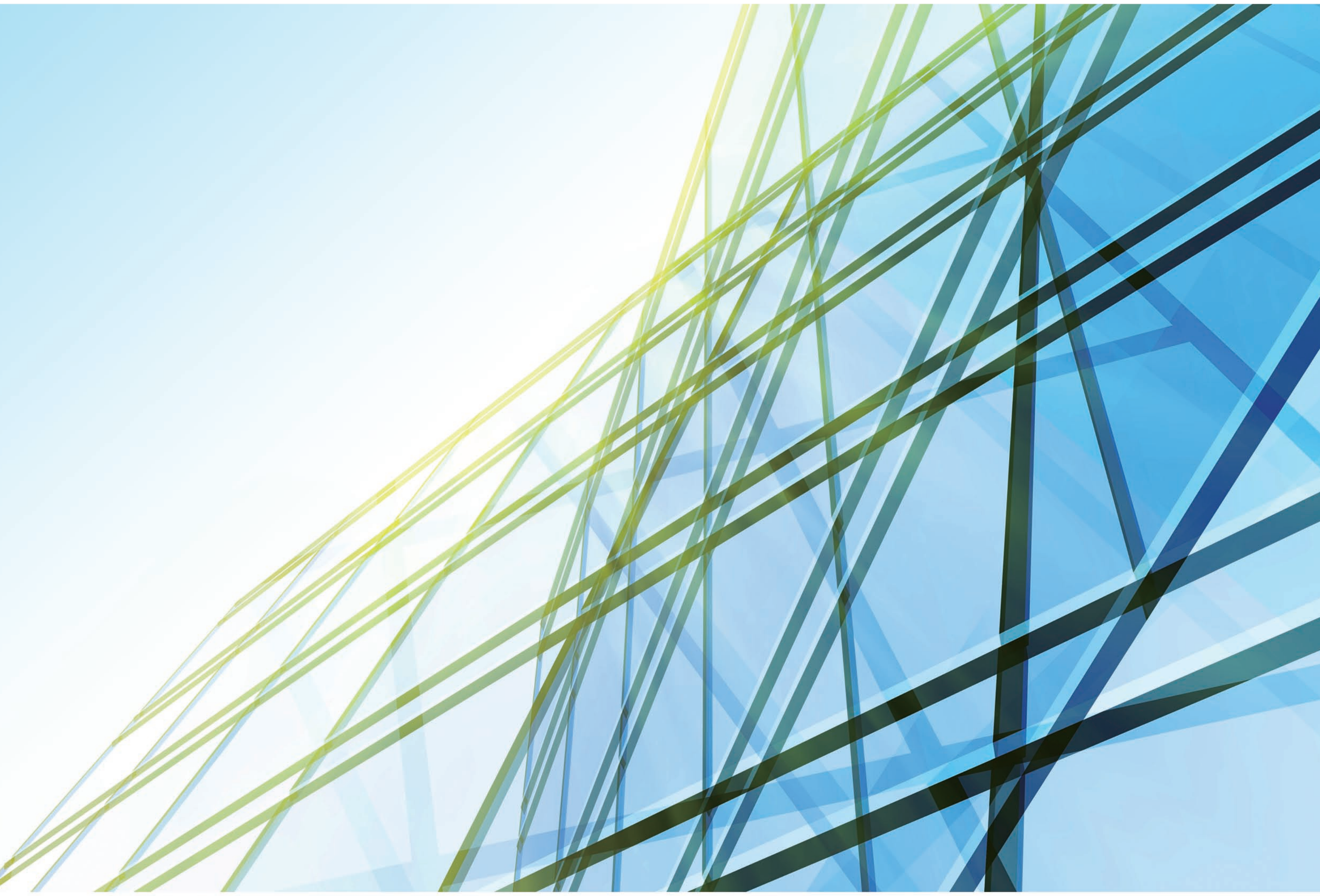
Stream Ideas Group Limited

源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8401



ANNUAL REPORT

2017-2018

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This report, for which the directors (the "Directors") of Stream Ideas Group Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as 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.

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CORPORATE INFORMATION

BOARD OF DIRECTOR

Executive Directors
Ms. Cheung Lee (Ms. Jenny Cheung)（張莉）
Mr. Law Ka Kin (Mr. Anakin Law)（羅嘉健）
Mr. Lee Wing Leung Garlos (Mr. Garlos Lee)（李永亮）
Mr. Leung Wai Lun（梁偉倫）

Non-executive Director
Mr. Lin Hung Yuan（林宏遠）

Independent Non-Executive Directors
Mr. Kwan Chi Hong（關志康）
Mr. Fenn David（范德偉）
Mr. Ho Ho Tung Armen（何浩東）

BOARD COMMITTEES

Audit Committee
Mr. Ho Ho Tung Armen（何浩東）*(Chairman)*
Mr. Fenn David（范德偉）
Mr. Kwan Chi Hong（關志康）

Remuneration Committee
Mr. Fenn David（范德偉）*(Chairman)*
Mr. Ho Ho Tung Armen（何浩東）
Mr. Law Ka Kin (Mr. Anakin Law)（羅嘉健）

Nomination Committee
Mr. Kwan Chi Hong（關志康）*(Chairman)*
Mr. Ho Ho Tung Armen（何浩東）
Ms. Cheung Lee (Ms. Jenny Cheung)（張莉）

COMPLIANCE OFFICER
Mr. Lee Wing Leung Garlos (Mr. Garlos Lee)（李永亮）

JOINT COMPANY SECRETARIES
Ms. Leung Shuk Yi Shirley（梁淑儀）, ACCA and CPA
Ms. Ngai Kit Fong（倪潔芳）, FCIS, FCS (PE)

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Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS
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AUTHORISED REPRESENTATIVES
Ms. Cheung Lee (Ms. Jenny Cheung)（張莉）
Mr. Law Ka Kin (Mr. Anakin Law)（羅嘉健）

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Certified Public Accountants
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COMPLIANCE ADVISER
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Wan Chai
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
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Level 22, Hopewell Centre
183 Queen's Road East
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PRINCIPAL BANKERS
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China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

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Jhongshan District Taipei City
Taiwan

COMPANY'S WEBSITE
www.stream-ideas.com

STOCK CODE
8401

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2018:

- Revenue increased to approximately HK$28.9 million, representing an increase of approximately 9.9% as compared with that for the year ended 31 March 2017;
- Loss for the year amounted to approximately HK$26.3 million whereas there was a profit of approximately HK$12.3 million for the year ended 31 March 2017;
- Basic and diluted loss per share attributable to owners of the Company were HK$0.22; and
- No final dividend has been declared.

DIRECTORS' STATEMENT

To our shareholders,

We are pleased to present the annual report of Stream Ideas Group Limited (the "Company") for the financial year ended 31 March 2018 ("FY2017/18") on behalf of the board (the "Board") of directors (the "Directors") the first annual report since the Company's listing on the Stock Exchange.

Roughly eight years ago, our three founders saw an exciting trend emerging from online media, projecting the promising prospects of online advertising. Realising its tremendous potential, we established our own "JAG" brand and platforms in Hong Kong to capture the opportunities ahead. Through our conscientious efforts to keep pace with rapid market developments as well as the preferences of customers and members, we have now evolved into a digital media company that specialises in providing online advertising services to brand owners and advertising agencies to deliver their marketing information in a more effective and interactive manner in Hong Kong, Taiwan, Malaysia and Singapore.

FY2017/18 has been a period in which the Group has further evolved. On the operation front, we have replicated our successful business model in Hong Kong and Taiwan to tap the Malaysia and Singapore markets – two new markets with exciting potential. By the financial year end, we have established a strong presence in Hong Kong, Taiwan, Malaysia and Singapore – a region where we had around 560,000 members at the financial year end. Another significant milestone was our successful listing on the Stock Exchange on 28 March 2018, which will allow us to not only enhance our corporate profile and credibility for further business development, but also accelerate our pace of growth through a more dynamic expansion plan. These two strategic moves will act as the catalyst for our sustainable growth in the years to come.

Yet another move, early on, that has enabled us to realise our current success is the Group's self-developed platforms. Featuring custom filters for targeting specific audiences and marketing campaigns that employ word-of-mouth strategies, our platforms allow clients to achieve their performance targets while at the same time drive our business growth. The Group has consequently managed to establish close ties with clients to ensure stable and continuous streams of advertising services upon request. Our proven track record of providing tailor-made online advertising services to reputable clients has also contributed to our success. We now have an established and diversified network of members in Hong Kong and Taiwan, and have a continuously growing number of members in Malaysia and Singapore. All these features are our precious assets that differentiate the Group clearly against all other players in the market.

To build on our success, we will seek to capitalise on the growth of the online advertising industry. Retailers are increasing their online advertising budget to enhance brand value and drive sales; internet and mobile device users are steadily growing globally; and the size of the online advertising industry in Hong Kong, Taiwan, Singapore and Malaysia is expanding significantly, with the combined annual growth rate set to be in the double digits between 2016 and 2021. Moreover, the online advertising industry in these markets is relatively fragmented, which will give us significant room to grow and enlarge our market share.

Other potential growth drivers that our Directors are looking to capitalise on pertain to the latest social media and online marketing trends. With instant messaging surpassing certain social media usage, we will be developing more marketing channel options for our customers. By revamping and upgrading our platforms, which is also part of our business strategies, we hope to attract more brand owners to engage us in reaching out to their target audience, as well as attract new members to enlarge our customer base. And we are already starting to see the fruits of our labour in the form of increased engagements and growing number of members from our key markets. The Group will also work on extending its reach to direct clients, i.e. brand owners, and maintain its ties with clients from advertising agencies.

Going forward, apart from the initiatives mentioned above, we will also be strengthening our talent pool and workforce to seize opportunities in the enormous online advertising industry in Hong Kong, Taiwan, Malaysia and Singapore. We will also explore co-operation and acquisition opportunities where suitable in the pursuit of growth. Most importantly, we will be receptive to the needs of our customers, and stay true to our mission to become their preferred partner for online advertising solutions.

DIRECTORS' STATEMENT

APPRECIATION

We would like take this opportunity to express our sincerest gratitude to all of the Group's business partners, customers and stakeholders for their unwavering support. Furthermore, the Board, management and staff must be praised for their dedications, enabling the Group to achieve sustainable growth during the past years.

Cheung Lee, Law Ka Kin, Lee Wing Leung Garlos
Directors

Hong Kong, 20 June 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Driven by the growth of the Group's business in Hong Kong, and its entry into the Malaysia and Singapore markets, both of which have started to contribute revenue, the Group has achieved approximately 9.9% increase in revenue to approximately HK$28.9 million (2017: approximately HK$26.3 million) for the year ended 31 March 2018 (the "Year"). Gross profit (after reversal of JAG points) increased by approximately 0.5% to approximately HK$19.2 million while gross profit margin decreased to approximately 66.5%, which was caused by (i) higher cost of sales incurred due to the Group's entry into new markets; and (ii) a decrease in reversal of JAG points recorded due to less members who have not logged into our platforms for a continuous period of one year recorded during the Year. Mainly due to one-off listing expenses of approximately HK$19.3 million and one-off fair value loss on convertible bonds of approximately HK$16.5 million, along with an initial investment towards new market expansion in Malaysia and Singapore, the Group recorded a loss for the Year of approximately HK$26.3 million (2017: profit of approximately HK$12.3 million). Excluding the above one-off items, the adjusted net profit of the Group for the Year was approximately HK$9.5 million.

The Group principally engages in the provision of online advertising services, which consist of social viral service, engager service and mass blogging service. Its business primarily operates in Hong Kong, Taiwan, Malaysia and Singapore. The Group's services are delivered via its self-developed platforms, which allow clients to match their advertising campaigns or contents with the Group's relevant members based on their demographic details and behaviours, such as consumption patterns of certain products and services and brand preferences.

By service

Social Viral Service

Social viral service allows clients' advertising content in the form of videos, images and websites, directly showing to members via the Group's platforms, based on their target audience criteria. Members can participate in missions by viewing marketing materials on the platforms and providing feedback to earn JAG Points, or by sharing advertising content via their personal social media accounts. Such approaches not only provide broader marketing exposure for the client's brand, but it also helps the Group to attract new members.

During the Year, revenue from social viral service was approximately HK$17.0 million, accounting for approximately 58.6% of the Group's total revenue. The gross profit margin remained at a stable level of approximately 64.8% for the Year.

Engager Service

Engager service helps clients achieve their marketing objectives by inviting the Group's members, who are their target audience, to take part in their advertising campaigns in the form of missions in the Group's platforms. They can receive JAG Points by providing proof of completing the missions.

Due to the increasing demand of clients for engaging target consumers, revenue from engager service increased significantly by approximately 38.9% to approximately HK$9.1 million (2017: approximately HK$6.5 million). The gross profit margin was approximately 63.0% for the Year.

Mass Blogging Service

Mass blogging service allows members to try out and review clients' products or services and share their feedback with friends on social media platforms. Through this service, clients can develop word-of-mouth marketing since recommendations from peers may influence consumers' interest and purchase intention. Moreover, clients can raise awareness, gain greater exposure and arouse public interest in their brands, products and services using members' own words through their personal social network.

During the Year, revenue from mass blogging service decreased slightly to approximately HK$2.1 million (2017: approximately HK$2.3 million), mainly due to the decline in number of projects. Gross profit margin was approximately 64.3% for the Year.

By geographical market

During the Year, approximately 56.3% of the Group's revenue (2017: approximately 49.7%) was generated from clients in Hong Kong, while approximately 41.0% (2017: approximately 50.3%) was generated from clients in Taiwan. Malaysia and Singapore (new markets) only started contributing revenue to the Group in late 2017 and accounted for approximately 2.7% of the total revenue collectively.

Hong Kong

During the Year, the operating environment in Hong Kong was relatively stable with the total number of members increased to 203,482 as at 31 March 2018 (2017: 193,200). As a result, revenue increased by approximately 24.4% year-on-year from approximately HK$13.1 million to approximately HK$16.3 million.

Taiwan

During the Year, the operating environment in Taiwan was rather challenging mainly attributable to the changing behaviour of internet users. As such, the revenue in Taiwan decreased due to fewer number of projects completed during the Year.

Notwithstanding the various challenges encountered, the Taiwan market provided a stable source of revenue, which was amounted to approximately HK$11.9 million (2017: approximately HK$13.2 million), while recording an approximately 6.6% rise in number of members to 270,214 (2017: 253,400).

Malaysia

The Group entered the Malaysia market in 2017 and has over 77,770 members as at 31 March 2018. During the Year, the Group hired additional staff for business development. Since the Group has been offering trial offers to clients so as to establish a beachhead in the market, the Malaysia market recorded a relatively low profit margin, which was an expected consequence. Nonetheless, with instant messaging applications gaining popularity in Malaysia, the Group expects tremendous opportunities in the market and will continue to develop its presence by possibly introducing new services in the future.

Singapore

The Group entered the Singapore market in late 2017, following its entry into the Malaysia market. Similar to the Malaysia market, the Singapore market has enormous growth potential and a relatively stable business environment. The Group will observe a similar business strategy to that used for the Malaysia market, both of which are based on successful strategies implemented in existing markets.

PROSPECTS

A rising number of corporations are reallocating their resources from traditional to online advertising services. Such a shift will probably accelerate competition and raise the awareness among consumers of the true value of online marketing and branding, which will make more corporations realising the importance of investing in such services. It is expected that the online advertising industry will be flourishing with more players entering the industry.

Despite the intensive competition in the industry, the Group remains confident in its ability to differentiate itself in the market owing to various competitive advantages, including its strong base of over 560,000 members covering four geographic markets as at 31 March 2018. Moreover, since its establishment, the Group has served a wide spectrum of reputable clients in various industries. Leveraging good relations with media agencies, the Group can also expect great opportunities such as being recommended to media agencies' extensive client base, which will ensure stable and continuous requests for services. The Group's self-developed platforms have also served as an excellent tool for realising clients' performance targets while driving business growth.

