

# Stream Ideas Group Limited

# 源想集團有限公司

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

Stock Code: 8401



## INTERIM 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 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)

### 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 SIX MONTHS ENDED 30 SEPTEMBER 2018 (THE "RELEVANT PERIOD")

- The Group's unaudited revenue amounted to approximately HK\$13,064,000 for the Relevant Period, represented an increase of approximately 6.7% compared to the six months ended 30 September 2017 (the "**Previous Period**");
- The Group's unaudited gross profit increased from approximately HK\$7,895,000 for the Previous Period to approximately HK\$8,776,000 for the Relevant Period, representing an increase of approximately HK\$881,000 or 11.2%;
- The Group's unaudited profit was approximately HK\$2,062,000 for the Relevant Period compared to an unaudited loss of approximately HK\$5,811,000 for the Previous Period, representing an increase of approximately HK\$7,873,000 mainly due to the one-off listing expense in the 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 partially offset by the decline of revenue derived from Hong Kong, the Group has recorded approximately 6.7% increase in revenue to approximately HK\$13,064,000 (2017: approximately HK\$12,242,000) 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) increased by approximately 11.2% to approximately HK\$8,776,000 while gross profit margin increased to approximately 67.2%, which was caused by (i) reduced cost of sales after the Group's entry into new markets; and (ii) a better mix of different services. Mainly due to expansion of work force and professional fees, the Group recorded a profit for the Relevant Period of approximately HK\$2,062,000 (2017: loss of approximately HK\$5,811,000).

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 47.2% of the Group's revenue (2017: approximately 54.8%) was generated from clients in Hong Kong, while approximately 42.3% (2017: approximately 43.3%) was generated from clients in Taiwan. Malaysia and Singapore (new markets) are picking up to contribute approximately 10.5% of the revenue to the Group (2017: approximately 1.8%).

#### *Hong Kong*

During the Relevant Period, the business environment continued to be fluctuating. Revenue decreased from approximately HK\$6,713,000 for the Previous Period to approximately HK\$6,170,000 for the Relevant Period, representing approximately a decline of approximately 8.1%. 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 behaviours 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\$5,520,000 (2017: approximately HK\$5,303,000).

#### *Other Markets*

The Group entered the Malaysia market in 2017. During the Relevant Period, the Group expanded efforts to enhance membership development by organizing a member competition event to reward members with the most JAG Points earned during the promotion period. With such strong support in member development, we have surpassed the 100,000-member plateau in less than two years of operation in Malaysia, reaching 102,987 members as at 30 September 2018. 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 increased to approximately HK\$1,374,000 from approximately HK\$226,000 in the Previous Period.



# 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 membership development by organizing events for our members, improve the user interface and functionality of its mobile applications and websites, expand client network, 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 its 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The shares of the Company were listed on GEM of the Stock Exchange on 28 March 2018 (the “**Listing Date**”).

An analysis comparing the business objectives as set out in the Prospectus with the Group’s actual business progress for the period from the Listing Date to 30 September 2018 is set out below:

Business Objectives	Implementation Plan	Actual business progress up to 30 September 2018
Build brand, develop client base and network of Members	<ul style="list-style-type: none"> <li data-bbox="334 475 605 635">– Enhance brand image via engaging spokesperson(s) to represent our Group in the regions where we operate, to promote our brand by increasing consumer awareness and credibility</li> <li data-bbox="334 655 605 775">– Build brand awareness via online advertising campaigns including social media marketing, placing of display advertisements and search engine marketing</li> <li data-bbox="334 796 605 975">– Develop and expand client base by 1) sponsoring advertising awards ceremony to reach out to potential advertising agency clients and Brand Owners 2) conducting seminar to invite potential clients to attend</li> <li data-bbox="334 995 605 1054">– Enhance membership development by organizing events for members</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="628 475 1006 579">– We are still under progress to find the suitable spokesperson who can have such personality or characteristic that can represent our Group in the regions we operate to promote our brand</li> <li data-bbox="628 600 1006 695">– We continue to build our brand awareness and recruit new members through strategic and focused advertising in selected social media platforms</li> <li data-bbox="628 716 1006 836">– During the period from the Listing Date to 30 September 2018, we successfully grew total number of members from approximately 555,000 to approximately 600,000, recording an increase of approximately 8.1%</li> <li data-bbox="628 857 1006 1078">– To develop and expand client base of Malaysia market, we sponsored Agency of The Year Awards Malaysia in April to build up our professional image and get in contact with potential advertising agency clients and brand owners. We also conducted tailor-made seminars for various potential advertising agency clients and brand owners in Hong Kong to introduce latest online advertising trends with relevant case studies</li> <li data-bbox="628 1099 1006 1197">– To enhance the bond with our members, we organized members’ event in Hong Kong and Malaysia to encourage regular visits to our platform and higher participation of our different missions</li> </ul>



