

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



TradeGo

2019 THIRD QUARTER REPORT



The image features a large, light blue watermark of the TradeGo logo, which consists of a stylized 'G' with a line graph inside it. The logo is partially obscured by several overlapping squares in various shades of blue. The word 'TradeGo' is written in a large, light blue, sans-serif font across the middle of the page, overlapping the watermark and squares.

TradeGo

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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 of the Stock Exchange 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.*



HIGHLIGHTS

- Revenue of the Group for the nine months ended 31 December 2019 (the “**Reporting Period**”) amounted to HK\$36,415,654 (for the nine months ended 31 December 2018: HK\$35,488,911), representing an increase of HK\$926,743 as compared with the nine months ended 31 December 2018.
- The net profit of the Group for the Reporting Period was HK\$9,411,622 (for the nine months ended 31 December 2018: a loss of HK\$9,683,310).
- The number of registered users of our open securities trading platform software “TradeGo Pro” increased by approximately 28,000 to approximately 137,000 as at 31 December 2019 (approximately 109,000 as at 31 December 2018).
- The basic earning per share attributable to owners of the Company for the Reporting Period was HK cent 1.98 (for the nine months ended 31 December 2018: the basic loss per share attributable to owners of the Company of approximately HK cent 2.32).
- The board of Directors does not declare the payment of any dividend for the Reporting Period (for the nine months ended 31 December 2018: Nil).

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

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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COMPLIANCE ADVISER

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LEGAL ADVISER AS TO HONG KONG LAWS

Adrian Yeung & Cheng Solicitors

PRINCIPAL BANKER

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Bank of China Tower
1 Garden Road
Hong Kong

COMPANY'S WEBSITE

www.tradego8.com

The board (the “**Board**”) of Directors is pleased to announce the unaudited consolidated results of the Group for the three months and nine months ended 31 December 2019, together with the unaudited comparative figures for the corresponding period in 2018:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 31 December 2019
(Expressed in Hong Kong dollars)

	Note	Three months ended 31 December		Nine months ended 31 December	
		2019	2018 (Note)	2019	2018 (Note)
Revenue	4	14,543,772	11,102,918	36,415,654	35,488,911
Direct costs		(2,466,154)	(3,009,333)	(7,986,669)	(8,740,052)
Other income, net		282,243	138,846	2,847,725	96,143
Staff costs		(5,904,380)	(4,894,590)	(12,361,252)	(16,239,682)
Listing expenses		–	–	–	(12,044,712)
Depreciation and amortisation		(1,664,006)	(673,493)	(3,850,304)	(2,344,125)
Finance costs		–	–	–	(101,918)
Selling, general and administrative expenses		(1,140,472)	(2,270,475)	(5,527,846)	(5,267,327)
Profit/(loss) before taxation		3,651,003	393,873	9,537,308	(9,152,762)
Income tax	5	(36,888)	297,712	(125,686)	(530,548)
Profit/(loss) for the period		3,614,115	691,585	9,411,622	(9,683,310)
Other comprehensive income (expense), net of nil tax:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
– Exchange differences on translation of financial statements of PRC subsidiaries		164,799	(98,495)	(882,893)	(716,835)
Total comprehensive income (expense) for the period		3,778,914	593,090	8,529,729	(10,400,145)
Earnings/(losses) per share	6				
Basic and diluted (HK cent)		0.76	0.16	1.98	(2.32)

Note: The Group initially applied Hong Kong Financial Reporting Standard (the “**HKFRS**”) 15 and HKFRS 9 on 1 April 2018.