Looking ahead, the Group will continue to enhance the user interface and functionality of its mobile applications and websites, work with more clients that have significant market influence, and continue to build its presence in the Malaysia and Singapore markets. To accomplish these objectives, the Group will also recruit more talents, especially for the business development segment, to strengthen its workforce. This will in turn enable the Group to better cater for the ever-changing needs of various industries, as well as those of existing and potential clients. In addition, the Group will consider new opportunities, such as sponsoring advertising-related awards to reach out to more potential clients so as to enhance the Group's overall profitability. Furthermore, the Group will focus on enriching their member base from different segments such as age group, interests and lifestyle to enhance the diversity of the Group's membership base and thereby attract more clients.

With years of experience, well-established reputation, and a first-mover advantage, the Group will leverage such strengths to reinforce its leading industry position. At the same time, by further developing these attributes, the Group will remain true to its vision of becoming the preferred online marketing partner for advertising agencies and brand owners in realising their pursuits.

FINANCIAL REVIEW

By service type	2017 Revenue HK$'000	2017 Cost HK$'000	2017 Gross Profit HK$'000	**2018 Revenue HK$'000**	**2018 Cost HK$'000**	**2018 Gross Profit HK$'000**
– Social viral services	17,082	5,858	11,224	**16,953**	**5,960**	**10,993**
– Engager services	6,539	2,249	4,290	**9,083**	**3,361**	**5,722**
– Mass blogging services	2,336	626	1,710	**2,082**	**744**	**1,338**
– Others	385	3	382	**822**	**137**	**685**
	26,342	8,736	17,606	**28,940**	**10,202**	**18,738**
Reversal of JAG Point Provision	–	(1,551)	1,551	**–**	**(507)**	**507**
Total	26,342	7,185	19,157	**28,940**	**9,695**	**19,245**
			72.7%			**66.5%**

Revenue

During the Year, the Group recorded an increase of approximately 9.9% in revenue to approximately HK$28.9 million as compared with that for the year ended 31 March 2017 (the "Previous Year"). Such increase was mainly contributed by Hong Kong, and new entry market of Malaysia and Singapore.

Cost of Services

The Group's cost of services increased from approximately HK$7.2 million for the Previous Year to approximately HK$9.7 million for the Year. Such increase was mainly attributable to the higher cost in entering to new markets (Malaysia & Singapore).

Gross Profit Margin

Gross profit of the Group increased by 0.5% from approximately HK$19.1 million for the Previous Year to approximately HK$19.2 million for the Year. The overall gross profit margin slightly decreased from approximately 72.7% for the Previous Year to approximately 66.5% for the Year which mainly due to direct IT staff cost and higher cost by entering to new markets (Malaysia & Singapore).

Selling and Distribution Costs

Selling and distribution costs of the Group increased by approximately 30.2% from approximately HK$1.9 million for the Previous Year to approximately HK$2.5 million for the Year. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The increase was attributable to increase of headcount and promotional expenses on other media platforms.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately 127.2% from approximately HK$2.5 million for the Previous Year to approximately HK$5.6 million for the Year. Administrative and other operating expenses mainly consist of staff costs, professional fees, office supplies and stationary and others. The increase was attributable to the increase in staff salary, auditors' remuneration and legal and professional fees.

Income Tax Expenses

Income tax expense for the Group decreased from approximately HK$2.5 million for the year ended 31 March 2017 to approximately HK$1.9 million for the year ended 31 March 2018. The decrease was mainly due to the increase of selling, administrative and operating expenses.

Profit and Total Comprehensive Income for The Year

Profit for the year decreased by approximately 114.9% from approximately HK$12.3 million for the Previous Year to approximately loss of HK$26.3 million for the Year. Total comprehensive income for the year decreased from approximately HK$12.2 million for the Previous Year to approximately loss of HK$26.3 million for the Year. Such decrease was primarily attributable to the effect of (i) the listing expenses of HK$19.3 million; and (ii) the fair value loss on convertible bond of HK$16.5 million incurred by the Group for the listing during the year ended 31 March 2018. Excluding the one-off expenses for the listing expense and fair value loss on convertible bond, the Profit of the Group for the year was HK$9.5 million.

Liquidity and Financial Resources

As at 31 March 2018, the Group had total assets of HK$74.2 million (31 March 2017: HK$17.8 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of HK$17.6 million (31 March 2017: HK$8.7 million) and HK$56.6 million (31 March 2017: HK$9.1 million) respectively. The current ratio, being the ratio of current assets to current liabilities, as at 31 March 2018 was 4.2 times (31 March 2017: 2.0 times).

Capital Expenditure

Total capital expenditure for the year ended 31 March 2018 was approximately HK$0.1 million (2017: HK$ nil), which was mainly used in the purchase of property, plant and equipment and intangible assets.

Contingent Liabilities

As at 31 March 2018, there were no significant contingent liabilities for the Group.

Gearing Ratio

The gearing ratio, being the ratio of bank loan to total equity, of the Group as at 31 March 2018 was nil (31 March 2017: 0.4%) due to no bank borrowings for the year.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing evaluation of the financial status of its customers. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents and an adequate amount of committed credit facilities to settle the payables of the Group.

Foreign Exchange Exposure

The functional currency and reporting currency for the Company and its subsidiaries is Hong Kong dollar, except that the functional currencies of certain subsidiaries are New Taiwan dollar, Malaysian Ringgit and Singapore dollar, therefore, during the Year, the Group was not exposed to any significant currency risk.

Capital Structure

The shares of the Company were listed on GEM of the Stock Exchange on 28 March 2018 (the "Listing Date") and 50,000,000 new ordinary shares offered by the Company at par value of HK$0.01 each for cash consideration of HK$1.05 each were issued. There has been no change in capital structure of the Company since the Listing Date.

Commitments

The contractual commitments of the Group were primarily related to the leases of its office premises, amount to approximately HK$0.3 million as at 31 March 2018 (31 March 2017: approximately HK$0.1 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Segment Information

Segmental information is presented for the Group as disclosed on note 4 of the financial statements.

Future Plans for Material Investments and Capital Assets

As disclosed in the prospectus of the Company dated 16 March 2018 (the "Prospectus") and in this report, the Group did not have other plans for material investments or capital assets as of 31 March 2018.

Material Acquisitions and Disposals of Subsidiaries

In preparation for the listing, the Group underwent corporate reorganization, the details of which are set out in the section headed "Our History, Reorganisation and Corporate Structure" of the Prospectus.

As disclosed herein, there was no significant investment, material acquisition and disposal of subsidiaries by the Company during the year ended 31 March 2018.

Significant Investments Held

Except for investment in its subsidiaries, the Group did not hold any significant investments during the year ended 31 March 2018.

EVENTS AFTER THE REPORTING DATE

As from 31 March 2018 to the date of this annual report, no significant events have occurred.

MAJOR RISK AND UNCERTAINTIES

The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible. The followings are the major risks and uncertainties of our business:

- Significant revenue is contributed from the business relationship with advertising agencies;
- Self developed platform can be disrupted with heavily reliance on single IT professional;
- Risk of malfunction of data center, server or social media platforms that may affect operations;
- Loss of customers or members due to changes of preference on social media;
- Disruptions to operation due to difficulty in retaining employees.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

An analysis of the Group's financial risk management (including market risk, credit risk and liquidity risk) objectives and policies are provided in note 23 to the financial statements.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Ms. Cheung Lee（Jenny Cheung, 張莉）, aged 34, co-founded our Group in May 2010 and was appointed as our Hong Kong general manager on 7 July 2014 and executive Director on 18 August 2017. She is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. Ms. Jenny Cheung has over 10 years of working experience in the marketing and advertising industry.

Prior to the establishment of our Group, Ms. Jenny Cheung has worked at L'Oreal H.K. Ltd., an international beauty products brand in Hong Kong, with the last position working as a group product manager in the luxury division products from April 2013 to July 2014; and Parfums Christian Dior Hong Kong Limited, a retailer of skin care products, perfume, cosmetics and make-up products of an international fashion brand in Hong Kong, as a group product manager of the Skincare division from October 2011 to April 2013. Ms. Jenny Cheung has also worked at Neo Derm (HK) Ltd., a medical aesthetic solution provider and skincare products distributor in Hong Kong and China with last position as product manager from April 2010 to September 2011, primarily responsible for building brand image, analyzing business trends and developing marketing plans; and Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong as a brand manager from March 2009 to April 2010; an assistant brand manager from May 2007 to February 2009; and a marketing trainee from May 2006 to April 2007.

Ms. Jenny Cheung obtained her bachelor degree of business administration with honours from The Chinese University of Hong Kong in March 2006.

Mr. Law Ka Kin（Anakin Law, 羅嘉健）, aged 35, co-founded our Group in May 2010 and was appointed as our Taiwan general manager on 1 April 2014 and executive Director on 18 August 2017. He is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. Mr. Anakin Law has over 10 years of working experience in the marketing and advertising industry.

Prior to establishment of our Group, Mr. Anakin Law has worked at GlaxoSmithKline Limited, an international healthcare company that provides medicines, vaccines, and other healthcare products in Hong Kong as a category marketing manager in the consumer healthcare business division from June 2012 to April 2013. Mr. Anakin Law has also worked at (i) Hongkong International Theme Parks Limited, an international brand theme park in Hong Kong from June 2010 to June 2012 as an associate manager; and from August 2008 to May 2010 as a senior marketing executive in the marketing line of business; (ii) Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong as an assistant brand manager from June 2008 to August 2008; a marketing executive from July 2007 to May 2008; and a logistics planner from May 2006 to July 2007, primarily responsible for supply and distribution of products; and (iii) Watsons' The Chemist (Hong Kong), a division of A.S. Watson Group (HK) Limited, an international health and beauty retail chain in Hong Kong as an assistant supply chain officer from July 2005 to April 2006; and a supply chain trainee from May 2004 to June 2005.

Mr. Anakin Law obtained his bachelor degree of business administration with honours from The Chinese University of Hong Kong in December 2004.

Mr. Lee Wing Leung Garlos（Garlos Lee, 李永亮）, aged 34, co-founded our Group in May 2010 and was appointed as our general manager since April 2014 and appointed as executive Director on 18 August 2017. He is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. From April 2015 to mid-February 2017, Mr. Garlos Lee only took the role of decision making and participated in the overall strategic development, on a part-time basis, with no involvement in the day-to-day operations of our Group. Since 15 February 2017, he has worked for the Group on a full-time basis and become responsible for our Group's business operations in the Southeast Asia region. Mr. Garlos Lee has over 10 years of working experience in the marketing and advertising industry.

Prior to the establishment of our Group, Mr. Garlos Lee has worked at Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong from August 2006 to May 2010 with the last holding position as a brand manager.

Mr. Garlos Lee obtained his bachelor of commerce degree with honours from The University of British Columbia in May 2006.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Leung Wai Lun (梁偉倫), aged 33, joined our Group as our information technology director in February 2017 and was appointed as executive Director on 18 August 2017. He is responsible for the development and management of all information technology systems of our Group including our Platforms. Mr. Leung has over nine years of working experience in the information technology industry.

Prior to joining our Group, Mr. Leung has worked at (i) Kobo Design Ltd., a digital branding agency based in Hong Kong, from November 2010 to June 2017 as the lead programmer, where he was primarily responsible for the provision of its day-to-day programming requirements, maintenance of its server, built and maintain the database systems, electronic commerce systems and websites for its clients; (ii) Lemowork Limited, a web design company based in Hong Kong, from January 2010 to December 2010 as a director; and (iii) Open Creative Limited, a multimedia consultancy company in Hong Kong and China, from December 2008 to January 2010 as a web developer.

Mr. Leung graduated with a bachelor of engineering degree in computer science with honours from The Hong Kong University of Science and Technology in May 2009.

NON-EXECUTIVE DIRECTOR

Mr. Lin Hung Yuan (林宏遠), aged 41, joined our Group in July 2017 and was appointed as our non-executive Director on 18 August 2017. He is responsible for monitoring the operations of our Group.

Mr. Lin is a member of VMI Capital Group Limited which was incorporated in February 2016. He is also a director of several companies, including Venture Markit (Hong Kong) Limited, a licensed money lender in Hong Kong, since April 2010 and VMI Securities Limited, a company carrying out type 1 (dealing in securities) regulated activity under the SFO, since May 2016. Mr. Lin is a non-executive director of TradeGo FinTech Limited since June 2017, together with its subsidiaries, such group provides integrated securities trading platform services in Hong Kong. Mr. Lin is also a consultant of National Chengchi University, Finance and Technology Research Center. He held positions in international financial institutions, including holding the business title as an executive director of Euro Asset Management Limited, a real estate asset manager, responsible for investment business from July 2008 to April 2010; a representative of Daiwa Capital Markets Hong Kong Limited carrying out type 1 (dealing in securities) regulated activity under the SFO from October 2006 to March 2008; the assistant manager in the trading department of Taishin International Bank responsible for financial securities and derivatives products from February 2005 to June 2006 and the officer in the fixed income department of Jin Sun Financial Holding Co., Ltd from January 2004 to January 2005. He was appointed as a visiting lecturer of National Kaohsiung First University of Science and Technology. Mr. Lin did not take up any employment in 2003 and served in military of Taiwan between 2001 and 2003.

Mr. Lin graduated with a bachelor of art degree from the National Chengchi University, Taiwan in June 1999 and a master of management degree from the National Sun Yat-sen University, Taiwan in June 2001. Mr. Lin became a financial risk manager of the Global Association of Risk Professionals in September 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Chi Hong (關志康), aged 46, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of nomination committee, and member of audit committee for our Group.

Mr. Kwan was appointed as a director of Bamboos Health Care Holdings Limited (the shares of which were listed on GEM, stock code: 8216, and subsequently, were listed on the Main Board of the Stock Exchange, stock code: 2293) on 23 November 2012 and redesignated as an executive director on 28 March 2014, responsible for monitoring and evaluating the business, strategic planning and major decision making. Mr. Kwan was also appointed as an independent non-executive director of Prosten Health Holdings Limited (stock code: 8026) on 12 February 2018.

Prior to the establishment of Bamboos Health Care Holdings Limited, Mr. Kwan had over 10 years of managerial experience in the public sector, from February 1995 to April 2008, including working as an executive officer in various governmental departments in Hong Kong, including Registration and Electoral Office, Urban Services Department, Home Affairs Department, Hong Kong Police Force and Chief Secretary for Administration's Office Government Secretariat, mainly responsible for human resources management including manpower and succession planning, financial resources management including planning and allocating financial resources and exercising control over revenue and expenditure, policy support including analysing the information collected and liaising with parties concerned to facilitate the formulation of policies, and general administration.

Mr. Kwan obtained a bachelor degree in economics and a master degree in economics from The University of Hong Kong in January 1995 and December 2005 respectively. Mr. Kwan completed a programme in executive master of business administration and obtained a master degree in business administration from The Chinese University of Hong Kong in December 2007.

Mr. Kwan was awarded the young entrepreneur of the year 2012 from the Hong Kong Business Awards hosted by DHL Express and South China Morning Post and the EY Entrepreneur of the Year 2013 China – Emerging Entrepreneur hosted by Ernst & Young.

Mr. Fenn David（范德偉）, aged 37, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of remuneration committee, and member of audit committee for our Group.

Mr. Fenn has over 11 years of experience in the legal industry. He was admitted as a solicitor in Hong Kong in September 2005. From July 2003 to July 2005, he worked as a trainee solicitor at Woo, Kwan, Lee & Lo. From July 2007 to September 2008, he worked as an associate at Johnson Stokes & Master. From March 2009 to June 2011, he worked as an associate at King & Wood. From December 2011 to June 2015, he worked at F Zimmern & Co. with the last position as a consultant solicitor. Currently, Mr. Fenn is an assistant solicitor at Chiu & Partners.

