
		<b>52,750,862</b>	57,715,791
<b>Current liabilities</b>			
Trade and other payables	10	(13,094,521)	(17,552,129)
Income tax payable		(1,357,964)	(1,433,562)
		<b>(14,452,485)</b>	(18,985,691)
<b>Net current assets</b>			
		<b>38,298,377</b>	38,730,100
<b>Total assets less current liabilities</b>			
		<b>56,587,342</b>	47,935,258
<b>Non-current liabilities</b>			
Deferred tax liabilities		–	–
Lease liabilities		(4,594,310)	–
<b>NET ASSETS</b>			
		<b>51,993,032</b>	47,935,258
<b>CAPITAL AND RESERVES</b>			
Share capital	11	(4,750,000)	(4,781,840)
Reserves		(47,243,032)	(43,153,418)
<b>TOTAL EQUITY</b>			
		<b>(51,993,032)</b>	(47,935,258)

*Note:* The Group has initially applied HKFRS 16 on 1 April 2019. Under the transition methods chosen, comparative information is not restated. See note 3.

## Consolidated Statement of Changes in Equity

For the six months ended 30 September 2019 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								
	Share capital	Share Premium	SAS Reserve	Employee share-based compensation reserve	Translation reserve	Merger reserves	Other reserve	Accumulated losses	Total
<b>Balance as at 1 April 2018</b>	5,698	–	–	11,167,435	2,002,200	1,147,798	8,180,682	(13,021,903)	9,481,910
<b>Changes in equity for the six months ended 30 September 2018:</b>									
Profit/(loss) for the period	–	–	–	–	–	–	–	(10,374,803)	(10,374,803)
Other comprehensive income	–	–	–	–	(618,342)	–	–	–	(618,342)
Total comprehensive income	–	–	–	–	(618,342)	–	–	(10,374,803)	(10,993,145)
Capitalisation issue	3,744,302	–	–	–	–	–	(3,744,302)	–	–
Issue of shares	1,250,000	67,385,611	–	–	–	–	–	–	68,635,611
Equity-settled share-based transactions	–	–	–	687,226	–	–	–	–	687,226
<b>Balance as at 30 September 2018</b>	5,000,000	67,385,611	–	11,854,661	1,383,858	1,147,798	4,436,380	(23,396,706)	67,811,602
<b>Changes in equity for the six months ended 31 March 2019:</b>									
Profit/(loss) for the period	–	–	–	–	–	–	–	(7,322,937)	(7,322,937)
Other comprehensive income	–	–	–	–	545,728	–	–	–	545,728
Total comprehensive income for the year	–	–	–	–	545,728	–	–	(7,322,937)	(6,777,209)
Capitalisation issue	–	(3,744,302)	–	–	–	–	3,744,302	–	–
Issue of shares	–	(653,756)	–	–	–	–	–	–	(653,756)
Purchase of the Company's shares for Share Award Scheme	(218,160)	–	(12,227,219)	–	–	–	–	–	(12,445,379)
<b>Balance as at 31 March 2019</b>	4,781,840	62,987,553	(12,227,219)	11,854,661	1,929,586	1,147,798	8,180,682	(30,719,643)	47,935,258

## Consolidated Statement of Changes in Equity

For the six months ended 30 September 2019 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								
	Share capital	Share Premium	SAS Reserve	Employee share-based compensation reserve	Translation reserve	Merger reserves	Other reserve	Accumulated losses	Total
Profit for the period	-	-	-	-	-	-	-	5,797,507	5,797,507
Other comprehensive income	-	-	-	-	(1,047,692)	-	-	-	(1,047,692)
Total comprehensive income for the period	-	-	-	-	(1,047,692)	-	-	5,797,507	4,749,815
Purchase of the Company's shares for Share Award Scheme	(31,840)	-	(1,860,201)	-	-	-	-	-	(1,892,041)
Equity-settled share-based transactions	-	-	-	1,200,000	-	-	-	-	1,200,000
<b>Balance as at 30 September 2019</b>	<b>4,750,000</b>	<b>62,987,553</b>	<b>(14,087,420)</b>	<b>13,054,661</b>	<b>881,894</b>	<b>1,147,798</b>	<b>8,180,682</b>	<b>(24,922,136)</b>	<b>51,993,032</b>

## Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2019 – unaudited (Expressed in Hong Kong dollars)