Under the transition method chosen, comparative information is not restated. Please see note 3 to the Notes to the Unaudited Consolidated Financial Statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								Total
	Share capital	Share Premium	SAS Reserve	Employee share-based compensation reserve	Translation reserve	Merger reserves	Other reserve	Accumulated losses	
Balance as at 1 April 2018 (Audited)	5,698	-	-	11,167,436	2,002,200	1,147,798	8,180,682	(13,021,903)	9,481,910
Changes in equity for the nine months ended 31 December 2018:									
Loss for the period	-	-	-	-	-	-	-	(10,374,803)	(10,374,803)
Other comprehensive income/(expenses)	-	-	-	-	(618,342)	-	-	-	(618,342)
Total comprehensive income/(expenses) for the period	-	-	-	-	(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
Balance as at 31 December 2018 (Unaudited)	5,000,000	67,385,611	-	11,854,661	1,383,858	1,147,798	4,436,380	(23,396,706)	67,811,602
Changes in equity for the three months ended 31 March 2019:									
Loss for the period	-	-	-	-	-	-	-	(7,322,937)	(7,322,937)
Other comprehensive income	-	-	-	-	545,728	-	-	-	545,728
Total comprehensive income/(expenses) for the period	-	-	-	-	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)
Balance as at 31 March 2019 (Audited)	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
Profit for the period	-	-	-	-	-	-	-	5,797,507	5,797,507
Other comprehensive income/(expenses)	-	-	-	-	(1,047,692)	-	-	-	(1,047,692)
Total comprehensive income/(expenses) 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
Balance as at 30 September 2019 (Unaudited)	4,750,000	62,987,553	(14,087,420)	13,054,661	881,894	1,147,798	8,180,682	(24,922,136)	51,993,032
Changes in equity for the three months ended 31 December 2019:									
Profit for the period	-	-	-	-	-	-	-	3,614,115	3,614,115
Other comprehensive income	-	-	-	-	164,799	-	-	-	164,799
Total comprehensive income	-	-	-	-	164,799	-	-	3,614,115	3,778,914
Equity-settled share-based transactions	-	-	-	1,800,000	-	-	-	-	1,800,000
Balance as at 31 December 2019 (Unaudited)	4,750,000	62,987,553	(14,087,420)	14,854,661	1,046,693	1,147,798	8,180,682	(21,308,021)	57,571,946



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 PO Box 1350, Clifton House, 75 Fort Street, 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 provider serving primarily Hong Kong brokerage firms and their clients. The Group's Hong Kong brokerage firms 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 financial information of the Group for the Reporting Period set out in this report 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 financial information for the Reporting Period set out in this report does not constitute the unaudited condensed consolidated financial statements of the Group for the Reporting Period (the "Financial Statements") but is extracted from the financial statements which have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), 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.

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
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.

**(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.

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.

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.

Revenue

The amount of each significant category of revenue recognised for the three and nine months ended 31 December 2019 and 2018 is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2019 (Unaudited) \$'000	2018 (Unaudited) \$'000	2019 (Unaudited) \$'000	2018 (Unaudited) \$'000
- Front office trading system services	7,246	4,841	18,050	14,663
- Market data services	3,193	4,052	10,503	12,300
- Value-added services	4,105	2,210	7,863	8,526
	14,544	11,103	36,416	35,489

5 INCOME TAX

	Three months ended 31 December		Nine months ended 31 December	
	2019 (Unaudited) \$'000	2018 (Unaudited) \$'000	2019 (Unaudited) \$'000	2018 (Unaudited) \$'000
	Current tax – Hong Kong Profits Tax	(16)	(45)	(35)
Current tax – The PRC	53	(252)	161	171
Deferred taxation	–	–	–	–
	37	(297)	126	530

6 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\$9,411,622 (loss for the nine months ended 31 December 2018: HK\$9,683,310) and the weighted average of 475,355,564 ordinary shares (2018: 417,883,000 shares) for the Reporting Period.

(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.

7 DIVIDENDS

No dividend has been paid or declared by the Company during each of the nine months ended 31 December 2018 and 2019.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Group was one of the leading integrated securities trading platform service providers serving primarily Hong Kong brokerage firms^{Note 1} and their clients. The Group's Hong Kong brokerage firm customers are all Category B^{Note 2} and Category C^{Note 3} Exchange Participants^{Note 4}. 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 also provides investors to apply for public offer shares online and information of new IPO.

The Group is confident in the future of business development, with the continuous increase in the number of exchange participants in Hong Kong as well as 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 15 Hong Kong brokerage firms. The number of registered users of the Group's open securities trading platform software "TradeGo Pro" increased by approximately 28,000 or 26.1% to approximately 137,000 as at 31 December 2019 (approximately 109,000 as at 31 December 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.

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

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

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

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



Management's Discussion and Analysis

During the Reporting Period, the Group 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 phones and personal computers. 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.

Besides, as disclosed in the Company's voluntary announcement dated 29 October 2019, the Group entered into a contract with an existing customer in September 2018 to develop a blockchain exchange trading platform (the "**System**") and the Group entered into a supplemental agreement to enhance certain functions of the System. The commencement of business activities and researches related to blockchain technology will create better opportunities to the Group.