Mr. Fenn obtained his bachelor of laws degree with honours from The University of Hong Kong in December 2002. He was awarded a postgraduate certificate in laws from The University of Hong Kong in June 2003. Mr. Fenn further obtained a master of laws degree in banking and finance from University College London, University of London in the United Kingdom in November 2006. Mr. Fenn has been appointed as an adjudicator of the Registration of Persons Tribunal of Hong Kong since November 2013, a disciplinary panel member of the HKICPA since February 2016, and a member of the Housing Appeal Panel of Hong Kong since April 2017. Mr. Fenn was appointed as an independent non-executive director of Hong Kong Education (Int'l) Investments Limited (stock code: 1082), a company listed on the Main Board of the Stock Exchange, on 10 May 2018.

Mr. Ho Ho Tung Armen（何浩東）, aged 42, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of the audit committee and member of each of remuneration and nomination committee for our Group.

Mr. Ho is the chief financial officer and company secretary of Tianyun International Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 6836), a sales and manufacturer of processed fruit in China, primarily responsible for overseeing the corporate strategies, finance, capital market, investor relations, board governance, internal audit, compliance and the Hong Kong office of Tianyun International Holdings Limited since February 2015.

Mr. Ho worked at PricewaterhouseCoopers Ltd. from September 1998 to October 2002 with a last position as a senior associate. He worked as an assistant manager of KPMG UK Limited from October 2003 to October 2004. He then worked as a corporate finance executive of Grant Thornton Services LLP from November 2004 to February 2006. From June 2006 to December 2008, he worked in Evolution Securities China Ltd. as corporate finance manager. He worked as the vice president of Wisdom Asset Management Limited, an asset management company from June 2009 to March 2011 and Hermes Capital Limited, a financial advisory services company from March 2011 to April 2012. He also worked as the group chief financial officer at Tuenbo Management Company Limited during the period of October 2013 to August 2014.

Mr. Ho is currently a member of the HKICPA. He obtained a bachelor degree with honour in accountancy from City University of Hong Kong in November 1998 and a master degree in financial economics, which is a distance learning programme, from University of London in December 2002. Mr. Ho further obtained a master of business administration degree from The University of Chicago Booth School of Business in the United States of America in December 2016.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Leung Shuk Yi Shirley（梁淑儀）, aged 53, joined our Group as the financial controller in May 2017 and was appointed as our joint company secretary on 18 August 2017. She is responsible for management of the finance team of our Group. Ms. Leung has over 24 years of working experience in accounting and financial management.

Prior to joining our Group, Ms. Leung has worked for (i) Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong, (a) from May 2011 to January 2017 with last position as Hong Kong finance global services lead and (b) from October 2010 to April 2011 as financial analyst; (c) from March 2002 to January 2009 as a finance manager; (d) from January 1999 to February 2002 as an assistant finance manager; (e) from January 1997 to December 1998 as a financial analyst and (f) from January 1996 to December 1996 as an accountant and (g) from June 1994 to December 1995 as an assistant accountant; (ii) PepsiCo, Inc., an international food and beverage manufacturer and distributor brand in Hong Kong, from July 2010 to October 2010 as a temporary finance analyst, in the Greater China region; (iii) Pearson Education Asia Limited, an education resources company in Hong Kong, from August 2009 to December 2009 as temporary finance manager; and (vi) ARC International Limited, an international training and consulting organisation in Hong Kong, from May 1993 to June 1994 as an assistant accountant, primarily responsible for the accounting services of the company.

Ms. Leung graduated with a diploma degree in computer programming and systems with honours from the DeVry Institute of Technology in Toronto Canada in October 1986 and a master degree in business administration from the University of South Australia in October 2009. Ms. Leung is a chartered professional accountant (formerly known as certified general accountant) of Chartered Professional Accountants of British Columbia (formerly known as Certified General Accountants Associate of Canada) since September 1999 and a fellow of The Association of Chartered Certified Accountants since July 2007.

Ms. Choi Sin Yi（蔡倩宜）, aged 28, joined our Group in June 2012. Ms. Choi has over six years of working experience in the online advertising industry. Ms. Choi was a social media marketing executive at JAG Hong Kong from June 2012 to September 2015, and was promoted to an advertising manager at JAG Hong Kong since October 2015, mainly responsible for the management of the Hong Kong sales team.

Ms. Choi graduated with a bachelor degree in business administration from the Hong Kong Baptist University in November 2012.

JOINT COMPANY SECRETARIES

Ms. Leung Shuki Yi Shirley and Ms. Ngai Kit Fong are our joint companies secretaries.

Ms. Leung Shuk Yi Shirley（梁淑儀） is one of our senior management. Please refer to the section headed "Senior Management (other than the executive directors)" for her biography.

Ms. Ngai Kit Fong （倪潔芳）, aged 53, was appointed as our joint company secretary on 18 August 2017. Ms. Ngai is a director of Corporate Services of Tricor Services Limited ("Tricor"), a global professional services provider specializing in integrated business, corporate and investor services. The Company has engaged Tricor as external service provider and appointed Ms. Ngai as the joint company secretary of the Company since 18 August 2017.

Ms. Ngai has over 25 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Ngai is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries ("HKICS") and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Ngai is a holder of the Practitioner's Endorsement from HKICS.

REPORT OF DIRECTORS

The Directors hereby present this annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2018.

CORPORATE REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 22 May 2017.

In preparing for the listing, the Company became the holding company of the companies comprising the Group underwent the reorganisation upon the completion of the reorganisation on 7 March 2018. Details of the reorganisation are set out in the Prospectus.

The shares of the Company were listed on the GEM of the Stock Exchange with effect from 28 March 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of the Group is the provision of online advertising services.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2018 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 48 to 87 of this annual report.

Prior to the listing, the Company declared and paid a special dividend of HK$0.2 million to the then shareholders (31 March 2017: HK$5.4 million). The Board has not recommended any final dividend for the year ended 31 March 2018.

BUSINESS REVIEW

A review of the business of the Group for the year ended 31 March 2018, which includes a description of the principal risks and uncertainties facing the Group, an analysis using financial key performance indicators of the Group's business, particulars of important events affecting the Group, an indication of likely future developments in the Group's business, and discussion on the Company's environmental policies and performance and the relationships with its stakeholders, can be found in the section headed "Management Discussion and Analysis" on page 7 to 11 of this annual report. The review forms part of this directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group strives to operate in compliance with the applicable environmental protection laws and methods to minimise the adverse effects of its existing business activities on the environment. Details of the environmental policies and performance are set out in the section headed "Environmental, Social and Governance (ESG) Report" on pages 32 to 42 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2018.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the financial statements.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year ended 31 March 2018 are set out in the consolidated statement of changes in equity on page 50 of this annual report.

As at 31 March 2018, the Company's reserves available for cash distribution and/or distribution in specie, computed in accordance with the Companies Law of Cayman Islands, amounted to approximately HK$56.2 million.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The shares of the Company have been listed on the GEM of the Stock Exchange since 28 March 2018 (the "Listing Date"). Save as the listing, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to 31 March 2018.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group, as extracted from the consolidated financial statements of the Company for the last three years ended 31 March 2018 is set out on page 88 of this annual report. This summary does not form part of the audited financial statements.

SHARE OPTION SCHEME

The Companys' share option scheme (the "Share Option Scheme") was approved by a resolution of the Company's shareholders passed on 7 March 2018. The principal terms of the Share Option Scheme, a summary of which is set out in Appendix IV to the Prospectus, are in compliance with the provisions under Chapter 23 of the GEM Listing Rules.

As of 31 March 2018 and up to the date of this annual report, there was no options granted, exercised, lapsed or cancelled under the Share Option Scheme. As of 31 March 2018 and up to the date of this annual report, there was no outstanding share option not yet exercised under the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme:

The Board may, at its discretion, offer to grant an option to any person belonging to any of the following classes of participants (the "Eligible Participants"), to take up options to subscribe for the shares:

(i) any full-time or part-time employees of our Group;

(ii) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) of our Group; and

(iii) any consultants and advisers or any substantial shareholder of our Group.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted by shareholders in general meeting.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees, the business directors, consultants or advisers of our Group and to promote the success of our Group.

Total number of securities available for issue under the Share Option Scheme as at the date of the annual report is 20,000,000 shares, representing 10% of the total shares in issue of the Company as of the date of this annual report.

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

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

There is no general requirement on the minimum period for which a share option must be held or the performance targets which must be achieved before a share option can be exercised under the terms of the Share Option Scheme.

The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.00.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of grant; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS

The Directors of the Company during the year ended 31 March 2018 and up to the date of this report were as follows:

Executive Directors
Mr. Law Ka Kin (Mr. Anakin Law)
Ms. Cheung Lee (Ms. Jenny Cheung)
Mr. Lee Wing Leung Garlos (Mr. Garlos Lee)
Mr. Leung Wai Lun

Non-executive Director
Mr. Lin Hung Yuan

Independent non-executive Directors
Mr. Kwan Chi Hong
Mr. Fenn David
Mr. Ho Ho Tung Armen

Pursuant to the articles 16.2, 16.3 and 16.18 of the articles of association of the Company (the "Articles of Association"), all Directors shall retire at the forthcoming annual general meeting of the Company (the "AGM") and being eligible, to offer themselves for re-election at the AGM.

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that each of the independent non-executive Directors is independent to the Company.

REPORT OF DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 12 to 15 of this annual report.

DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change and update in Directors' information is as follows:

Mr. Fenn David was appointed as an independent non-executive director of Hong Kong Education (Int'l) Investment Limited (stock code: 1082), a company listed on the Main Board of the Stock Exchange, on 10 May 2018.

Save as disclosed above, the Directors are not aware of any other change in Directors' information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no transactions, arrangements or contracts of significance to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2018 or at any time during the year ended 31 March 2018.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service agreement with our Company on 7 March 2018 for a term of three years commencing from the listing of the Company on the GEM of the Stock Exchange with effect from 28 March 2018, during which either party may terminate the service agreement by giving the other not less than six-months written notice.

Our non-executive Director has entered into a letter of appointment with our Company on 7 March 2018 for a term of three years commencing from the listing of the Company on the GEM of the Stock Exchange with effect from 28 March 2018. The letter of appointment is subject to termination in accordance with its respective term by not less than one-month notice in writing served by non-executive Director or the Company.

Each of the independent non-executive Directors has signed a letter of appointment on 7 March 2018 for an initial term of three years commencing from the listing of the Company on the GEM of the Stock Exchange with effect from 28 March 2018. The letters of appointment are subject to termination in accordance with their respective terms by not less than one-month notice in writing served by independent non-executive Director or the Company.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment compensation other than the statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to Articles of Association and subject to the Companies Law, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director so becoming liable for the payment of any sum primarily due from the Company. The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Company are set out in note 8 and note 9 to the financial statements in this annual report.

EMOLUMENT POLICY

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

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2018, the Group employed a total of 24 employees (31 March 2017: 18 employees). The staff costs of our Group (including directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the Year were approximately HK$5.1 million (31 March 2017: HK$3.0 million).

The remuneration package for our employees generally includes salary and bonus. Our employees also receive welfare benefits, including retirement benefits and medical insurance. We conduct annual review of the performance of our employees for determining the level of salary adjustment and promotion of our employees. Our executive Directors will also conduct research on the remuneration packages offered for similar positions in Hong Kong in order to keep our remuneration packages at a competitive level.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 March 2018, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were 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 which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares of the Company:

Name	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital*
Ms. Jenny Cheung *(Note 1)*	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Anakin Law *(Note 1)*	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Garlos Lee *(Note 1)*	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Lin Hung Yuan *(Note 2)*	Interest of a controlled corporation	35,720,000	17.86%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 31 March 2018. (i.e. 200,000,000 Shares)

Notes:

1. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such Shares held by JAG United Company Limited.

2. Mr. Lin Hung Yuan beneficially owns the entire issued shares of VMI Capital Group Limited.

Save as disclosed above, as at 31 March 2018, none of the Directors of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 31 March 2018, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in the shares:

Name	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital*
JAG United Company Limited *(Note 1)*	Beneficial interest	114,280,000	57.14%
Mr. Szeto Man Wa *(Note 2)*	Interest of spouse	114,280,000	57.14%
Ms. Leung Kwok Mei *(Note 3)*	Interest of spouse	114,280,000	57.14%
Ms. Ng Ka Po *(Note 4)*	Interest of spouse	114,280,000	57.14%
VMI Capital Group Limited *(Note 5)*	Investment Manager	35,720,000	17.68%
VMI Mega Growth Fund SPC *(Note 5)*	Beneficial interest	35,720,000	17.68%
Ms. Zhang Tian *(Note 6)*	Interest of spouse	35,720,000	17.68%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 31 March 2018. (i.e. 200,000,000 Shares)

Notes:

1. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such Shares held by JAG United Company Limited.

2. Mr. Szeto Man Wa was deemed to be interested in 114,280,000 shares of the Company through the interest of his spouse, Ms. Jenny Cheung.

3. Ms. Leung Kwok Mei was deemed to be interested in 114,280,000 shares of the Company through the interest of her spouse, Mr. Anakin Law.

4. Ms. Ng Ka Po was deemed to be interested in 114,280,000 shares of the Company through the interest of her spouse, Mr. Garlos Lee.

5. These shares were held by VMI Mega Growth Fund SPC, a segregated portfolio company and 100% of its management shares is held by VMI Capital Group Limited. Mr. Lin Hung Yuan beneficially owns the entire issued shares of VMI Capital Group Limited.

6. Ms. Zhang Tian was deemed to be interested in 35,720,000 shares of the Company through the interest of her spouse, Mr. Lin Hung Yuan.

Save as disclosed above, as at 31 March 2018, the Directors are not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from those as disclosed in the above paragraph under "Directors' Interest in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation", at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 year or age, or were any rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable to the Directors to acquire such rights in any other body corporation.

Save as disclosed above and as provided in the Share Option Scheme, at no time during the year ended 31 March 2018 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

MAJOR CUSTOMERS AND SUPPLIERS

For each of the year ended 31 March 2018 and 2017, the percentage of revenue attributable to the Group's major customers is set out below:

Revenue

- The largest customer: 7.3% and 12.3% respectively
- The total of the five largest customers: 28.9% and 37.6% respectively

For each of the year ended 31 March 2018 and 2017, the percentage of cost of services attributable to the Group's major suppliers is set out below:

Cost of Services

- The largest supplier: 18.2% and 35.4% respectively
- The total of the five largest suppliers: 59.8% and 78.4% respectively

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers and major suppliers noted above.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year ended 31 March 2018, the Group had not entered into any connected transactions or continuing connected transactions that are not exempted under Rule 20.71 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

REPORT OF DIRECTORS

USE OF PROCEEDS

The shares of the Company were listed on the GEM of the Stock Exchange on 28 March 2018. The net proceeds from the listing (after deducting the underwriting fees and expenses related to the Share Offer) amounted to approximately HK$26.7 million will be used for the intended purposes as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. As at 31 March 2018, the unused net proceeds were placed with a bank in Hong Kong.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 March 2018. None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during year ended 31 March 2018, and confirm that none of them is engaged in any business which directly or indirectly, competes or is likely to compete with the business of the Company and any of its subsidiaries or has interest in such business.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Each of the controlling shareholders, namely JAG United Company Limited, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee entered into a Deed of Non-competition in favour of the Company on 7 March 2018, the details of which have been set out in the Prospectus.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited to be the compliance adviser. As notified by Giraffe Capital Limited, as at 31 March 2018, neither Giraffe Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

The compliance adviser's appointment is for a period commencing on 28 March 2018 (i.e. the Listing Date) and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the dispatch of its annual report of the financial results for the second full financial year commencing after the date of initial listing of the Shares on the GEM, or until the compliance adviser agreement is terminated in accordance with its terms and conditions, whichever is earlier. Pursuant to the compliance adviser agreement, Giraffe Capital Limited receives fees for acting as the Company's compliance adviser.

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 24 to 31 of this annual report.

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting to re-appoint KPMG as auditor of the Company.