	<i>Note</i>	Six months ended 30 September	
		2019	2018 ( <i>Note</i> )
<b>Operating activities</b>			
Cash generated from/(used in) operations		5,816,827	(106,071)
Tax paid		(323,324)	(450,420)
<b>Net cash generated from/(used in) operating activities</b>		<b>5,493,503</b>	(556,491)
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment		(20,283)	(33,212)
Payment for intangible assets		(6,889,500)	–
Other investing activities		293,988	113,322
<b>Net cash (used in)/generated from investing activities</b>		<b>(6,615,795)</b>	80,110
<b>Financing activities</b>			
Proceeds from issue of shares		–	75,534,000
Payment of listing expenses		–	(9,249,621)
Increase in amount due to a fellow subsidiary		–	378,226
Decrease/(increase) in amount due from directors		116,850	791,950
Purchase of the Company's share for Share Award Scheme		(1,892,041)	–
Proceeds of other borrowing		–	5,000,000
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,775,191)</b>	72,454,555
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,897,483)</b>	71,978,174
<b>Cash and cash equivalents as at 1 April</b>		<b>48,918,156</b>	8,087,226
<b>Effect of foreign exchanges rates changes</b>		<b>(573,324)</b>	(193,425)
<b>Cash and cash equivalents as at 30 September</b>	<b>9</b>	<b>45,447,349</b>	79,871,975

*Note:* The Group has initially applied HKFRS 16 on 1 April 2019. Under the transition methods chosen, comparative information is not restated. See note 3.

## Notes to the Unaudited Interim Financial Statement

### 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 June 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on GEM of the Stock Exchange since 28 September 2018. The address of the Company's registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business in the People's Republic of China (the "PRC") is 208, 2/F, Fenghua Technology Tower, 7th Street Hi-Tech South Road, Yuehai Street Technology Park, Nanshan District, Shenzhen, the PRC. The address of the Company's principal place of business in Hong Kong is Office No. 10, 16th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong.

The Group is an integrated securities trading platform service providers serving primarily Hong Kong Brokerage Firms and their clients. The Group's Hong Kong Brokerage Firm customers are all Category B and Category C Exchange Participants. The Group's integrated securities trading platform services mainly consist of front office trading system services, market data services and value-added services.

The unaudited condensed consolidated interim financial information of the Group is presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Group.

### 2 BASIS OF PREPARATION

The unaudited consolidated interim financial information set out in this report does not constitute the unaudited condensed consolidated interim financial report of the Group for the six months ended 30 September 2019 (the "Financial Statements") but is extracted from the financial statements which have been prepared in accordance with the Hong Kong Accounting Standards ("HKASs") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), the accounting principles generally accepted in Hong Kong, and the applicable disclosure provisions of the GEM Listing Rules. The Financial Statements should be read in conjunction with the Company's consolidated financial statements for the year ended 31 March 2019.

The accounting policies adopted in preparing the Financial Statements are consistent with those applied in the consolidated financial statements of the Group for the year ended 31 March 2019, except for accounting policy changes that are expected to be reflected in the Group's annual consolidated financial statements ending 31 March 2020. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group's consolidated financial statements for the year ended 31 March 2019. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## Notes to the Unaudited Interim Financial Statement

**3 CHANGES IN ACCOUNTING POLICIES****(a) Overview**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 16, *Lease*

The Group has adopted HKFRS 16 from 1 April 2019. HKFRS 16 establishes new accounting requirements on leases which lead to the recognition of lease transactions in lessees' financial statements. HKFRS 16 focuses on whether an arrangement contains a lease or a service agreement and introduces a substantial change to lessee accounting. The previous distinction between operating and finance leases is eliminated for lessee. A right-of-use asset (representing the right to use the leased asset for the lease term) and a lease liability (representing the obligation to pay rentals) are recognised for all leases. The lessor accounting largely remains unchanged.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 16 which does not cause any adjustment to the opening balance of equity as at 1 April 2019. Comparative information is not restated.

	As at 31 March 2019	Impact on initial application of HKFRS 16	As at 1 April 2019
Right of use assets	–	5,938,670	5,938,670
Right of use assets – accumulate depreciation	–	–	–
Total non-current assets	9,205,158	5,938,670	15,143,828
Lease liabilities	–	5,938,670	5,938,670
Total non-current liabilities	–	5,938,670	5,938,670

Further details of these changes are set out in sub-sections (b) of this note.

## Notes to the Unaudited Interim Financial Statement

**3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)****(b) HKFRS 16, Lease**

In accordance with the transition provisions of HKFRS 16, the Group has adopted the modified retrospective application for existing leases at 1 April 2019 with certain transition reliefs, and under which comparative figures are not restated. The Group only have leases classified as operating leases, the Group has elected to measure the right-of-use assets at the amounts equal to the lease liabilities adjusted by any prepaid or accrued lease payments. Accordingly, no adjustments were recognised to the opening balance of equity at the date of initial application. Impacts of the new requirements on the Group's consolidated financial statements are as follows.

*(i) Effects of the adoption*

For leases previously classified as operating leases, the Group has elected to measure the right-of-use assets at the amounts equal to the lease liabilities adjusted by any prepaid or accrued lease payments.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17.

