

# Stream Ideas Group Limited

# 源想集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8401



## FIRST QUARTERLY REPORT

## 2018



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

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

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

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This report, for which the directors (the “**Directors**”) of Stream Ideas Group Limited (the “**Company**”) 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 referred 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)

### REGISTERED OFFICE

Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

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

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 402A, 4/F  
Benson Tower  
74 Hung To Road  
Kwun Tong  
Hong Kong

### AUTHORISED REPRESENTATIVES

Ms. Cheung Lee (Ms. Jenny Cheung) (張莉)  
Mr. Law Ka Kin (Mr. Anakin Law) (羅嘉健)

### AUDITOR

KPMG  
Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

### COMPLIANCE ADVISER

Giraffe Capital Limited  
22nd Floor  
China Hong Kong Tower  
8-12 Hennessy Road  
Wan Chai  
Hong Kong

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation  
Limited  
China Insurance Group Building  
141 Des Voeux Road Central  
Hong Kong

E. Sun Commercial Bank, Ltd.  
No. 145, Section 1, Jhongshan North Road  
Jhongshan District Taipei City  
Taiwan

### COMPANY'S WEBSITE

[www.stream-ideas.com](http://www.stream-ideas.com)

### STOCK CODE

8401

# FINANCIAL HIGHLIGHTS

## FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 30 JUNE 2018 (THE “RELEVANT PERIOD”)

- The Group’s unaudited revenue amounted to approximately HK\$5,530,000 for the Relevant Period, remaining at a similar level as compared to the 3 months ended 30 June 2017 (the “**Previous Period**”);
- The Group’s unaudited gross profit decreased from HK\$3,719,000 for the Previous Period to approximately HK\$3,577,000 for the Relevant Period, representing a decrease of approximately HK\$142,000 or 3.8%;
- The Group’s unaudited loss was approximately HK\$49,000 for the Relevant Period compared to approximately HK\$1,444,000 for the Previous Period, representing a decrease of approximately HK\$1,395,000 mainly due to the one-off listing expense in Previous Period; and
- The Group does not recommend the payment of any dividend for the Relevant Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

Despite by the growth of the Group's business in Taiwan, and its entry into the Malaysia and Singapore markets, both of which have started to contribute to the Group's revenue, such growth in revenue was offset by the decline of revenue derived from Hong Kong, the Group has recorded approximately 1.7% decrease in revenue to approximately HK\$5,530,000 (2017: approximately HK\$5,628,000) for the Relevant Period.

Gross profit (after reversal of JAG points i.e. the points which the Group distributes to its clients to reward them to participate in the Group's advertising campaigns) decreased by approximately 3.8% to approximately HK\$3,577,000 while gross profit margin decreased to approximately 64.7%, which was caused by (i) higher cost of sales incurred due to the Group's entry into new markets; and (ii) a mix of different services. Mainly due to expansion of work force and professional fees, the Group recorded a loss for the Relevant Period of approximately HK\$49,000 (2017: loss of approximately HK\$1,444,000).

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 geographical market

During the Relevant Period, approximately 39.7% of the Group's revenue (2017: approximately 60.6%) was generated from clients in Hong Kong, while approximately 50.7% (2017: approximately 38.2%) was generated from clients in Taiwan. Malaysia and Singapore (new markets) are picking up to contribute approximately 9.5% of the revenue to the Group (2017: approximately 1.2%).

#### *Hong Kong*

During the Relevant Period, the business environment is quite fluctuating. Revenue decreased from approximately HK\$3,412,000 for the Previous Period to approximately HK\$2,198,000 for the Relevant Period. In view of the changing behaviours and preferences of internet users, the Group is adjusting the service mix to meet clients' needs.

#### *Taiwan*

During the Relevant Period, the operating environment in Taiwan continued to be challenging, mainly attributable to the changing behaviour of internet users. The Group is dealing with the change with a shift of focus on service type. Notwithstanding the various challenges encountered, the revenue for the Relevant Period in Taiwan increased to approximately HK\$2,806,000 (2017: approximately HK\$2,149,000).

#### *Other Markets*

The Group entered the Malaysia market in 2017 and has over 87,734 members as at 30 June 2018. During the Relevant Period, the Group expanded efforts to establish a strong presence in the market by sponsoring one of the most reputable marketing and advertising award ceremonies. The sponsorship enabled the Group to connect with many industry representatives and created tremendous sales opportunities to accelerate business growth in the months ahead. The Group also entered the Singapore market in late 2017, following its entry into the Malaysia market. During the Relevant Period, the Group continued efforts to strengthen member recruitment and client development in Singapore. As a result, revenue in other markets for the Relevant Period reached approximately HK\$526,000.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

More corporations are reallocating their resources from traditional to online advertising services, and such a shift will probably accelerate competition in the online advertising industry, and raise the awareness among consumers of the true value of online marketing and branding, enabling corporations to realise the importance of investing in such services. 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 members covering four geographic markets and its history of serving 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, continue to build its presence in the Malaysia and Singapore markets and drive new services to cater for the changing behaviours of internet users.