By Order of the Board

Law Ka Kin
Executive Director

Hong Kong, 20 June 2018

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "Shareholders") and to enhance its transparency and accountability.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

From 28 March 2018 (the "Listing Date") to 31 March 2018 and throughout the period up to the date of this annual report (the "Reporting Period"), the Company has complied with all the applicable code provisions ("CP") as set out in the CG Code which is adopted as its own code to govern its corporate governance practices with the exception of deviations set out below.

ROLE OF THE BOARD

The Board oversees the management of the business and affairs of the Company. The Directors are accountable for making decisions objectively in the best interest of the Shareholders as a whole.

The Board is responsible for making decisions on all major aspects of the Company's affairs, including the approval and monitoring of key policy matters, overall strategies, business plans and annual budgets, internal control and risk management systems, material transactions, major capital expenditure, appointment of Directors and other significant financial and operational matters.

The Board may delegate aspects of its management and administration functions to the management. In particular, the day-to-day management of the Company is delegated to the executive Directors of the Group and the management team.

BOARD COMPOSITION

During the Reporting Period, the Company has at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

From the Listing Date and up to the date of this report, the composition of the Board was as follows:

Executive Directors:
Ms. Cheung Lee (Ms. Jenny Cheung) *(member of the Nomination Committee)*
Mr. Law Ka Kin (Mr. Anakin Law) *(member of the Remuneration Committee)*
Mr. Lee Wing Leung Garlos (Mr. Garlos Lee)
Mr. Leung Wai Lun

Non-executive Director:
Mr. Lin Hung Yuan

Independent non-executive Directors:
Mr. Kwan Chi Hong *(Chairman of the Nomination Committee and member of the Audit Committee)*
Mr. Fenn David *(Chairman of the Remuneration Committee and member of the Audit Committee)*
Mr. Ho Ho Tung Armen *(Chairman of the Audit Committee and member of the Remuneration Committee and Nomination Committee)*

The Board members have no financial, business, family or other material/relevant relationships with each other.

The biographies of the Directors are set out on pages 12 to 14 of this annual report.

From the Listing Date up to 31 March 2018, no board meeting was held. The Company will take appropriate arrangements for holding at least four regular Board meetings in the forthcoming financial year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Code Provisions A.2.2 to A.2.9 further stipulates the roles of chairman for good corporate governance practices. As the Company does not have any director with the title of "chairman" and "chief executive officer", the Company has deviated from the aforesaid Code Provisions.

The roles of chairman and chief executive officer have been performed by the three executive Directors, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee collectively. Since the three executive Directors are the founders of the Company and have in-depth knowledge about the management as well as the business operations of the Company, the Board believes that vesting the roles of chairman and chief executive officer in the three executive Directors allows for efficient business planning and decisions. The Board is also of the opinion that the following matters can still be carried out properly under the current structure:-

(i) all directors are properly briefed on issues arising at board meetings (CP A.2.2);

(ii) all directors receive accurate and adequate information in a timely manner (CP A.2.3)

(iii) establishment of corporate governance practice and procedures (CP A.2.5);

(iv) effective communication with shareholders (CP A.2.8);

(v) full and active contribution of all directors to the affairs of the Board and constructive relations between executive and non-executive directors (CP A.2.6 and A.2.9).

The joint company secretaries have been delegated to draw up agenda for board meetings, taking into account any matters proposed by other directors (CP A.2.4).

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance, legal and business. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board's deliberations and that such views and judgement carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of the Shareholders.

Each independent non-executive Director gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Each independent non-executive Director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

NON-EXECUTIVE DIRECTOR

Our Company has signed a letter of appointment with our non-executive Director, namely Mr. Lin Hung Yuan, dated 7 March 2018 with an initial term of three years.

APPOINTMENTS, RE-ELECTION AND ROTATION OF DIRECTORS

Pursuant to the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to the Articles of Association, all Directors will retire at the forthcoming annual general meeting. All of the retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee (as defined below) as set out below under the section headed "Nomination Committee".

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, as well as placing an appropriate emphasis on the roles, functions and duties of the Directors.

Prior to the listing of the Company, all Directors and senior management has attended a training session conducted by a lawyer. Such training session covers a wide range of topics including directors' duties and responsibilities, corporate governance, update on the GEM Listing Rules, etc.

The Directors confirm that they have complied with the relevant code provision. The Company had received from each of the Directors the record of training the Directors received.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Specific enquiries have been made with all Directors, and all Directors confirmed in writing that they have complied with the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules regarding their securities transactions for the year.

BOARD COMMITTEES

The Company has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee") and a nomination committee (the "Nomination Committee"), for overseeing particular aspects of the Company's affairs.

REMUNERATION COMMITTEE

The Remuneration Committee comprises two independent non-executive Directors, namely, Mr. Fenn David and Mr. Ho Ho Tung Armen and an executive Director, Mr. Anakin Law. Mr. Fenn David is the chairman of the Remuneration Committee.

The primary duties of the remuneration committee include, without limitation, (i) making recommendations to the Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.stream-ideas.com.

Since the Listing Date up to 31 March 2018, no meeting was held by the Remuneration Committee. After 31 March 2018, the Remuneration Committee held a meeting on 20 June 2018, with all members present in person, to review and make recommendation to the Board on the remuneration package of executive Directors and other related matters.

Pursuant to paragraph B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 March 2018 is set out below:

Remuneration band	Number of individuals
Nil to HK$1,000,000	2

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors, namely, Mr. Ho Ho Tung Armen, Mr. Fenn David and Mr. Kwan Chi Hong. Mr. Ho Ho Tung Armen is the chairman of the Audit Committee.

Under its terms of reference, The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

The Audit Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The Audit Committee is provided with sufficient resources by the Company to discharge its duties. The Audit Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.stream-ideas.com.

The Audit Committee has not held any meeting during the period from the Listing Date to 31 March 2018. It will endeavor to perform its duties in the forthcoming financial year and hold at least two meetings and to meet the external auditors twice a year without the presence of the executive Directors. Subsequent to 31 March 2018, the Audit Committee held a meeting on 27 April 2018 with KPMG, the auditor of the Company, to kickstart the annual report process. Furthermore, it held a meeting on 20 June 2018, with all members present in person, to assess the independence of the Company's auditors and review the annual result for the year ended 31 March 2018 before submission to the Board for approval.

NOMINATION COMMITTEE

The Nomination Committee comprises two independent non-executive Directors, namely, Mr. Kwan Chi Hong, Mr. Ho Ho Tung Armen, and an executive Director, Ms. Jenny Cheung. Mr. Kwan Chi Hong is the chairman of the Nomination Committee.

The primary functions of the nomination committee include, without limitation, reviewing the structure, size and composition of the Board of Directors, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's Board Diversity Policy.

Where vacancy on the Board exists, the Nomination Committee will carry out a selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations, and select or make recommendations to the Board on the selection of candidates for directorship.

The Nomination Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.stream-ideas.com.

Since the Listing Date to 31 March 2018, no meeting was held by the Nomination Committee. Subsequent to 31 March 2018, the Nomination Committee held a meeting on 20 June 2018, to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider and recommend to the Board on the re-election of Directors at the AGM. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions as set out in the code provision D.3.1 of the CG Code.

During the Reporting Period, the Board had reviewed and developed policies and practices on corporate governance, monitored the training and continuous professional development of Directors and senior management, as well as reviewed the compliance with the Corporate Governance Code, disclosure in this report and legal and regulatory requirements of the Group.

FINANCIAL REPORTING, RISK MANAGEMENT AND INTERNAL AUDIT

Financial reporting

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with the Hong Kong Financial Reporting Standards.

The statement by the auditor about their reporting responsibilities is set out in the independent auditor's report on pages 43 to 47.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Risk management and Internal control

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems (including reviewing their effectiveness) to safeguard Shareholders' investment and the Group's assets.

Through the Audit Committee, the Board continues to review the effectiveness of risk management and internal control systems which include financial, operational, compliance, risk identification and assessment and risk response implementation controls. This process consists of (i) assessing such systems by the Group's out-sourced internal audit function; (ii) operational management's assurance of their maintenance of effective risk management systems and internal controls; and (iii) identifying control issues by the external auditor during statutory audit. The Audit Committee reviews the adequacy of resources, qualifications, experiences and training requirements of staff responsible for accounting, financial reporting, treasury, financial analysis and internal audit functions. Review of the effectiveness of the risk management and internal control system has been conducted by management who provides the confirmation to the Board through the Audit Committee.

The Group engaged an external professional firm for providing internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Group's risk management framework is based on the "Three Lines of Defense" model.

1. The executive Directors and our management team are responsible for the ongoing identification, assessment, monitoring and reporting of risks and opportunities in their respective areas; the planning and implementation of actions to manage these risks; and escalation of these risks to the executive management and Board that exceed the tolerance limits.

2. The financial controller and company secretary together with the compliance adviser conducts periodic review and challenge of top risks impacting the Group's strategic objectives; escalates the top risks to the executive Directors and through them, to the Audit Committee and the Board for their review; and facilitates the risk evaluation process.

3. The out-sourced internal audit function provides assurance over the effectiveness of controls in place to manage risk.

The Board acknowledges that it has the overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and shareholders' interests, as well as for reviewing their effectiveness. However, the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and only provide reasonable and not absolute assurance against material misstatement or loss.

The Group is fully aware of its obligations under the GEM Listing Rules and the Securities and Futures Ordinance, which has established the internal policy to regulate the handling and dissemination of inside information. The Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Future Commission. The internal policy is updated whenever required and adopted accordingly to guide its stakeholder communications and the determination of inside information in order to ensure consistent and timely disclosure.

The Group has established an ongoing process for identifying, evaluating and managing the significant risks faced, including strategic planning, corporate governance, financial reporting, core business processes, and compliance and risk management. Review of the significant risks faced has been conducted to ensure the effectiveness and adequacy of the risk management and internal control system for the year ended 31 March 2018.

For the year ended 31 March 2018 under review, the Board considers that the risk management and internal control systems of the Group are adequate and effective and the Company has complied with the relevant code provisions in the Corporate Governance Code on internal control.

Independent auditor

The Audit Committee reviews and monitors the independent auditor's independence, objectivity and effectiveness of the audit process. It receives letter from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

During the year ended 31 March 2018, the remuneration paid or payable to the Company's auditor, KPMG, in respect of their audit and non-audit services was as follows:

	HK$'000
Audit service	714
Non-audit services *(Note)*	4,511
Total	5,225

Note: Non-audit services comprise primarily service fee paid to KPMG as the reporting accountant of the Company in relation to the listing and risk management and internal control services provided to the Group.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Ms. Leung Shuk Yi Shirley, the financial controller of the Company, and Ms. Ngai Kit Fong of Tricor Services Limited. Ms. Ngai's primary contact person at the Company is Mr. Garlos Lee, an executive Director and compliance officer of the Company. Both Ms. Leung Shuk Yi Shirley and Ms. Ngai Kit Fong have confirmed that they have taken no less than 15 hours of relevant professional training for the year ended 31 March 2018. Please refer to their biographical details as set out on page 15 of this annual report.

RIGHTS OF SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 12.3 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

SENDING ENQUIRIES TO THE BOARD AND PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person: Ms. Leung Shuk Yi Shirley
Principal Place of Business: Unit 402A, 4/F, Benson Tower, 74 Hung To Road, Kwun Tong, Hong Kong
Email: shirley@stream-ideas.com

Shareholders may send questions about their shareholdings to Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, the Company's branch share registrar in Hong Kong. The requests should accompany with their full name, contact details for identification purpose.

To put forward proposals at a general meeting, the shareholders should submit a written notice of those proposals with detailed contact information to the contact person at the Company's principal place of business stated above.

COMMUNICATIONS WITH SHAREHOLDERS

In every general meeting, in respect of each substantially separate issue, a separate resolution would be proposed by the Chairman of that meeting.

The Board and senior management maintain a continuing dialogue with the Company's shareholders and investors through various channels including general meeting. Our Company's website which contains corporate information, annual reports, announcements and circulars issued by the Company as well as the recent developments of the Group enables the Company's shareholders to have a timely and updated information of the Group.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There were no significant changes in the constitutional documents of the Company for the period from the Listing Date to 31 March 2018.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT

1 ABOUT THIS REPORT

1.1 Bases of Preparation of this Report

This report was prepared with reference to the Environmental, Social and Governance ("ESG") Reporting Guide, as set out in Appendix 27 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") (the "Stock Exchange") and has complied with the "comply or explain" provisions.

1.2 Scope of Report

This Report covers the performance and initiatives of the Group in respect of corporate social responsibility during the Reporting Period, covering the Group's core businesses, i.e., online advertising services.

1.3 Reporting Period

Unless otherwise stated, this Report covers the period from 1 April 2017 to 31 March 2018 ("the Year 2017"). It includes disclosure of significant environmental and social impacts of our operation in Hong Kong, Taiwan and Malaysia.

2 CORPORATE PROFILE

2.1 Company Profile

Principal activity of Stream Ideas Group Limited (the "Group") is to provide online focus group to brand owners and advertising agencies to deliver their marketing information. The Group's online advertising services comprise social viral service, engager service and mass blogging service. The Group's headquarter is located in Hong Kong and has offices in Taiwan and Malaysia respectively.

2.2 Overview of Relevant Stakeholders and Effectiveness of Communication

RELEVANT STAKEHOLDERS	EXPECTATIONS AND REQUIREMENTS	MEANS OF COMMUNICATION
Government	Observance of law and discipline and payment of tax according to law	Complying with relevant laws and regulations
	Optimization of energy structure	Improvement in corporate governance
	Energy saving	
Investor	Stable reporting of investment	Regular reporting of operating information
	Open and transparent information	Actively organizing communicating activities for investors
	Safeguarding shareholders' interest	Improvement in daily management of the Company
Customer	Providing excellent services	Setting up a variety of communication channels to understand customer needs
Partner	Maintaining good business dealings	Carrying out strategic cooperation
	Fair, just and open management	Establishing thorough management of bidding and procurement
	Mutual benefit	Regular developing exchange activities
Employee	Competitive salary and benefits	Establishing a sound system of employee management
	Fair promotion and development	Proactive developing training activities
	Health and safety	Strengthening communication between employees through multi-channels
	Good working environment	Caring for employees who are in difficulty
		Developing employee activities
Community and the Public	Service of community development	Standardizing business management
	Safe operation of business	Strengthening interaction with the community
Public Service Agencies	Protecting the ecological environment	Actively organizing public welfare activities
	Caring for vulnerable groups	Donations

3 ANALYSIS OF ENTERPRISE ENVIRONMENTAL PERFORMANCE

The Group is mainly engaged in online advertising services. This business process does not directly generate waste gas, greenhouse gases, harmful or non-hazardous waste. The greenhouse gas generated by the Group for the Year 2017 was mainly derived indirectly from electricity consumption and employees' business travel. The energy consumption was mainly electric energy. In addition, the Group adopted a series of measures to control the amount of electricity used during the Year 2017 to effectively reduce energy consumption and indirect emissions of greenhouse gas. During the Year 2017, the Group has continued to make its best endeavors to protect the environment from its business activities and work place, and complied with applicable laws in relation to emission and waste.