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application
- Applied the recognition exemption for leases of low value assets
- Excluded the initial direct costs from the measurement of the right-of-use assets
- Used hindsight in determining lease term if the contract contained an option to extend or terminate the lease

*(ii) Revised accounting policy for leases*

A contract is assessed for whether it is or contains a lease at its inception. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset if the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

For lessors, leases whereby all substantial risks and rewards incidental to the ownership of an underlying asset are not transferred to the customer are classified as operating lease arrangements. The respective lease assets are included in the financial statements according to their nature.

## Notes to the Unaudited Interim Financial Statement

**3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)****(b) HKFRS 16, Lease (continued)***(ii) Revised accounting policy for leases (continued)*

For lessees, a right-of-use asset and a lease liability are recognised at the lease commencement date, except for leases with a lease term of 12 months or less, or those low value assets, which are recognised as expenses on a straight-line basis over the lease terms.

A lease liability is initially measured at the present value of future lease payments with reference to an expected lease term, which includes optional lease periods when the lessee is reasonably certain to exercise the option to extend or not to terminate the lease. Future lease payments are discounted using the interest rate implicit in the lease, if this cannot be readily determined, an incremental borrowing rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, over a similar term and with a similar security. The lease liability is subsequently measured by increasing its carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing its carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment made to the related right-of-use asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options. The lease liability is included in the trade payables and other liabilities and/or other non-current liabilities where appropriate.

At inception, the right-of-use asset comprises the initial lease liability, initial direct costs and the obligation to restore the asset, less any incentive granted by the lessor. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to impairment review whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

## Notes to the Unaudited Interim Financial Statement

**4 REVENUE AND SEGMENT REPORTING**

The principal activities of the Group are the provision of front office trading system services, market data services and value-added services to its customers. The Group has one reportable segment and the Group's chief operating decision maker, which has been identified as the Board of Directors, reviews the consolidated results of the Group for the purpose of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

**(a) Revenue**

The amount of each significant category of revenue recognised during the Periods is as follows:

	Six months ended 30 September	
	2019 \$'000	2018 \$'000
– Front office trading system services	10,804	9,822
– Market data services	7,311	8,248
– Value-added services	3,757	6,316
	<b>21,872</b>	<b>24,386</b>

**(b) Geographical information**

The Group's revenue is mainly derived from customers located in Hong Kong and the PRC. The following table sets out information about the geographical location of the Group's revenue. The geographical location of customers is based on the location at which the service was provided.

	Six months ended 30 September	
	2019 \$'000	2018 \$'000
Hong Kong	21,266	21,670
The PRC	606	2,716
	<b>21,872</b>	<b>24,386</b>

## Notes to the Unaudited Interim Financial Statement

**5 PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging:

	Six months ended	
	30 September	
	2019	2018
	\$'000	\$'000
<b>(a) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	5,107	10,066
Contributions to defined contribution retirement plans	150	708
Equity-settled share-based payments	1,200	571
	<b>6,457</b>	<b>11,345</b>

	Six months ended	
	30 September	
	2019	2018
	\$'000	\$'000
<b>(b) Other items</b>		
Depreciation	623	286
Amortisation of intangible assets	1,563	1,385
	<b>2,186</b>	<b>1,671</b>

## Notes to the Unaudited Interim Financial Statement

**6 INCOME TAX**

	Six months ended	
	30 September	
	2019	2018
	\$'000	\$'000
Current tax – Hong Kong Profits Tax	(19)	404
Current tax – The PRC	108	423
Deferred taxation	–	–
	<b>89</b>	<b>828</b>

**7 EARNINGS/(LOSSES) PER SHARE****(a) Basic earnings/(losses) per share**

The calculation of basic earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$5,797,507 (loss for the six months ended 30 September 2018: HK\$10,374,895) and the weighted average of 475,534,317 ordinary shares (2018: 376,374,000 shares) for the six months ended 30 September 2019.

**(b) Diluted earnings/(losses) per share**

Diluted earnings/(losses) per share presented is the same as the basic earnings/(losses) per share as there were no potentially dilutive ordinary shares issued during the periods presented.

**8 TRADE AND OTHER RECEIVABLES**

All of the trade and other receivables were expected to be recovered within one year.