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 development of the Guangdong-Hong Kong-Macau Greater Bay Area (the "**Greater Bay Area**") has brought unprecedented development opportunities and competition challenges to the Group. It has also stimulated the property leasing costs of the Greater Bay Area and brought uncertainty to the Group's plan to establish a domestic research and development (the "**R&D**") centre in Shenzhen, the PRC.

FINANCIAL REVIEW

Revenue and Direct costs

Revenue of the Group for the Reporting Period was HK\$36,415,654 (for the nine months ended 31 December 2018: HK\$35,488,911), representing a slight increase of HK\$926,743 or 2.6% as compared with that for the nine months ended 31 December 2018. Such increase in revenue of the Group for the Reporting Period was primarily attributable to the increase in revenue from the front office trading system services.

Direct costs of the Group for the Reporting Period was HK\$7,986,669 (for the nine months ended 31 December 2018: HK\$8,740,052), representing a decrease of HK\$753,383 or 8.6% as compared with that of the nine months ended 31 December 2018. Such decrease was mainly due to the decrease of fees paid for the leasing of cloud infrastructure and broadband services during the Reporting Period.

Other income, net

The Group's other income, net for the Reporting Period amounted to HK\$2,847,725 (for the nine months ended 31 December 2018: HK\$96,143). The increase was mainly due to the increase in exchange gain and subsidies received from the Nanshan District Government and the Shenzhen Municipal Government in the PRC.

Staff costs

The Group's staff costs for the Reporting Period amounted to HK\$12,361,252 (for the nine months ended 31 December 2018: HK\$16,239,682), representing a decrease of HK\$3,878,430 or 23.9%. The decrease was due to the increase in capitalization of new R&D projects.

Depreciation and amortisation

The Group's depreciation and amortisation expenses for the Reporting Period amounted to HK\$3,850,304 (for the nine months ended 31 December 2018: HK\$2,344,125), representing an increase of HK\$1,506,179 or 64.3%. 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 HK\$5,527,846 (for the nine months ended 31 December 2018: HK\$5,267,327), representing an increase of HK\$260,519 or 4.9%. The increase was due to the increase in legal and professional fees, advertising fees and other administrative expenses.

Profit/(loss) for the Reporting Period

During the Reporting Period, the Group recorded a profit of HK\$9,411,622 (for the nine months ended 31 December 2018: loss of HK\$9,683,310), representing an increase of HK\$19,094,932. Such change in the Group's financial performance was primarily attributable to the increase in other income and the decrease in the staff costs as mentioned above as well as the decrease in listing expenses.

DIVIDEND

The Board did not declare the payment of any dividend for the Reporting Period (for the nine months ended 31 December 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.

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 31 December 2019 HK\$ million	Unutilized amount up to 31 December 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	2.3	3.1
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	1.8	1.2
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	12.6	28.9

In respect of the establishment of an R&D centre in the PRC, the management inspected an office property for purchase with an intent to establish the Group's R&D centre in the Hightech Park of Nanshan District, Shenzhen, the PRC. However, since the announcement of the development plan of the Greater Bay Area in around February 2019, the real estate market in Shenzhen has been greatly stimulated. Therefore, the real estate price of the target acquisition area has exceeded the planned budget. Management is proactively looking for suitable alternatives locations to establish the R&D centre.

The Board has no intention the change the prescribed use of the net proceeds. The Company will make further announcement if there is any further updates.

OTHER INFORMATION

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

As at 31 December 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 ⁽¹⁾
Mr. LIU Yong ⁽²⁾⁽³⁾	Interest of a controlled corporation	228,303,791	Long position	45.66%
Mr. LIAO Jicheng ⁽³⁾	Interests held jointly with another person	74,039,137	Long position	14.81%
Mr. WAN Yong ⁽³⁾⁽⁴⁾	Interest of a controlled corporation	52,650,053	Long position	
	Interests held jointly with another person	74,039,137	Long position	
	Total:	126,689,190	Long position	25.34%
Mr. LIN Hung Yuan ⁽⁵⁾	Interest of a controlled corporation	56,150,000	Long position	11.23%

Notes:

- (1) As at 31 December 2019, the total number of issued Shares was 500,000,000 Shares.
- (2) 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.
- (3) 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 31 December 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.
- (4) 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.
- (5) 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 31 December 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.