3.1 Overview of relevant environmental policies in key business areas

Policies and Regulations	Date of issuance and Issuer	Main content
"Executive Yuan's Environmental Protection Administration's Medium-Policy Plan (2017-2020) 2018 Revision" 《行政院環境保護署中程施政計畫 (2017-2020) 2018 年調整版》	March 2018, Environmental Protection Administration, Executive Yuan, R.O.C., Taiwan	The purpose is to strengthen the environmental impact assessment mechanism, amend the "Standards for Determining Specific Items and Scope of Development Activities Requiring Environmental Impact Assessments", strengthen the protection of environmentally sensitive locations and promote the mechanism of expert meetings in the preliminary examination meeting, and promote the research and development of environmental protection technologies, to comply with the five projects related to environment, health and safety including the latest Nanotech Project and related programs.
"Clean Air Plan for Hong Kong 2013-2017 Progress Report"	June 2017, Environment Bureau of Hong Kong	Air Quality Health Index (AQHI) replaced old Air Pollution Index (API) at the end of 2013. It also introduced in detail the achievements made in the improvement of air conditions in Hong Kong over the past five years.
"Hong Kong's Climate Action Plan 2030+"	April 2017, Environment Bureau of Hong Kong	Government have set a carbon intensity reduction target, it hopes that Hong Kong will reduce its carbon intensity by 65% to 70% by 2030 using 2005 as the base. During the period, the government will continue to improve the power generation fuel mix and gradually reduce using coal to generate electricity locally.
"Environmental White Paper (2016 Version)" (《環境白皮書》 2016年版)	February 2017, Environmental Protection Administration, Executive Yuan, R.O.C., Taiwan	The purpose of the Environmental White Paper is to show the work trajectory of overall environmental protection during the past years. In addition to public hazard prevention, the Environmental White Paper also includes nature conservation and global environmental protection trends. The overall structure consists of 3 chapters and 9 articles, including environmental policies and status, review of environmental protection strategies and measures, and cooperation plans and outlook etc.

Policies and Regulations	Date of issuance and Issuer	Main content
"Energy Saving Plan for Hong Kong's Built Environment 2015~2025+"	May 2015, Development Bureau of Hong Kong, Transport and Housing Bureau of Hong Kong	To achieve energy intensity reduction by 40 % by 2025 using 2005 as the base. At the same time, to drive energy saving through a combination of educational, social, economic and regulatory means, especially for buildings and inhabitants to become highly energy efficient by 2025
"Air Pollution Control Ordinance" (Version 2013)	July 2013, The Environmental Protection Department of Hong Kong (EPD)	The Air Pollution Control Ordinance provides a statutory framework for establishing the Air Quality Objectives and stipulating the anti-pollution requirements for air pollution sources. It enables the making of subsidiary regulations to deal with specific air pollution problems such as vehicular exhaust, construction dust, etc. It also empowers the EPD to impose a licensing control on major stationary emission sources, namely the Specified Processes.

3.2 Analysis of Enterprise Emissions

3.2.1 Analysis of Related Indicators of Enterprise Emissions

Emissions

The Group's business did not directly generate any emissions for the Year 2017.

Greenhouse Gas Emissions

Greenhouse gas emissions include the following three major scopes:

- Scope 1: Direct greenhouse gas emissions from operations that are owned or controlled by the Company.
- Scope 2: "Indirect energy" greenhouse gas emissions from the Company's internal consumption of electricity, heat, refrigeration and steam.
- Scope 3: all other indirect greenhouse gas emissions generated outside the Company.

The Group's business does not involve the direct emission of greenhouse gases covered by Scope 1, so the Group's greenhouse gas emissions during the Year 2017 only covered Scope 2 (indirect emissions generated from the Group's electricity use) and Scope 3 (indirect carbon dioxide emissions mainly from aircraft navigation during employees' business travel).

Greenhouse gases emissions of the Group for the Year 2017 is shown in the following table:

(Unit: kg of carbon dioxide equivalent)

	Scope 2	**Scope 3**	**Total**
Carbon dioxide (CO_2)	3,607.97	6,075.00	9,682.97
Methane (CH_4)	0.82	3.62	4.44
Nitrous oxide (N_2O)	17.13	0.00	17.13
Total	**3,625.92**	**6,078.62**	**9,704.54**

During the Year 2017, the Group's total carbon emissions amounted to approximately 9,704.54 kg of carbon dioxide equivalent, equivalent to 9.70 tons of carbon dioxide equivalent, and the emission density was 0.33 kg of carbon dioxide equivalent/HK$'000 revenue, equivalent to 0.33 ton of carbon dioxide equivalent/HK$ million revenue.

Hazardous waste

During the Year 2017, various business of the Group did not generate any hazardous waste.

Non-hazardous waste

During the Year 2017, various business of the Group did not generate any non-hazardous waste.

Results of Measures to Reduce the Emission

- The Company encourages employees to avoid overtime as much as possible, and can leave the office before 8pm, so that the Company can save electricity;

- The Company's lights are turned off during lunch hour; employees are also required to turn off their computer's power after work;

- In summer, the air-conditioning temperature is kept at 24 degrees as much as possible; in winter, employees are encouraged to turn-off the air-conditioners and open the windows for air circulation.

After adopting the above power-saving measures, the Company's electricity consumption has reduced to a certain extent.

3.3 Analysis of Use of Resource by the Enterprise

3.3.1 The Main Energy Consumption Structure of the Enterprise

For the Year 2017, various business of the Group consumed a total of about 4,611.00 kWh in total[1], and each business did not directly consume gasoline, diesel or liquefied gas.

For the Year 2017, various business of the Group consumed a total of about 566.69 kg of standard coal equivalent, all of which are electricity.

3.3.2 Analysis of Related Indicators of Enterprise Resource Utilisation

Total Energy Consumption and Density

Energy consumption of the Group for the Year 2017 is shown in the following table:

Unit	Total electricity consumption of the Group for the Year 2017
Kilowatt hour (kWh)	4,611.00
Kilogram of standard coal (kgcc)	566.69

The Group used all kinds of energy of 566.69 kg of standard coal for the Year 2017, and the energy consumption density was 19.48 kg of standard coal/HK$ million revenue.

The Energy Use Benefit Plan and the Results Obtained by the Enterprise

During the Year 2017, the Group strongly advocated paperless office operations. All offices were operated in the electronic system as far as possible to reduce the use and consumption of office paper in order to save forest resources.

Water Consumption and Usage of Suitable Water Sources

The Group consumes water during the operation process, and it implements various measures to encourage water saving. The Group uses suitable water sources in accordance with the relevant environmental protection policies and regulations of various regions and countries without causing any problems.

Total Amount of Packaging Materials Used for Finished Products

The principal business of the Group is advertising agency and marketing. No finished products or packaging materials are produced.

1 Statistics only cover Hong Kong offices. Taiwan and Malaysia use shared offices, so there is no statistical data.

3.4 Analysis of Enterprise Environment and Natural Resources

3.4.1 Analysis of Major Impacts of Business Activities on Environment and Natural Resources

The Group conducts business operations in accordance with the relevant environmental protection policies and emission requirements of various regions and countries. Various types of business activities do not generate emissions and pollutants and therefore do not have a significant impact on the environment and natural resources.

4 ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY

4.1 Analysis of the Employment and Labour Status of the Company

4.1.1 Overview of Employment Status and Labour Standards

During the recruitment, the Group adheres to the principle of "open, fair and just" to take two-way choice, considers candidates on merit, and avoids any discriminatory behaviour. We are strictly in compliance with the various relevant national personnel laws and regulations and provide all employees with benefits they should enjoy.

The Group has developed a sound employment rules and regulations, and make clear provisions of the rights and obligations imposed on the employees in the employee handbook. The employee handbook stipulates that the working hour of employees per day for employees in Hong Kong and Malaysian offices work is from 10am to 6pm, including a one-hour lunch break, employees work seven hours per day and work for an average of 35 hours per week. Working hour of employees per day for employees in Taiwan office is from 10am to 6:30pm, including a one-hour lunch break, employees work for 7.5 hours per day, work for an average of 37.5 hours per week. Employees also enjoy statutory holidays and annual leave benefits according to law.

Employees' benefits of various branches of the Group are as follows:

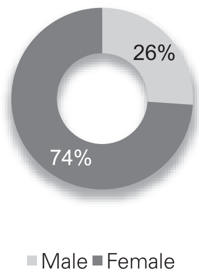
- JAG Hong Kong: The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

- JAG Taiwan: The Group have participated in and contributed in the pension scheme as registered under the Labour Pension Act in Taiwan.

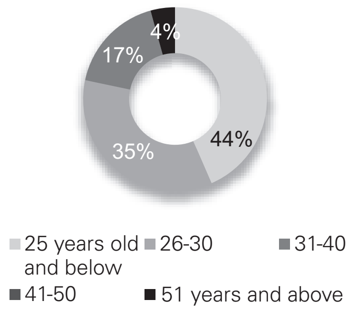
- JAG Malaysia: The Group participates in the mandatory employee provident fund in accordance with the Employees Provident Fund Act 1991 providing for the retirement benefits for all employees who are Malaysian citizens.

Details of Existing Employees by Major Indicators

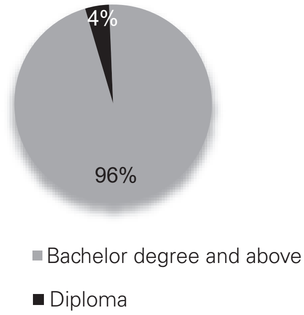
Breakdown of Existing Employees of the Group by Major Indicators for the Year 2017



Gender



Age Group



Education Level

As at 31 March 2018, the total number of existing employees of the Group was 23.

In terms of gender, the number of female employees of the Group is more than that of male employees, amounting to 17 people, accounting for 74%, and the number of male employees is 6, accounting for 26%. In order to create a favourable working environment for female employees, the Company strives to ensure that female employees are entitled to various leaves and insurance in accordance with relevant laws. The employee handbook of the Company provided that female employees in Hong Kong Office shall be entitled to 10 weeks of paid maternity leave. Female employees in Malaysia Office are granted no less than 60 consecutive days of maternity leave according to laws.

According to the age group, age structure of the Group's employees is fairly young, most of the employees aged below 30. Employees aged 25 and below and employees aged between 26 to 30 account for 44% and 35% respectively.

During the Year 2017, the Group lost a total of two employees, representing 9% of the total number of existing employees.

4.1.2 Overview of Employees' Health and Safety Assurance

The Group does not pose a significant threat to the health and safety of employees during the online advertising service. During the Year 2017, the Group complied with applicable laws and regulations that have significant impact on the issuer in relation to safe working environment and protecting employees from occupation hazards, and the Group did not experience any major work-related injuries or deaths. In order to further ensure the safety of employees, the Group has clearly stipulates in the employee handbook in respect of smoking and alcohol intake in employee's workplace, and also regulates the measures for emergency situations (such as fire and typhoon). The specific measures taken by the Group's subsidiaries in relation to the assurance of employees' health and safety are as follows:

- JAG Hong Kong: employees in Hong Kong who are retained after the probation period are entitled to medical insurance coverage.

- JAG Taiwan: The Group maintains and pays labour insurance premium and national health premium in compliance with the applicable laws in Taiwan.

- JAG Malaysia: our employees in Malaysia are also entitled to the insurance coverage against job-related injury, disability and accidents arising at work place pursuant to the Employees' Social Security Act 1969.

4.1.3 Overview of Employees' Development and Training

In order to help the Group's sales team members to better understand the current marketing trends, as at 31 March 2018, the Group held two four-hour market trend seminars in Taiwan and Hong Kong respectively, with a total of 9 participants.

4.1.4 Rules and Measures of Prevention of Child Labour or Forced Labour

The Group actively prevents child labour or forced labour during the business operation in strict accordance with relevant requirements of the laws, and adheres to the zero tolerance attitude to child labour and forced labour in any form. We also require the elimination of such issue in the assessments of suppliers.

4.2 Analysis of current status of operation and management

4.2.1 Overview of Supply Chain Management

As at 31 March 2018, the Group had a total of 63 suppliers, mainly including coupons, IM Stickers and other service providers. The Group has set clear requirements on selection and management of suppliers to ensure standardized management and proper selection of suppliers and effective control over operational risks resulting from improper selection, unreasonable method or fraudulent practice of suppliers.

The Group promptly establishes a database of suppliers, which includes the basic information of suppliers, the types of products or services providers, the types of suppliers and the supply prices, for the Group's long-term follow-up assessment of suppliers.

4.2.2 Summary of Anti-corruption Measures of the Company

The Group requires employees at all positions to undertake their corresponding responsibilities, the employees of the company must avoid any interest in dealings with the suppliers of the Group, customers or other organizations that have business relations with the Company. During the Reporting Period, the Group complied with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering and the Group saw no legal cases regarding corrupt practices.

4.2.3 Members' privacy protection

The Group takes serious protection of our Members' confidential information. The Group seeks to protect our Members' information and accounts by employing data security measures such as encryption, passwords and firewalls, etc. Our employees are prohibited to use the personal information of our Members for purposes which are not related to the maintenance of their accounts, unless their prior consent is obtained. Save and except our executive Directors, our employees cannot access the personal information of our Members outside of our offices. The Group provides our employees only the non-personal information such as the number of times their advertisements have been clicked. We do not sell, rent or otherwise share the personal information of our Members with any third parties without their prior consent. Besides, the Group adopts security policies and measures, including encryption technology, data backup and recovery system to protect Members' personal information.

4.3 Overview of Community Investment of the Company

While the Group endeavours to promote business development and strive for greater rewards for our Shareholders, we acknowledge our corporate social responsibility by continuously contributing to the society. As rewards, our members can redeem their JAG Points accumulated from their participation in missions, or elect the Group to make charitable donations to organisations on their behalf.

During the Year 2017, members of the Company made 89 donations to the UNICEF through conversion of Missions points for a total donation of HK$7,200. At the same time, six donations were made to The Hong Kong Society for the Aged for a total donation of HK$600.

While charity is the primary goal, such charity activities provide valuable exposure and enhance the public image of our brand as a socially responsible enterprise, reflects the Company's commitment to social responsibility.

5 FUTURE PLANS OF THE COMPANY

5.1 External Environment

5.1.1 Risks and Future Opportunities from Environmental, Social and Governance Impacts

Natural resources available for use by the companies will decrease in the future, which brings both challenges and opportunities for our corporate development. In recent years and in the foreseeable future, we have been thinking about how to create more economic and social benefits with limited resources. We continuously explore the use of new energy in our business operation and how to optimize, integrate and use the resources in a highly efficient manner with the support of the latest information science and technology, thereby achieving sustainable development.

The awareness of environmental protection and sustainable development among the consumers will enhance continuously in the future, which means that the consumers will gradually expect the companies to assume their social responsibilities and make contribution to sustainable development of the society and the environment with their resources. In the future market, the companies' performance in sustainable development may directly or indirectly affect the buying decision of the consumers. In addition, the companies' commercial activities will be more closely linked with the neighbouring community, and the companies shall actively contribute to the community and assume their responsibilities for the development of community.

In terms of risk, with the rapid development of the Internet and big data, consumers' personal information is also exposed to the Internet to a large extent. The customer's concerns about the confidentiality of personal information and the suspicion of social networking sites have brought us potential risks to our future business development.

In terms of opportunities, consumers' awareness of environmental protection has been increasing in recent years, and more Internet users like to devote time to online activities, which will bring us great benefits to our low-emission, low-pollution online advertising model.

5.2 Strategic and Organisational Framework

5.2.1 The Company's Core Competencies and the Manner in Which They Can Contribute to Sustainable Development:

Environment:

As an online advertising agency, the Group's core contribution to the environment is low pollution. In the future, we will further reduce pollution emissions by deepening paperless office operations. While carrying out its own business, the Group can achieve minimal impact on the external environment.

Society:

Due to the business model, the Group has a large Member base and scale. Therefore, when it is necessary, the Company can mobilize a large number of Members to participate in social responsibility related issues, so as to better undertake corporate social responsibility.

5.3 Employees' Development and Training

The Group intends to hold a five days training course with approximately 30 hours in total organised by a training company, which offers digital marketing related diploma courses approved by a digital marketing related council with an examination in Hong Kong, for our sales team members every financial year. Such course covers strategy and planning of digital marketing and implementation of different types of online advertising campaigns, including social media marketing. The Group intends to apply the sum of HK$250,000 for such staff development course for all of our sales team members, including our general managers, in Hong Kong, Taiwan and Malaysia each year. Such sum includes course fees, examination fees, hotel and travel fees for our Taiwan and Malaysia staff to attend such course in Hong Kong. The Group believes that such course shall provide all of our sales team members with the updated information on digital media marketing, related advertising strategies and for our team building.