An aging analysis of trade receivables based on the invoice date is as follows:

	As at	As at
	30 September	31 March
	2019	2019
	\$'000	\$'000
Within 1 month	1,691	1,247
1 to 3 months	422	1,813
3 to 6 months	286	153
Over 6 months	78	5
	<b>2,477</b>	<b>3,218</b>

## Notes to the Unaudited Interim Financial Statement

**9 CASH AND CASH EQUIVALENTS**

	As at 30 September 2019 \$'000	As at 31 March 2019 \$'000
Cash at bank and on hand	45,447	48,918

**10 TRADE AND OTHER PAYABLES**

	As at 30 September 2019 \$'000	As at 31 March 2019 \$'000
Trade payables	1,272	1,235
Receipt in advance	6,070	6,569
Other payable and accrued liabilities	5,752	9,748
	13,094	17,552

An aging analysis of trade payables based on the invoice date is as follows:

	As at 30 September 2019 \$'000	As at 31 March 2019 \$'000
Within 1 month	720	693
1 to 2 months	552	512
Over 3 months	—	30
	1,272	1,235

## Notes to the Unaudited Interim Financial Statement

**11 SHARE CAPITAL**

The Company was incorporated on 15 June 2017 and the Reorganisation of the Group was completed on 22 August 2017. For the purpose of these consolidated financial statements, share capital as at 1 April 2018 represents the aggregate amount of share capital of the companies now comprising the Group, after elimination of investments in subsidiaries.

Share capital as at 31 March 2019 and 2018 included in the consolidated statement of financial position represents the share capital of the Company as follows:

	Authorised		Issued and fully paid			
	Number of shares	\$	Number of shares	\$	Number of shares held for Share Award Scheme	\$
As at 15 June 2017 (date of incorporation) (Note i)	38,000,000	380,000	1	–	–	–
Issue of shares	–	–	569,799	5,698	–	–
As at 31 March 2018 and 1 April 2018	38,000,000	380,000	569,800	5,698	–	–
Increase in authorised share capital (Note ii)	1,962,000,000	19,620,000	–	–	–	–
Capitalisation issue (Note iii)	–	–	374,430,200	3,744,302	–	–
Shares issued upon IPO (Note iv)	–	–	125,000,000	1,250,000	–	–
Purchase of shares for Share Award Scheme	–	–	–	–	(21,816,000)	(218,160)
As at 31 March 2019	2,000,000,000	20,000,000	500,000,000	5,000,000	(21,816,000)	(218,160)
Purchase of shares for Share Award Scheme	–	–	–	–	(3,184,000)	(31,840)
As at 30 September 2019	–	–	500,000,000	5,000,000	(25,000,000)	(250,000)

**Notes:**

- (i) Upon incorporation, the Company had an authorised share capital of \$380,000 divided into 38,000,000 shares of \$0.01 each. One nil-paid share was allotted and issued to the initial subscriber and transferred to TradeBook Global Limited, the then immediate holding company, on 15 June 2017. Carrying amount of \$0.01 is not shown in the table above as a result of rounding. On 23 June 2017, one fully paid ordinary share, representing the entire issued share capital of Power Mind Global Limited, was allotted and issued to the Company and Power Mind Global Limited became a wholly-owned subsidiary of the Company. On 21 August 2017, Power Mind Global Limited acquired 20,000 shares in Tele-Trend Konson, representing its then entire issued share capital, from Tradebook Global Limited, and Tele-Trend Konson became a wholly-owned subsidiary of the Company. Upon completion of the Reorganisation, share capital of the Group as at 31 March 2018 represents the share capital of the Company.

## Notes to the Unaudited Interim Financial Statement

**11 SHARE CAPITAL (CONTINUED)***Notes: (continued)*

- (ii) On 29 August 2018, resolutions in writing were passed by the Company's shareholders pursuant to increase the authorised share capital from \$380,000 to \$20,000,000 by the creation of an additional of 1,962,000,000 shares, each ranking pari passu with the shares then in issue in all respects.
- (iii) Immediately before completion of the Company's IPO on 28 September 2018, an amount of \$3,744,302 was capitalised standing to the credit of the share premium account of the Company and to such amount was appropriated as to capital to pay up in full at par 374,430,200 shares.
- (iv) On 28 September 2018, the Company's IPO was completed and 125,000,000 shares were issued pursuant to the IPO for a total cash consideration (before listing expenses) of \$80,000,000.

**12 DIVIDENDS**

No dividend has been paid or declared by the Company during each of the periods ended 30 September 2018 and 2019.

**13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The Group did not hold any financial instruments which need to be measured by the fair value as at 30 September 2019.

**14 MATERIAL RELATED PARTY TRANSACTIONS**

The Group had the following related party transactions during the periods:

Compensation of directors of the Group:

	Six months ended	
	30 September	
	2019	2018
	\$'000	\$'000
– Directors' fees and salaries	956	521

The related party transactions above do not constitute connected transactions or continuing connected transactions.

**15 CAPITAL COMMITMENTS OUTSTANDING**

As at 30 September 2019, the Group did not have any significant capital commitments (31 March 2019: Nil).

**16 EVENTS AFTER THE REPORTING PERIOD**

No subsequent event has occurred after 30 September 2019 which may have a significant effect on the assets and liabilities or future operation of the Group.