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

As at 31 December 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 ⁽¹⁾
Mao Jia Holdings Limited (茂嘉控股有限公司) ⁽²⁾	Beneficial owner	154,264,654	Long position	30.85%
Fortune Promise Global Limited (富望環球有限公司) ⁽²⁾	Interest of a controlled corporation	154,264,654	Long position	30.85%
Xin Cheng International Limited (鑫誠國際有限公司) ⁽³⁾	Beneficial owner	72,854,511	Long position	
	Trustee	1,184,626	Long position	
	Total:	74,039,137	Long position	14.81%
Stand Tall International Limited (立高國際有限公司) ⁽⁴⁾	Interest of a controlled corporation	74,039,137	Long position	14.81%
VMI Mega Growth Fund SPC – VMI Mega Equity Investment Fund SP ⁽⁴⁾	Beneficial owner	56,150,000	Long position	11.23%
VMI Capital Group Limited ⁽⁴⁾	Investment manager	56,150,000	Long position	11.23%
Joint Smart Global Limited (合智環球有限公司) ⁽⁵⁾	Beneficial owner	52,650,053	Long position	10.53%
Mass Victory Ventures Limited (眾勝創投有限公司) ⁽⁵⁾	Interest of a controlled corporation	52,650,053	Long position	10.53%
Ms. LIU Xiaoming ⁽⁶⁾	Interest of spouse	228,303,791	Long position	45.66%
Ms. ZHANG Tian ⁽⁷⁾	Interest of spouse	56,150,000	Long position	11.23%
Ms. CHEN Zhaoxia ⁽⁸⁾	Interest of spouse	126,689,190	Long position	25.34%
Ms. LU Ximeng ⁽⁹⁾	Interest of spouse	74,039,137	Long position	14.81%
First Shanghai Securities Limited ⁽¹⁰⁾	Trustee	25,000,000	Long position	5.00%

Notes:

- (1) As at 31 December 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 31 December 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 31 December 2019, no share option was granted, exercised or cancelled and there is no outstanding share option as at 31 December 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.

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 31 December 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.

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 31 December 2019.

CAPITAL COMMITMENTS OUTSTANDING

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

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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25%.

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”.

The Controlling Shareholders have confirmed to the Company that from the effective date of the Deed of the Non-competition and up to the date of this report, 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), and their respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed Essence Corporate Finance (Hong Kong) Limited as the Group's compliance adviser from the date of the Listing of the Company. The appointment of Essence Corporate Finance (Hong Kong) Limited has been terminated on 31 December 2019. Upon the termination of appointment with Essence Corporate Finance (Hong Kong) Limited, the Group has appointed Innovax Capital Limited as the Group's compliance adviser with effect from 1 January 2020. For details, please refer to the announcement of the Company on the change of compliance adviser dated 27 December 2019.

As advised by Innovax Capital Limited, save for the compliance adviser agreement entered into between the Company and Innovax Capital Limited dated 27 December 2019, none of Innovax Capital Limited 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 THE REPORTING PERIOD

In response to the outbreak of the novel coronavirus since late December 2019, the People's Government of Guangdong Province and the local authority of Shenzhen announced certain measures to prevent continuing widespread of the disease in the community. Following the government's guidances, from January 29 to February 9, 2020, the Group's three operating subsidiaries in Shenzhen, the PRC, namely Tele-Trend Konson Software (Shenzhen) Limited (捷利港信軟件(深圳)有限公司), Shenzhen Rongyi Technology Company Limited (深圳市融易科技有限公司) and Shenzhen Xinfeng Network Technology Company Limited (深圳市新蜂網絡科技有限公司), provide services to our customers with remote access home office. Thanks to the deployment of cloud infrastructure services, we can effectively monitor the secure transmission of market data and ensure the stability of customer transaction services. Save as disclosed above, the Directors confirmed that no other significant event that affected the Group has occurred after 31 December 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 three months and the nine months ended 31 December 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.

By order of the Board

TradeGo FinTech Limited

LIU Yong

Chairman and Executive Director

Shenzhen, People's Republic of China, 10 February 2020

As at the date of this report, the Board comprises Mr. LIU Yong, Mr. WAN Yong and Mr. LIAO Jicheng as executive Directors; Mr. LIN Hung Yuan as non-executive Director; and Ms. JIAO Jie, Mr. MAN Kong Yui and Dr. LOKE Yu as independent non-executive Directors.