6 APPENDIX

6.1 Terms and Abbreviations

the Group, the Company, We:	Stream Ideas Group Limited
JAG Malaysia:	JAG Ideas (Malaysia) Sdn. Bhd
JAG Taiwan:	JAG Ideas (Taiwan) Limited Taiwan Branch
JAG Hong Kong:	JAG Ideas (Hong Kong) Company Limited

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Stream Ideas Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Stream Ideas Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 48 to 87, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Impairment of trade receivables

Refer to Note 16 to the consolidated financial statements and the accounting policies on pages 55-56.

The Key Audit Matter

As disclosed in Note 16 to the consolidated financial statements, the Group has trade receivables amounting to approximately HK$9,446,000 as at 31 March 2018. Impairment losses of HK$428,000 were recognised during the year ended 31 March 2018.

Trade receivables are generally due within 60 to 130 days from the date of billing.

Management's impairment assessment of trade receivables is based on a number of factors which include ageing of overdue trade receivables, customers' repayment history, customers' financial position and current market conditions, all of which involve a significant degree of management judgement.

We identified assessing the recoverability of trade receivables as a key audit matter because the assessment of the recoverability of trade receivables is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.

How the matter was addressed in our audit

Our audit procedures to assess the impairment assessment of trade receivables included the following:

- assessing the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and impairment assessment;
- assessing, on a sample basis, whether items in the trade receivables ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices;
- identifying significant or long overdue trade receivables by inspecting the trade receivable ageing report and challenging management's assessment of the recoverability of these balances, taking into consideration the ageing of the balances, credit terms, recent settlement patterns, identified default or disputes, the debtors' financial condition and recent communications with the debtors;
- inspecting cash receipts from customers after the financial year end relating to trade receivable balances as at 31 March 2018, on a sample basis; and
- evaluating the historical accuracy of impairment assessment of trade receivables at the end of the previous financial year by examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising allowances for doubtful debts.

KEY AUDIT MATTERS (continued)

Assessment of fair value of point provision

Refer to Note 19 to the consolidated financial statements and the accounting policies on page 59.

The Key Audit Matter

The Group operates a membership point programme that provides point reward to programme members when members have completed missions related to advertising campaigns held by the Group or the Group's customers. Points accumulated by programme members can be redeemed for rewards. The Group estimates the unit fair value of points and provision is made for points accumulated under membership point programme.

As disclosed in Note 19 to the consolidated financial statements, the Group has point provision amounting to approximately HK$6,975,000 as at 31 March 2018. Reversal of point provision of HK$507,000 was recognised during the year ended 31 March 2018.

We identified the assessment of the fair value of point provision as a key audit matter because the estimation on fair value of point provision involves judgement on a number of assumptions arising from the redemption of points, including estimated costs of purchase of inventories to be used for settlement of points redeemed and estimated future redemption pattern.

How the matter was addressed in our audit

Our audit procedures to assess the fair value of point provision included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over point provision;
- inspecting the underlying documentation and comparing to the purchase information used in estimating the purchase costs of inventories to be used for settlement of points redeemed, on a sample basis;
- performing analytical procedures on point provision, which included forming an expectation based on historical information and comparing the results with point provision recognised by the Group; and
- challenging the key assumptions and critical judgements made by management which impacted their estimations of point provision, considering key terms and conditions of membership terms of service and performing retrospective review on actual redemption pattern to assess whether there is an indication of management bias.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is *Lee Ling Tak, Maggie*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
20 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Revenue	4	**28,940**	26,342
Cost of services		**(9,695)**	(7,185)
Gross profit		**19,245**	19,157
Other income	5	**315**	6
Selling and distribution costs		**(2,489)**	(1,911)
Administrative and other operating expenses		**(5,638)**	(2,482)
Listing expenses		**(19,343)**	–
Change in fair value of convertible bond	20	**(16,470)**	–
(Loss)/profit from operations		**(24,380)**	14,770
Finance costs	6(a)	**–**	(17)
(Loss)/profit before taxation	6	**(24,380)**	14,753
Income tax	7(a)	**(1,913)**	(2,493)
(Loss)/profit for the year		**(26,293)**	12,260
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss (nil of tax effect):			
Foreign currency translation differences for foreign operations		**(28)**	(12)
Total comprehensive income for the year		**(26,321)**	12,248
(Losses)/earnings per share	11		
– Basic		**$ (0.22)**	$ 0.11
– Diluted		**$ (0.22)**	$ 0.11

The notes on pages 52 to 87 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	At 31 March 2018 $'000	2017 $'000
Non-current assets			
Property, plant and equipment	12	**62**	20
Intangible assets	13	**66**	–
Deferred tax assets	7(d)	**696**	550
		824	570
Current assets			
Inventories	15	**637**	472
Trade and other receivables	16	**58,712**	9,015
Amounts due from controlling shareholders	17	**–**	223
Tax recoverable	7(c)	**61**	111
Cash and cash equivalents	18	**13,934**	7,397
		73,344	17,218
Current liabilities			
Trade and other payables	19	**17,214**	7,408
Bank loan	21	**–**	34
Tax payable	7(c)	**389**	1,224
Convertible bond	20	**–**	–
		17,603	8,666
Net current assets		**55,741**	8,552
NET ASSETS		**56,565**	9,122
CAPITAL AND RESERVES			
Share capital	22(b)	**2,000**	384
Reserves		**54,565**	8,738
TOTAL EQUITY		**56,565**	9,122

Approved and authorised for issue by the board of directors on 20 June 2018

Lee Wing Leung, Garlos)
)
)
) Directors
Law Ka Kin)
)
)

The notes on pages 52 to 87 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

(Expressed in Hong Kong dollars)

	Note	Share capital $'000 Note 22(b)	Share premium $'000 Note 22(c)	Capital reserve $'000 Note 22(d)	Exchange reserve $'000 Note 22(e)	Retained profits $'000	Total equity $'000
At 1 April 2016		403	–	–	(243)	2,170	2,330
Changes in equity for the year ended 31 March 2017:							
Profit for the year		–	–	–	–	12,260	12,260
Other comprehensive income		–	–	–	(12)	–	(12)
Total comprehensive income		–	–	–	(12)	12,260	12,248
Arising from the Reorganisation		(19)	–	–	–	–	(19)
Dividends declared in respect of the year	10	–	–	–	–	(5,437)	(5,437)
At 31 March 2017 and 1 April 2017		384	–	–	(255)	8,993	9,122
Changes in equity for the year ended 31 March 2018:							
Loss for the year		**–**	**–**	**–**	**–**	**(26,293)**	**(26,293)**
Other comprehensive income		**–**	**–**	**–**	**(28)**	**–**	**(28)**
Total comprehensive income		**–**	**–**	**–**	**(28)**	**(26,293)**	**(26,321)**
Issuance of shares	22(b)(ii)	**–***	**–**	**–**	**–**	**–**	**–***
Arising from the Reorganisation	22(b)(ii)	**(383)**	**–**	**383**	**–**	**–**	**–**
Conversion of convertible bond	20	**–***	**31,470**	**–**	**–**	**–**	**31,470**
Capitalisation issue	22(b)(iv)	**1,499**	**(1,499)**	**–**	**–**	**–**	**–**
Dividends declared in respect of the year	10	**–**	**–**	**–**	**–**	**(223)**	**(223)**
Share issued under initial public offering, net of share issuance expenses	22(b)(v)	**500**	**42,017**	**–**	**–**	**–**	**42,517**
At 31 March 2018		**2,000**	**71,988**	**383**	**(283)**	**(17,523)**	**56,565**

* The balances represent amount less than $1,000.

The notes on pages 52 to 87 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

(Expressed in Hong Kong dollars)

	Note	**2018 $'000**	2017 $'000
Operating activities			
Cash (used in)/generated from operations	18(b)	**(1,271)**	12,876
Hong Kong Profits Tax paid		**(828)**	(1,570)
Overseas tax paid		**(1,939)**	(1,367)
Net cash (used in)/generated from operating activities		**(4,038)**	9,939
Investing activities			
Payment for the purchase of property, plant and equipment		**(75)**	–
Payment for the purchase of intangible assets		**(68)**	–
Interest received		**–**	1
Net cash (used in)/generated from investing activities		**(143)**	1
Financing activities			
Repayment of bank loan		**(34)**	(393)
Interest paid		**–**	(17)
Dividends paid to equity shareholders of the Company		**–**	(5,437)
Increase in amounts due from controlling shareholders		**–**	(217)
Decrease in amounts due to controlling shareholders		**–**	(315)
Payment for acquisition of subsidiaries in relation to Reorganisation		**–**	(19)
Proceeds from shares issued under initial public offering		**3,873**	–
Payment for listing expenses		**(8,181)**	–
Proceeds from issuance of convertible bond		**15,000**	–
Net cash generated from/(used in) financing activities		**10,658**	(6,398)
Net increase in cash and cash equivalents		**6,477**	3,542
Cash and cash equivalents at the beginning of the year		**7,397**	3,924
Effect of foreign exchange rate changes		**60**	(69)
Cash and cash equivalents at the end of the year	18(a)	**13,934**	7,397

MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2018, an interim dividend of $223,000 payable to the controlling shareholders was used to set off against the current accounts with controlling shareholders.

The notes on pages 52 to 87 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE INFORMATION

Stream Ideas Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Unit 402A, 4/F, Benson Tower, 74 Hung To Road, Kwun Tong, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of online advertising services.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the "Group").

Pursuant to a group reorganisation (the "Reorganisation"), the Company became the holding company of companies now comprising the Group on 15 June 2017. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited on 28 March 2018. The companies that took part in the Reorganisation were controlled and owned by Mr. Law Ka Kin ("Mr. Law"), Ms. Cheung Lee ("Ms. Cheung") and Mr. Lee Wing Leung, Garlos ("Mr. Lee") (together, the "Controlling Shareholders") before and after the Reorganisation. The control is not transitory and, consequently, there was a continuation of the risks and benefits to the Controlling Shareholders, therefore the Reorganisation is considered to be a business combination of entities under common control.

Accordingly, the financial statements have been prepared using the merger basis of accounting in accordance with the Accounting Guideline 5 "Merger Accounting Under Common Control Combinations" ("AG5") issued by HKICPA as if the Group had always been in existence. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group include the financial performance and cash flows of the Company and its subsidiaries for the consolidated financial statements (or where the Company and its subsidiaries were incorporated/established at a date later than 1 April 2016, for the period from date of incorporation/establishment to 31 March 2018). The consolidated statement of financial position of the Group as at 31 March 2017 and 2018 have been prepared to present the assets and liabilities of the Company and its subsidiaries as at those dates as if the Reorganisation was completed at the beginning of the consolidation financial statements.

All material intra-group balances and transactions have been eliminated in full in preparing the consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except that convertible bond is stated at its fair value (see Note 2(m)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in Note 18(c) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

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

An interest in a subsidiary is included in these financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing these financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as fair value on initial recognition of a financial asset.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment losses (see Note 2(h)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see Note 2(h)).

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

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

– Office equipment	3 ⅓ years
– Computer equipment	3 years
– Leasehold improvements	3 years
– Furniture and fixtures	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(h)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Computer software	3 years

Both the period and method of amortisation are reviewed annually.

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment, intangible assets and interests in subsidiaries in the Company's statement of financial position may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2(h)). In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(l) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Convertible bond

On issuance of the convertible bond, the entire proceeds are designated as a financial liability at fair value through profit or loss. The financial liability is subsequently carried at its fair value with fair value changes recognised in profit or loss. Gains or losses arising from changes in fair value of the "financial liability at fair value through profit or loss" are recognised in the profit or loss in the period in which they arise.

When an equity conversion option is exercised, the carrying amount of financial liability is derecognised with a corresponding recognition of share capital and share premium.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statements of cash flows.

(o) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available. Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

– the same taxable entity; or

– different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Membership point programme

The Group operates a JAG membership point programme (the "Programme"). Members of the Programme accumulate points by completing missions related to the advertising campaigns held by the Group or Group's customers. Points accumulated by the members can be redeemed for rewards, such as coupons and gifts.

Provisions are recognized for the points accumulated under the Programme at fair value on which the estimation involves judgement on a number of assumptions arising from the redemption of points, including estimated costs of purchase of inventories to be used for settlement of points redeemed and estimated future redemption pattern.

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue at recognised in profit or loss as follows:

(i) Service income

Revenue from provision of online advertising services is recognised upon the completion of such services. Revenue is after deduction of any trade discounts and rebates.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(t) Translation of foreign currencies

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Translation of foreign currencies (continued)

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

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(u) Borrowing costs

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

(v) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(2) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in these financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Impairment of trade and other receivables

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and estimates allowances for doubtful debts as a result of the inability of the debtors to make required payments. The Group's estimation bases on the ageing of the trade receivables balance, credit-worthiness of the customer and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-off would be higher than estimated.

(ii) Estimation of provision

The estimation on fair value of point provision involves judgement on a number of assumptions arising from the redemption of points, including estimated costs of purchase of inventories to be used for settlement of points redeemed and estimated future redemption pattern. As the redemption pattern is continually changing as a result of change in members' preference, it is possible that the historical experience that is used in estimation is not indicative of estimated future redemption pattern. Any increase or decrease in the provision would affect profit or loss in the future years.

(iii) Fair value of convertible bond at fair value through profit or loss

The directors use their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation technique commonly used by market practitioners are applied. In determining the fair value of convertible bond at fair value through profit or loss, assumptions are made based on quoted market rates adjusted for specific features of the instrument (see Note 23(e) for details of the valuation technique adopted for fair value measurement).

(b) Sources of estimation uncertainty

Notes 19, 20 and 23 contain information about the assumptions and their risk factors relating to point provision, convertible bond and financial instruments.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activity of the Group is the provision of online advertising services. Revenue represents the service revenue from the provision of online advertising services.

The Group has one reportable segment which is the provision of online advertising services. 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 purposes of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

The Group's customer base is diversified and includes nil (2017: one) customer with whom transactions had exceeded 10 percent of the Group's revenue, including revenue from entities which are known to the Group to be under common control with the customer, for the year ended 31 March 2018. Revenue earned from this customer amounted to $nil (2017: $3,231,000) for the year ended 31 March 2018. Details of concentrations of credit risk arising from these customers are set out in Note 23(a).

(b) Segment reporting

Geographic information

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

	Revenue from external customers		**Specified non-current assets**	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Hong Kong	**16,290**	13,096	**127**	17
Taiwan	**11,860**	13,242	**1**	3
Others	**790**	4	**–**	–
	28,940	26,342	**128**	20

5 OTHER INCOME

	2018	2017
	$'000	$'000
Interest income	**267**	1
Sundry income	**48**	5
	315	6

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	2018 $'000	2017 $'000
(a) Finance costs		
Interest on bank borrowings wholly repayable within five years	–	17
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	4,786	2,895
Contributions to defined contribution retirement plans (Notes (i) and (ii))	281	147
	5,067	3,042

Notes:

(i) The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject a cap of monthly relevant income of $30,000. Contributions to the plan vest immediately.

(ii) The Group also operates a defined contribution retirement benefit scheme under the Labour Pension Act (the "Act") for its employees employed by the Group's operation in Taiwan. Based on the Act, the Group's monthly contribution to individual pension accounts of employees covered by the defined contribution plan is at 6% of monthly salaries and wages. The funds are deposited in individual labour pension accounts at the Bureau of Labour Insurance.

(iii) The Group has no other material obligation for the payment of retirement benefits beyond the annual contribution described above.

	2018 $'000	2017 $'000
(c) Other items		
Depreciation (Note 12)	33	80
Amortisation (Note 13)	2	–
Allowance for doubtful debts (Note 16(b))	428	–
Operating lease charges		
– minimum leases payments in respect of leasing of office premises	331	220
Auditors' remuneration		
– audit services	714	26
– other services	4,511	–
Exchange (gain)/loss, net	(41)	30

7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2018 $'000	2017 $'000
Current tax-Hong Kong		
Provision for the year	**878**	1,110
Current tax-Other jurisdictions		
Provision for the year	**1,160**	1,504
Deferred tax		
Origination and reversal of temporary differences	**(125)**	(121)
	1,913	2,493

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.