To accomplish these objectives, the Group will also recruit more talents, especially for the business development segment, to strengthen its workforce. This will 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, interest 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

### Revenue

The Group's revenue decreased from approximately HK\$5,628,000 for the Previous Period to approximately HK\$5,530,000 for the Relevant Period, representing a decrease of approximately 1.7%, primarily attributable to decrease in sales in Hong Kong, which was partially off-set by increase in sales in Taiwan and other countries.

### Cost of Services

The Group's cost of services increased by approximately 2.3% from approximately HK\$1,909,000 for the Previous Period to approximately HK\$1,953,000 for the Relevant Period. Such increase was mainly attributable to the higher cost in entering to new markets (Malaysia & Singapore).

### Gross Profit

Gross profit of the Group decreased by 3.8% from approximately HK\$3,719,000 for the Previous Period to approximately HK\$3,577,000 for the Relevant Period which was mainly due to increase in direct IT cost and higher cost by entering new markets (Malaysia & Singapore).

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Selling and Distribution Costs**

Selling and distribution costs of the Group increased by approximately 90.7% from approximately HK\$460,000 for the Previous Period to approximately HK\$877,000 for the Relevant Period. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The increase was mainly 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 200% from approximately HK\$871,000 for the Previous Period to approximately HK\$2,613,000 for the Relevant Period. Administrative and other operating expenses mainly consist of staff costs, professional fees, office supplies and stationary and others. The increase was mainly attributable to the increase in staff salary, directors' emoluments, auditors' remuneration and legal and professional fees.

## **Income Tax**

Income tax for the Group decreased by approximately 40.9% from approximately HK\$394,000 for the Previous Period to approximately HK\$233,000 for the Relevant Period. The decrease was in line with decrease in taxable profits of our subsidiaries in the Relevant Period.

## **Loss for the Period**

The Group's net loss was approximately HK\$49,000 for the Relevant Period compared to approximately HK\$1,444,000 for the Previous Period. The decrease was primarily attributable to the listing expenses incurred in the Previous Period, which was partially off-set by increase in selling and distribution costs and administrative and other operating expenses for the Relevant Period.

## **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 Relevant Period, the Group had not exposed to any significant currency risk.

## **Event after the Relevant Period**

There is no significant event subsequent to 30 June 2018 which would materially affect the Group's operating and financial performance.



## OTHER INFORMATION

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

As at 30 June 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 ( <i>Note 1</i> )	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Anakin Law ( <i>Note 1</i> )	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Garlos Lee ( <i>Note 1</i> )	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Lin Hung Yuan ( <i>Note 2</i> )	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 30 June 2018. (i.e. 200,000,000 Shares)

#### Notes:

- Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially own 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.
- Mr. Lin Hung Yuan beneficially owns the entire issued shares of VMI Capital Group Limited.

Save as disclosed above, as at 30 June 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.

## OTHER INFORMATION

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

As at 30 June 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 ( <i>Note 1</i> )	Beneficial interest	114,280,000	57.14%
Mr. Szeto Man Wa ( <i>Note 2</i> )	Interest of spouse	114,280,000	57.14%
Ms. Leung Kwok Mei ( <i>Note 3</i> )	Interest of spouse	114,280,000	57.14%
Ms. Ng Ka Po ( <i>Note 4</i> )	Interest of spouse	114,280,000	57.14%
VMI Capital Group Limited ( <i>Note 5</i> )	Investment Manager	35,720,000	17.68%
VMI Mega Growth Fund SPC ( <i>Note 5</i> )	Beneficial interest	35,720,000	17.68%
Ms. Zhang Tian ( <i>Note 6</i> )	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 30 June 2018. (i.e. 200,000,000 Shares)

#### Notes:

- Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially own 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.
- 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.
- 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.
- 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.
- 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.
- 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.

## OTHER INFORMATION

Save as disclosed above, as at 30 June 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.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Relevant Period and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **CORPORATE GOVERNANCE CODE**

During the Relevant Period and up to the date of this report, the Company has complied with the applicable code provisions ("CP") of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules with the exception of deviations set out below.

Under the CP A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. CP 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 CP.

The roles of chairman and chief executive officer have been performed by three of the executive Directors, Ms. Cheung Lee, Mr. Law Ka Kin and Mr. Lee Wing Leung Garlos collectively. Since these executive Directors are the founders of the Group and have in-depth knowledge about the management as well as the business operations of the Group, the Board believes that vesting the roles of chairman and chief executive officer in these 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).

### **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of 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 during the Relevant Period and up to the date of this report.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The Company's 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 of the Company dated 16 March 2018, are in compliance with the provisions under Chapter 23 of the GEM Listing Rules.

As of 30 June 2018 and up to the date of this report, there was no options granted, exercised, lapsed or cancelled under the Share Option Scheme. There was no outstanding share option not yet exercised under the Share Option Scheme.

### 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 Relevant Period. 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 the Relevant Period, and the Directors 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.

### INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser. As notified by Giraffe Capital Limited, as at 30 June, 2018, neither Giraffe Capital Limited, nor 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.

### AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 7 March 2018 with its written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 and paragraph D.3 of the CG Code. 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.

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 the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit Committee had reviewed the unaudited condensed consolidated financial statements of the Group for the Relevant Period and is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**Stream Ideas Group Limited**  
**Law Ka Kin**  
*Executive Director*

Hong Kong, 9 August 2018

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2018

	Note	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>5,530</b>	5,628
Cost of services		<b>(1,953)</b>	(1,909)
<b>Gross profit</b>		<b>3,577</b>	3,719
Other income	4	<b>97</b>	1
Selling and distribution costs		<b>(877)</b>	(460)
Administrative and other operating expenses		<b>(2,613)</b>	(871)
Listing expenses		<b>-</b>	(3,439)
<b>Profit/(loss) before taxation</b>		<b>184</b>	(1,050)
Income tax	6	<b>(233)</b>	(394)
<b>Loss for the period and total comprehensive income</b>		<b>(49)</b>	(1,444)
<b>Losses per share</b>	7		
- Basic (HK cents)		<b>(0.02)</b>	(1.26)
- Diluted (HK cents)		<b>(0.02)</b>	(1.26)

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Attributable to equity shareholders of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	
<b>As at 1 April 2017</b>	384	–	–	(255)	8,993	9,122
Loss for the period	–	–	–	–	(1,444)	(1,444)
Total comprehensive income	–	–	–	–	(1,444)	(1,444)
Issuance of shares Arising from reorganisation	–*	–	–	–	–	–*
	(383)	–	383	–	–	–
<b>Balance as at 30 June 2017 (Unaudited)</b>	1	–	383	(255)	7,549	7,678
<b>As at 1 April 2018</b>	<b>2,000</b>	<b>71,988</b>	<b>383</b>	<b>(283)</b>	<b>(17,523)</b>	<b>56,565</b>
Loss for the period	–	–	–	–	(49)	(49)
Total comprehensive income	–	–	–	–	(49)	(49)
<b>Balance as at 30 June 2018 (Unaudited)</b>	<b>2,000</b>	<b>71,988</b>	<b>383</b>	<b>(283)</b>	<b>(17,572)</b>	<b>56,516</b>

\* The balances represent amount less than HK\$1,000

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 1. GENERAL 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. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the three months ended 30 June 2018 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 HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622, Laws of Hong Kong). The financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2018 have not been audited by the Company’s independent auditors but have been reviewed by the Company’s Audit Committee.

## 3. REVENUE AND SEGMENT INFORMATION

### (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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

### (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.

	Three months ended 30 June			
	Revenue from external customers		Specified non-current assets	
	2018 HK\$'000 (Unaudited)	2017 HK'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK'000 (Unaudited)
Hong Kong	2,198	3,412	194	23
Taiwan	2,806	2,149	5	2
Others	526	67	3	–
	<b>5,530</b>	5,628	<b>202</b>	25

## 4. OTHER INCOME

	Three months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Interest Income	96	–
Sundry Income	1	1
	<b>97</b>	1

## 5. PROFIT/(LOSS) BEFORE TAXATION

	Three months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Finance cost:		
– Interest on bank borrowings wholly repayable within five years	–	17
Staff costs (including directors' emoluments)	1,435	1,034
Auditor's remuneration	213	–
Listing expenses	–	3,439
Depreciation of property, plant and equipment	7	5
Amortisation of intangible assets	9	–
Allowance for doubtful debts	–	428
Operating lease charges:		
– minimum lease payments in respect of leasing of office premises	99	64
Exchange loss, net	4	–



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 6. INCOME TAX EXPENSE

	<b>Three months ended 30 June</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Current tax – Hong Kong</b>		
Provision for the period	–	213
<b>Current tax – Other jurisdictions</b>		
Provision for the period	<b>361</b>	181
<b>Deferred tax</b>		
Origination of temporary differences	<b>(128)</b>	–
	<b>233</b>	394

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 the three months ended 30 June 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits.
- (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 20% for the three months ended 30 June 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.

## 7. LOSSES PER SHARE

The calculation of the basic losses per share for the three months ended 30 June 2018 and 2017 are based on the following:

	<b>Three months ended 30 June</b>	
	<b>2018</b>	2017
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period attributable to equity shareholders of the Company (HK\$'000)	<b>(49)</b>	(1,444)
Weighted average number of ordinary shares in issue during the period ('000)	<b>200,000</b>	114,286
Basic and diluted losses per share (HK cents)	<b>(0.02)</b>	(1.26)

During the three months ended 30 June 2018 and 2017, there was no dilutive potential ordinary shares in issue.

The amount of dilutive losses per share is the same as basic losses per share for the three months ended 30 June 2018 and 2017.

## 8. DIVIDEND

The Group does not recommend the payment of any dividend for the Relevant Period (Previous Period: nil).