(ii) The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits taking into account a reduction granted by the Government of the Hong Kong Special Administrative Region of 75% of the tax payable for the year of assessment 2017-18 subject to a maximum reduction of $30,000 for each business (2017: a maximum reduction of $20,000 was granted for the year of assessment 2016-17 and was taken into account in calculating the provision for 2017).

(iii) In accordance with the relevant Taiwan rules and regulations, the Taiwan Corporate Income Tax rate applicable to the Group's subsidiary in Taiwan is principally 17% for the year ended 31 March 2018 (2017: 17%).

(iv) The Group's subsidiaries operating in other jurisdictions are subject to income tax at the rates prevailing in the respective jurisdictions.

(b) Reconciliation between income tax expense and accounting (loss)/profit before taxation at applicable tax rates:

	2018 $'000	2017 $'000
(Loss)/profit before taxation	**(24,380)**	14,753
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**(3,996)**	2,474
Effect of non-deductible expenses	**5,983**	39
Effect of non-taxable income	**(44)**	–
Statutory tax concession	**(30)**	(20)
Actual tax expense	**1,913**	2,493

7 INCOME TAX (continued)

(c) Income tax in the consolidated statement of financial position represents:

(i) Current taxation

	2018 $'000	2017 $'000
Provision for Hong Kong Profits Tax for the year	**878**	1,110
Provisional Profits Tax paid	**(939)**	(1,221)
	(61)	(111)
Provision for corporate income tax in other jurisdictions	**1,160**	1,504
Provision for corporate income tax in other jurisdictions paid	**(771)**	(280)
	389	1,224
	328	1,113

(ii) Reconciliation to the consolidated statement of financial position

	2018 $'000	2017 $'000
Tax recoverable	**(61)**	(111)
Tax payable	**389**	1,224
	328	1,113

(d) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the years are as follows:

Deferred tax assets arising from:	**Point provision** $'000	**Provision for sales rebate** $'000	**Tax losses** $'000	**Total** $'000
At 1 April 2016	282	115	–	397
Credited to profit or loss	54	67	–	121
Exchange adjustments	21	11	–	32
At 31 March 2017 and 1 April 2017	357	193	–	550
Credited to profit or loss	72	8	45	125
Exchange adjustments	12	6	3	21
At 31 March 2018	441	207	48	696

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 March 2018				
	Directors fee $'000	**Discretionary bonus $'000**	**Salaries, allowances and benefits in kind $'000**	**Retirement scheme contributions $'000**	**Total $'000**
Executive directors					
Mr. Law Ka Kin	**–**	**–**	**444**	**17**	**461**
Ms. Cheung Lee	**–**	**–**	**429**	**18**	**447**
Mr. Lee Wing Leung, Garlos	**–**	**–**	**429**	**18**	**447**
Mr. Leung Wai Lun	**–**	**–**	**213**	**10**	**223**
Independent non-executive directors					
Mr. Kwan Chi Hong	**1**	**–**	**–**	**–**	**1**
Mr. Fenn David	**1**	**–**	**–**	**–**	**1**
Mr. Ho Ho Tung Armen	**1**	**–**	**–**	**–**	**1**
	3	**–**	**1,515**	**63**	**1,581**

	Year ended 31 March 2017				
	Directors fee $'000	Discretionary bonus $'000	Salaries, allowances and benefits in kind $'000	Retirement scheme contributions $'000	Total $'000
Executive directors					
Mr. Law Ka Kin	–	–	395	17	412
Ms. Cheung Lee	–	–	398	18	416
Mr. Lee Wing Leung, Garlos	–	–	50	2	52
Mr. Leung Wai Lun	–	–	23	1	24
	–	–	866	38	904

Mr. Leung Wai Lun was appointed as executive director on 8 February 2017. Mr. Kwan Chi Hong, Mr. Fenn David and Mr. Ho Ho Tung Armen were appointed as independent non-executive directors on 7 March 2018.

Certain directors of the Company received emoluments from the subsidiaries now comprising the Group which was included in the staff costs as disclosed in Note 6(b).

No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 March 2018 and 2017. No director waived or agreed to waive any emoluments during the years ended 31 March 2018 and 2017.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five highest paid individuals of the Group, three (2017: two) of these are directors, whose emoluments are disclosed in Note 8. The emoluments in respect of the remaining two (2017: three) individuals are as follows:

	2018 **$'000**	2017 $'000
Salaries, allowances and benefits in kind	**980**	739
Discretionary bonuses	**–**	69
Retirement scheme contributions	**32**	40
	1,012	848

The emoluments of the aforesaid remaining two (2017: three) individuals with the highest emoluments are within the following bands:

	2018 **Number of individuals**	2017 Number of individuals
Nil to $1,000,000	**2**	3

10 DIVIDENDS

During the year ended 31 March 2018, an interim dividend of $223,000 was declared by the Company to its then shareholders.

During the year ended 31 March 2017, interim dividends of $5,437,000 were declared by JAG Ideas Company Limited and JAG Ideas (Taiwan) Limited to their then shareholders.

11 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

The calculation of the basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to equity shareholders of the Company of loss of $26,293,000 (2017: profit of $12,260,000) and the weighted average of 117,965,000 ordinary shares (2017: weighted average of 114,286,000 ordinary shares) in issue during the year. The weighted average number of ordinary shares in issue during the years ended 31 March 2018 and 2017 are calculated based on the assumption that 114,286,000 shares were in issue at the beginning of the years, taking into consideration the effect of the capitalisation issue.

Weighted average number of ordinary shares

	2018	2017
	'000	'000
Issued ordinary shares adjusted with capitalisation issue	**114,286**	114,286
Effect of conversion of convertible bond	**3,131**	–
Effect of share issued under initial public offering	**548**	–
	117,965	114,286

(b) Diluted (losses)/earnings per share

During the year ended 31 March 2017, there was no dilutive potential ordinary shares in issue.

During the year ended 31 March 2018, the conversion of all potential ordinary shares outstanding would have an anti-dilutive effect on the loss per share. Hence, there was no dilutive effect on calculation of the diluted loss per share for the year ended 31 March 2018.

The amount of dilutive (losses)/earnings per share is the same as basic (losses)/earnings per share for the years ended 31 March 2018 and 2017.

12 PROPERTY, PLANT AND EQUIPMENT

	Office equipment $'000	Computer equipment $'000	Leasehold improvements $'000	Furniture and fixtures $'000	Total $'000
Cost					
At 1 April 2016, 31 March 2017 and 1 April 2017	12	283	18	59	372
Additions	–	12	63	–	75
Write-off	–	(128)	(18)	(34)	(180)
At 31 March 2018	12	167	63	25	267
Accumulated depreciation:					
At 1 April 2016	6	198	18	50	272
Charge for the year	3	72	–	5	80
At 31 March 2017	9	270	18	55	352
At 1 April 2017	9	270	18	55	352
Charge for the period	2	16	11	4	33
Write-off	–	(128)	(18)	(34)	(180)
At 31 March 2018	11	158	11	25	205
Net book value:					
At 31 March 2018	1	9	52	–	62
At 31 March 2017	3	13	–	4	20

13 INTANGIBLE ASSETS

	Total $'000
Cost:	
At 1 April 2016, 31 March 2016 and 1 April 2017	–
Addition	68
At 31 March 2018	68
Accumulated amortisation:	
At 1 April 2016, 31 March 2016 and 1 April 2017	–
Charge for the year	2
At 31 March 2018	2
Net book value:	
At 31 March 2018	66
At 31 March 2017	–

The amortisation charge for the year is included in "cost of sales" in the consolidated statement of profit or loss.

14 INTERESTS IN SUBSIDIARIES

	2018 **$'000**
Investment, at cost	**384**
Amount due from a subsidiary (Note)	**8,888**
	9,272

Note: The amount due from a subsidiary is unsecured, non-interest bearing and has no fixed terms of repayment. In the opinion of the directors, the amount will not be recoverable within twelve months from the end of the reporting period and is classified as non-current assets accordingly.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 INTERESTS IN SUBSIDIARIES (continued)

The following list contains the particulars of subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation/ establishment	Particulars of issued and paid up capital	Group's effective interest	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Principal activities
JAG Ideas Holding Company Limited	British Virgin Islands ("BVI")	49,500 shares of United States dollar ("USD") 1 each	100%	100%	–	Investment holding
JAG Ideas (Taiwan) Company Limited	BVI	50,000 shares of USD1 each	100%	–	100%	Investment holding
JAG Ideas (Hong Kong) Company Limited	BVI	50,000 shares of USD1 each	100%	–	100%	Investment holding
JAG Ideas (Asia) Company Limited	BVI	1,000 shares of USD1 each	100%	–	100%	Investment holding
JAG Ideas (Singapore) Pte. Limited	Singapore	100 shares of Singapore dollar ("S$") 1 each	100%	–	100%	Provision of online advertisement services
JAG Ideas (Malaysia) Sdn. Bhd.	Malaysia	50,000 shares of Malaysian Ringgit ("MYR") 1 each	100%	–	100%	Provision of online advertisement services
JAG Ideas (Taiwan) Limited	Hong Kong	9,000 shares	100%	–	100%	Provision of online advertisement services
JAG Ideas Company Limited	Hong Kong	9,000 shares	100%	–	100%	Provision of online advertisement services
JAG Ideas (SEA) Company Limited	Hong Kong	10,000 shares	100%	–	100%	Investment holding
JAG Creative Ideas Company Limited	Hong Kong	9,900 shares	100%	–	100%	Inactive

15 INVENTORIES

Inventories in the consolidated statement of financial position represent coupons and gifts for redemption.

16 TRADE AND OTHER RECEIVABLES

	2018 $'000	2017 $'000
Trade receivables	**9,446**	8,675
Less: allowance for doubtful debts (Note 16(b))	**(428)**	–
	9,018	8,675
Deposits, prepayments and other receivables	**1,067**	340
Proceeds receivables from initial public offering (Note 16(d))	**48,627**	–
	58,712	9,015

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

(a) Ageing analysis

At 31 March 2018 and 2017, the ageing analysis of trade receivables (which are included in trade and other receivables), based on invoice date, is as follows:

	2018 $'000	2017 $'000
Within 30 days	**3,010**	3,905
31 to 60 days	**1,689**	1,592
61 to 90 days	**1,828**	1,153
91 to 180 days	**2,081**	1,625
Over 180 days	**410**	400
	9,018	8,675

Trade receivables are normally due within 60 to 130 days from invoice date. Further details on the Group's credit policy are set out in Note 23(a).

(b) Impairment of trade receivables

Impairments losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtor directly (see Note 2(h)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2018 $'000	2017 $'000
Balance at beginning of the year	**–**	–
Impairment loss recognised	**428**	–
Balance at end of the year	**428**	–

Trade debtors of $428,000 and $nil were individually determined to be impaired as at 31 March 2018 and 2017 respectively. The individually impaired receivables related to customers that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts of $428,000 and $nil for the years ended 31 March 2018 and 2017 were recognised respectively.

16 TRADE AND OTHER RECEIVABLES (continued)

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2018	2017
	$'000	$'000
Neither past due nor impaired	**5,684**	6,778
Less than 30 days past due	**1,462**	546
31 to 90 days past due	**1,306**	869
91 to 180 days past due	**180**	392
Over 180 days past due	**386**	90
	9,018	8,675

Receivables which were neither past due nor impaired related to a range of customers for whom there was no recent history of default.

Receivables which were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(d) Proceeds receivables from initial public offering

The amount represents the net proceeds from the initial public offering collected by the bookrunner and the receiving bank on behalf of the Company.

The amount was fully settled on 11 April 2018.

17 AMOUNTS DUE FROM CONTROLLING SHAREHOLDERS

The amounts due from controlling shareholders were non-trade in nature, interest-free, unsecured and recoverable on demand. All of the amounts due from controlling shareholders were settled in June 2017.

18 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	2018 $'000	2017 $'000
Cash at banks and on hand	**13,934**	7,397

(b) Reconciliation of (loss)/profit before taxation to cash (used in)/generated from operations:

	Note	2018 $'000	2017 $'000
(Loss)/profit before taxation		**(24,380)**	14,753
Adjustments for:			
Finance costs	6(a)	**–**	17
Depreciation	6(c)	**33**	80
Amortisation	6(c)	**2**	–
Interest income	5	**(267)**	(1)
Exchange (gain)/loss, net		**(205)**	201
Reversal of point provision	19(ii)	**(507)**	(1,551)
Allowance for doubtful debts	6(c)	**428**	–
Change in fair value of convertible bond	20	**16,470**	–
Changes in working capital:			
(Increase)/decrease in inventories		**(163)**	677
Increase in trade and other receivables		**(1,102)**	(3,016)
Increase in trade and other payables		**8,420**	1,716
Cash (used in)/generated from operations		**(1,271)**	12,876

18 CASH AND CASH EQUIVALENTS (continued)

(c) Reconciliation of liabilities arising from financing activities:

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

	Bank loan $'000 (Note 21)	Amounts due to controlling shareholders $'000 (Note 17)	Convertible bond $'000 (Note 20)	Total $'000
At 1 April 2016	427	315	–	742
Changes from financing cash flows				
Repayment of bank loan	(393)	–	–	(393)
Decrease in amounts due to controlling shareholders	–	(315)	–	(315)
Total changes from financing cash flows	(393)	(315)	–	(708)
At 31 March 2017	34	–	–	34
At 1 April 2017	34	–	–	34
Changes from financing cash flows				
Repayment of bank loan	(34)	–	–	(34)
Proceeds from issuance of convertible bond	–	–	15,000	15,000
Total changes from financing cash flows	(34)	–	15,000	14,966
Change in fair value	–	–	16,470	16,470
Conversion to ordinary shares	–	–	(31,470)	(31,470)
At 31 March 2018	–	–	–	–

19 TRADE AND OTHER PAYABLES

	2018 $'000	2017 $'000
Point provision (Note (ii))	**6,975**	6,095
Receipt in advance	**–**	21
Other payables and accruals	**10,239**	1,292
	17,214	7,408

Notes:

(i) All trade and other payables were expected to be settled within one year.

(ii) The point provision is analysed as follows:

	2018 $'000	2017 $'000
Balance at beginning of the year	**6,095**	6,271
Exchange adjustments	**96**	207
Distribution for the year	**9,456**	8,507
Redemption during the year	**(8,165)**	(7,339)
Reversal during the year	**(507)**	(1,551)
	6,975	6,095

A provision for points accumulated under the advertising campaigns held by the Group or the Group's customers is recognised at fair value when members have completed missions related to the advertising campaigns. Points accumulated by the members can be redeemed for the Group's inventories. Provision is therefore made for the best estimate of the cost arising from the redemption of points. Reversal represents reversal of provision in relation to points which is not probable that an outflow of economic benefits will be required to settle the obligation. It is recognised in profit or loss which reduces fair value of the provision.

20 CONVERTIBLE BOND

On 19 July 2017, VMI Mega Growth Fund SPC ("VMI"), a company incorporated in the Cayman Islands on 2 February 2016, entered into a subscription agreement (the "Pre-IPO Investment Agreement") with the Controlling Shareholders and the Company pursuant to which the Company agreed to issue and VMI agreed to subscribe for the convertible bond (the "Convertible Bond") in the principal amount of $15,000,000 convertible into such number of conversion shares as representing 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion shares on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement.

In the event that the Company has passed, not received rejection, not received a decision to delay the listing or any adverse result from the listing hearing with The Stock Exchange of Hong Kong Limited, then the Convertible Bond shall be converted into shares of the Company within 7 days from such event.

In the event that The Stock Exchange of Hong Kong Limited returns the listing application and the Company fails to take all necessary actions within 2 months, then the Convertible Bond can be redeemed at its principal amount together with accrued interest.

20 CONVERTIBLE BOND (continued)

On 27 July 2017, completion of the Pre-IPO Investment Agreement took place and the principal amount of the Convertible Bond was irrevocably settled on the same day.

The Convertible Bond will mature on 31 December 2018 ("Maturity Date"). On the Maturity Date, the Company shall either repay the outstanding principal amount of the Convertible Bond together with accrued interest thereon on the Maturity Date, either 8% or 18%, under different scenarios, on the principal amount of the Convertible Bond outstanding, or convert the Convertible Bond into shares, in accordance with the Pre-IPO Investment Agreement.

Pursuant to the Pre-IPO Investment Agreement and a conversion notice dated 28 February 2018, VMI exercised the conversion right in full to convert the whole of the principal amount of the Convertible Bond into shares of the Company. A total of 31,250 of shares of the Company was issued and allotted to VMI, representing approximately 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion shares.

The movement of the Convertible Bond for the year ended 31 March 2018 is set out as below:

	2018 $'000	2017 $'000
Balance at beginning of the year	**–**	–
Issued during the year	**15,000**	–
Change in fair value	**16,470**	–
Conversion to ordinary shares	**(31,470)**	–
Balance at end of the year	**–**	–

See Note 23(e) for details of the valuation technique adopted and inputs for fair value measurement.

21 BANK LOAN

At 31 March 2018 and 2017, the unsecured bank loan was repayable as follows:

	2018 $'000	2017 $'000
Within 1 year or on demand	**–**	34

The bank loan bears interest at 0.33% per monthly flat rate for the year ended 31 March 2017. See Note 25(c) for guarantees of the loan by the Controlling Shareholders.

The bank loan was fully repaid during the year ended 31 March 2018.

22 CAPITAL AND RESERVES

(a) Movements in components of equity

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

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

	Share capital $'000 (Note 22(b))	Share premium $'000 (Note 22(c))	Capital reserve $'000 (Note 22(d))	Accumulated loss $'000	Total equity $'000
At 22 May 2017 (date of incorporation)	–	–	–	–	–
Changes in equity for the period ended 31 March 2018:					
Loss for the period	–	–	–	(15,982)	(15,982)
Issuance of shares (Note 22(b)(ii))	–*	–	–	–	–*
Arising from the Reorganisation (Note 22(b)(ii))	1	–	383	–	384
Conversion of convertible bond (Note 20)	–*	31,470	–	–	31,470
Capitalisation issue (Note 22(b)(iv))	1,499	(1,499)	–	–	–
Dividend declared in respect of the period (Note 10)	–	–	–	(223)	(223)
Share issued under initial public offering, net of share issuance expenses (Note 22(b)(v))	500	42,017	–	–	42,517
At 31 March 2018	2,000	71,988	383	(16,205)	58,166

* The balances represent amount less than $1,000.

(Expressed in Hong Kong dollars unless otherwise indicated)

22 CAPITAL AND RESERVES (continued)

(b) Share capital

	Number of Shares	2018 $
Authorised		
At 22 May 2017 (date of incorporation)	38,000,000	380,000
Increase in authorised share capital (Note (iii))	9,962,000,000	99,620,000
At 31 March 2018	10,000,000,000	100,000,000
Ordinary shares, issued and fully paid		
At 22 May 2017 (date of incorporation)	10,000	100
Issuance of new shares (Note (ii))	90,000	900
Conversion of the Convertible Bond (Note 20)	31,250	313
Effect of capitalisation issue (Note (iv))	149,868,750	1,498,687
Share issued under initial public offering (Note (v))	50,000,000	500,000
At 31 March 2018	200,000,000	2,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

Notes:

(i) As disclosed in Note 2, these financial statements have been prepared using the merger basis of accounting as if the Group had always been in existence during the years ended 31 March 2017 and 2018. For the purpose of this report, share capital of the Group as at 31 March 2017 represented the aggregate share capital of the subsidiaries of the Group which existed at the respective dates, after elimination of investments in subsidiaries.

JAG Ideas Company Limited was incorporated on 17 May 2010 in Hong Kong with an authorised share capital of $10,000 divided into 10,000 shares of $1 each. Upon its incorporation, 9,000 shares in total in JAG Ideas Company Limited were allotted and issued to the Controlling Shareholders.

JAG Ideas (Taiwan) Limited was incorporated on 9 August 2012 in Hong Kong with an authorised share capital of $10,000 divided into 10,000 shares of $1.00 each. Upon its incorporation, 9,000 shares in total in JAG Ideas (Taiwan) Limited were allotted and issued to the Controlling Shareholders.

JAG Ideas Holding Company Limited was incorporated on 21 August 2015 in the BVI with an authorised share capital of USD50,000 divided into 50,000 shares of USD1.00 each. Upon its incorporation, 49,500 shares in JAG Ideas Holding Company Limited were allotted and issued at par value to the Controlling Shareholders.

JAG Creative Ideas Company Limited was incorporated on 8 October 2015 in Hong Kong. Upon its incorporation, 9,900 shares of $1.00 each in total in JAG Creative Ideas Company Limited were allotted and issued to the Controlling Shareholders.

On 23 November 2015, the Controlling Shareholders transferred their 9,000 shares in total in JAG Ideas Company Limited representing all the issued shares in JAG Ideas Company Limited, to JAG Ideas (Hong Kong) Company Limited at par value. As a result of the transfer, JAG Ideas Company Limited became a subsidiary of the Group.

As part of the Reorganisation, on 27 March 2017, the Controlling Shareholders transferred their 9,000 shares in total in JAG Ideas (Taiwan) Limited representing all the issued shares in JAG Ideas (Taiwan) Limited, to JAG Ideas (Taiwan) Company Limited at par value. As a result of the transfer, JAG Ideas (Taiwan) Limited became a subsidiary of the Group.

As part of the Reorganisation, on 30 March 2017, the Controlling Shareholders transferred all their shares in JAG Creative Ideas Company Limited to JAG Ideas (Asia) Company Limited. As a result of the transfer, JAG Creative Ideas Company Limited became a subsidiary of the Group.

22 CAPITAL AND RESERVES (continued)

(b) Share capital (continued)

The share capital of the Group as at 31 March 2017 represents the share capital of JAG Ideas Holding Company Limited.

Pursuant to the Reorganisation completed on 15 June 2017, the Company became the holding company of the companies now comprising the Group. The share capital of the Group as at 31 March 2018 represents the share capital of the Company.

(ii) The Company was incorporated in the Cayman Islands on 22 May 2017 with an authorised share capital of $380,000 divided into 38,000,000 shares of $0.01 each. Upon its incorporation, 10,000 shares of the Company were allotted and issued at par value to JAG United Company Limited. On 15 June 2017, the Controlling Shareholders transferred 49,500 shares in JAG Ideas Holding Company Limited, representing all the issued shares in JAG Ideas Holding Company Limited, to the Company, in consideration of and exchange for which the Company allotted and issued 90,000 shares in the Company, credited as fully paid to JAG United Company Limited at the direction of the Controlling Shareholders.

(iii) On 7 March 2018, the authorised share capital was increased to 10,000,000,000 ordinary shares with a par value of $0.01 each.

(iv) Pursuant to the written resolutions of the equity shareholders of the Company passed on 7 March 2018, the directors of the Company were authorised to allot and issue a total of 149,868,750 ordinary shares credited as fully paid at par to the shareholders as appearing on the register of members of the Company, by way of capitalisation of the sum of $1,498,687 standing to the credit of the share premium account of the Company on the date of the initial public offering of shares of the Company on GEM of the The Stock Exchange of Hong Kong Limited.

(v) Upon completion of the initial public offering of shares, the Company issued 50,000,000 new ordinary shares at par value of $0.01 each for cash consideration of $1.05 each, and raised gross proceeds of approximately $52,500,000. The respective share capital amount was approximately $500,000 and share premium arising from the issuance was approximately $42,017,000, net of the share issuance costs. The share issuance costs paid and payable mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These costs amounting to $9,983,000 were treated as a deduction against the share premium arising from the issuance.

(c) Share premium

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

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

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

(d) Capital reserve

The capital reserve represents the difference between the amount of the Company's shares issued and the net assets of JAG Ideas Holding Company Limited acquired under the Reorganisation.

(e) Exchange reserve

The reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries with functional currencies other than Hong Kong dollars. The reserve is dealt with in accordance with the accounting policies set out in Note 2(t).

22 CAPITAL AND RESERVES (continued)

(f) Capital management

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

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

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there was adequate working capital to serve its debt obligations. At 31 March 2018 and 2017, the ratio of the Group's total liabilities over its total assets was 24% and 49% respectively.

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

(g) Distributable reserves

At 31 March 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately $56,166,000.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

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

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, as part of the Group's ongoing credit control procedures, management monitors the creditworthiness of customers to whom it grants credit in the normal course of business. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors with balances that are more than six months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

At the end of each reporting period, the Group has significant concentration of credit risk in a few customers. In view of their credit standing, good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At 31 March 2018 and 2017, 8% and 14% of the total trade receivables was due from the Group's largest customer respectively and 28% and 29% of the total trade receivables was due from the Group's five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 16.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table shows the remaining contractual maturities of non-derivative financial liabilities as at 31 March 2018 and 2017 of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 March 2018 and 2017) and the earliest date the Group can be required to pay:

	At 31 March 2018			
	Carrying amount $'000	**Total contractual undiscounted cash flow $'000**	**Within 1 year or on demand $'000**	**More than 1 year but less than 2 years $'000**
Trade and other payables	**10,239**	**10,239**	**10,239**	**–**

	At 31 March 2017			
	Carrying amount $'000	Total contractual undiscounted cash flow $'000	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000
Trade and other payables	1,292	1,292	1,292	–
Bank loan	34	34	34	–
	1,326	1,326	1,326	–

(c) Interest rate risk

As at 31 March 2018 and 2017, the Group is not exposed to any significant interest rate risk.

(d) Foreign currency risk

The functional currency and reporting currency for the Company and its subsidiaries is Hong Kong dollar, except that the functional currencies of certain subsidiaries are New Taiwan dollar, MYR and S$.

As at 31 March 2018 and 2017, the Group was not exposed to any significant currency risk.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement

Financial assets and liabilities measured at fair value

Fair value hierarchy

There is three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

For the year ended 31 March 2018, the fair value of the Convertible Bond is categorised under Level 3 and the change in fair value was presented in the consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 March 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2017: nil). The group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Binomial option pricing model was adopted to determine the fair value of Convertible Bond for the year ended 31 March 2018. The significant unobservable input used to determine the fair value of Convertible Bond for the year ended 31 March 2018 is the estimated share price of the Group upon listing.

24 COMMITMENTS

The Group leases office premises through non-cancellable operating leases. These operating leases do not contain provisions for contingent lease rentals. None of the rental agreements contain escalation provisions that may require higher future rental payments.

At 31 March 2018 and 2017, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 $'000	2017 $'000
Within 1 year	**227**	110
After 1 year but within 5 years	**92**	–
	319	110

25 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

For the years ended 31 March 2018 and 2017, the directors are of the view that the following are related parties of the Group:

Name of party	Relationship with the Group
Mr. Law	Director and one of the Controlling Shareholders
Ms. Cheung	Director and one of the Controlling Shareholders
Mr. Lee	Director and one of the Controlling Shareholders
Tai Fong Studio Company Limited ("Tai Fong")	Controlled by a close family member of Mr. Lee
Couponmall Company Limited, formerly known as JAG Concepts Company Limited ("Couponmall")	Controlled by Mr. Law, Ms. Cheung and Mr. Lee

(a) Transactions with key management personnel

All members of key management personnel are the directors of the Company and their emoluments is disclosed in Note 8.

(b) Transactions with other related parties

The Group entered into the following material related party transactions:

	2018 $'000	2017 $'000
Purchase of inventories from Tai Fong	**34**	115
Purchase of inventories from Couponmall	**–**	1,598

(c) Guarantees from related parties

At 31 March 2017, the Controlling Shareholders provided personal guarantees for bank loan of $34,000.

The Controlling Shareholders' personal guarantees were released at the maturity date on 30 April 2017.

(d) Balances with related parties

At 31 March 2018 and 31 March 2017, the Group had the following balances with related parties:

	2018 $'000	2017 $'000
Amounts due from controlling shareholders		
– Mr. Law	**–**	25
– Ms. Cheung	**–**	25
– Mr. Lee	**–**	173

The amounts due from controlling shareholders are non-trade in nature, interest-free, unsecured and recoverable on demand. All of the amounts due from controlling shareholders were settled in June 2017.

26 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	2018 $'000
Non-current assets		
Interests in subsidiaries	14	**9,272**
		9,272
Current assets		
Other receivables		**48,894**
		48,894
Net assets		**58,166**
CAPITAL AND RESERVES		
Share capital	22(b)	**2,000**
Reserves		**56,166**
TOTAL EQUITY		**58,166**

27 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors consider the immediate parent of the Group to be JAG United Company Limited which is incorporated in the BVI and the ultimate controlling party of the Group to be the Controlling Shareholders of the Company. None of the parties produces financial statements available for public use.

28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 March 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 1, *First time adoption of HKFRS*	1 January 2018
Amendments to HKFRS 2, *Share-based payment: Classification and measurement of share-based payment transactions*	1 January 2018
Amendments to HKFRS 4, *Insurance contracts: Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts*	1 January 2018

(Expressed in Hong Kong dollars unless otherwise indicated)

28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)

	Effective for accounting periods beginning on or after
Amendments to HKAS 40, *Investment property: Transfers of investment property*	1 January 2018
Amendments to HKAS 28, *Investments in associates and joint ventures*	1 January 2018
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
HK(IFRIC) 22, *Foreign currency transactions and advance consideration*	1 January 2018
HKFRS 16, *Leases*	1 January 2019
HK(IFRIC) 23, *Uncertainty over income tax treatments*	1 January 2019
Amendments to HKFRS 10, *Consolidated financial statements and HKAS 28, Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them will not have a significant impact on the Group's results of operations and financial position. Further details on the impacts of adoption of HKFRS 9, HKFRS 15 and HKFRS 16 are discussed as follows. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial application of the standards may differ as the assessment completed to date is based on the information currently available to the Group. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the financial statements.

HKFRS 9, Financial Instruments

HKFRS 9 replaces the existing guidance in HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from HKAS 39.

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

Based on the assessment so far, the Group considers that the initial application of HKFRS 9 will not have a significant impact on the Group's results of operations and financial position.

28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (continued)

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the group has identified the following areas which are expected to be affected:

(a) Timing of revenue recognition

The group's revenue recognition policies are disclosed in note 2(s). Currently, revenue arising from the provision of online advertising services is recognised upon the completion of such services.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from the provision of online advertising services.

HKFRS 16, Leases

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding ''right-of-use'' asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for a number of properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 24, at 31 March 2018, the Group's future minimum lease payments under non-cancellable operating leases amounted to $319,000 under operating leases, payable within five year after the reporting date.

As more than half of the operating leases is with lease term less than 12 months, the Group considers that the initial application of HKFRS 16 will not have a significant impact on the Group's results of operations and financial position.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last three financial years, as extracted from the published financial statements and the Prospectus is set out below:

	Year ended 31 March		
	2018 **$'000**	2017 $'000	2016 $'000
RESULTS			
Revenue	**28,940**	26,342	21,768
(Loss)/profit before taxation	**(24,380)**	14,753	9,657
Income tax expense	**(1,913)**	(2,493)	(1,648)
(Loss)/profit for the year attributable to owners of the Company	**(26,293)**	12,260	8,009
ASSETS AND LIABILITIES			
Non-current assets	**824**	570	497
Current assets	**73,344**	17,218	11,073
Non-current liabilities	**–**	–	(34)
Current liabilities	**(17,603)**	(8,666)	(9,206)
Net assets	**56,565**	9,122	2,330
Equity attributable to owners of the Company:			
Share capital	**2,000**	384	403
Reserves	**54,565**	8,738	1,927
Total equity	**56,565**	9,122	2,330

The financial information for the years ended 31 March 2017 and 2016 were extracted from the Prospectus of the Company dated 16 March 2018. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 2 to the financial statements.