# MANAGEMENT DISCUSSION AND ANALYSIS

Business Objectives	Implementation Plan	Actual business progress up to 30 September 2018
Upgrade information technology systems	<ul style="list-style-type: none"> <li>- Enhance the functionality of the Integrated Information Management System by introducing new online advertising services; enhancing the analytical capability of data collected from campaigns we held to understand the prevailing market trends and behaviors of our members; implementing enriched segmentations of our members</li> <li>- Revamp the user interface of our mobile applications and websites</li> <li>- Upgrade information technology equipment for our staff</li> </ul>	<ul style="list-style-type: none"> <li>- We remain dedicated to the continued enhancement of the user experience on our platforms through investment in upgrading the functionality of the Integrated Information Management System, and user interface of the websites and mobile applications</li> <li>- With the additional staff in the IT team, we will have more manpower to develop tools to analyze thoroughly the data from past campaigns to generate ideas for new advertising services introduction as well as gather specific data to prepare for enriched segmentations of members</li> <li>- During the period from the Listing Date to 30 September 2018, we have engaged vendors to improve the appearance of user interfaces and customize wordings with localized languages preferences of our mobile applications and websites</li> <li>- We remain committed to provide our staff with up-to-date technology and equipment to increase our team's productivity and capability. We will invest to purchase necessary equipment for our existing and new staff</li> </ul>
Strengthen talent pool and workforce and improve working environment	<ul style="list-style-type: none"> <li>- Expand workforce in different function</li> <li>- Improve our working environment by renovating and leasing additional office space</li> </ul>	<ul style="list-style-type: none"> <li>- To cope with our expanding business, in the period from the Listing Date to 30 September 2018, we have recruited additional 2 IT staff for our Group. We have also recruited 1, 6 &amp; 1 new sales staff in Hong Kong, Taiwan and Malaysia respectively</li> <li>- To cope with our expanding workforce and growing business, we moved to new offices in Taiwan and Malaysia. For Taiwan, we moved closer to city center which has higher proximity to our existing and potential clients in June 2018. While for Malaysia, we moved to a new office in July 2018, increasing the office space from approximately 100 sqft to 1,000 sqft</li> </ul>
Working capital and general corporate purposes	<ul style="list-style-type: none"> <li>- Used as working capital and funding for other general corporate purposes according to our current business plans</li> </ul>	<ul style="list-style-type: none"> <li>- We remain focused on maintaining and investing in our working capital in order to fund our expanding business and enhance our operating liquidity as we grow our business and revenue</li> </ul>
Pursue growth through selective acquisitions	<ul style="list-style-type: none"> <li>- Acquire digital media companies or advertising companies</li> </ul>	<ul style="list-style-type: none"> <li>- We have not yet found out any suitable target for the acquisition</li> </ul>

# MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEED

The net proceeds from the placing and public offer of new shares as referred in the Prospectus was approximately HK\$26.7 million.

These proceeds are designated for the purposes in accordance with the “Future Plans and Use of Proceeds” as set out in the Prospectus, which are (i) approximately 22.5% of the net proceeds, representing approximately HK\$6.0 million to build brand, develop client base and network of members, (ii) approximately 17.9% of the net proceeds, representing approximately HK\$4.8 million to upgrade information technology systems, (iii) approximately 25.7% of the net proceeds, representing approximately HK\$6.8 million to strengthen talent pool and workforce and improve work environment, (iv) approximately 23.9% of the net proceeds, representing approximately HK\$6.4 million to pursue growth through selective acquisitions, and (v) approximately 10% of the net proceeds, representing approximately HK\$2.7 million for general working capital purposes.

An analysis of the utilisation of the net proceeds from the Listing Date up to 30 September 2018 is set out below:

	<b>Planned use of proceeds as stated in the Prospectus</b>	<b>Actual use of net proceeds from the Listing Date to 30 September 2018</b>	<b>Unutilised proceeds</b>
	HK\$ Million	HK\$ Million	HK\$ Million
Build brand, develop client base and network of members	6.0	0.5	5.5
Upgrade information technology systems	4.8	0.3	4.5
Strengthen talent pool and workforce and improve work environment	6.8	0.4	6.4
Pursue growth through selective acquisitions	6.4	0	6.4
Working capital and general corporate purposes	2.7	2.7	0
	26.7	3.9	22.8

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the actual proceeds were applied based on the development of the Group’s business and industry.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased from approximately HK\$12,242,000 for the Previous Period to approximately HK\$13,064,000 for the Relevant Period, representing an increase of approximately 6.7%, primarily attributable to increase in sales in Taiwan and other countries, which was partially off-set by decrease in sales in Hong Kong.

### Cost of Services

The Group's cost of services was stable with slightly decreased by approximately 1.4% from approximately HK\$4,347,000 for the Previous Period to approximately HK\$4,288,000 for the Relevant Period.

### Gross Profit

Gross profit of the Group increased by approximately 11.2% from approximately HK\$7,895,000 for the Previous Period to approximately HK\$8,776,000 for the Relevant Period which was mainly due to the increase in revenue.

### Selling and Distribution Costs

Selling and distribution costs of the Group increased by approximately 80.5% from approximately HK\$1,007,000 for the Previous Period to approximately HK\$1,818,000 for the Relevant Period. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The increase was mainly attributable to the 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 52.8% from approximately HK\$3,108,000 for the Previous Period to approximately HK\$4,749,000 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 45.1% from approximately HK\$883,000 for the Previous Period to approximately HK\$485,000 for the Relevant Period. The decrease was in line with decrease in taxable profits of our subsidiaries in the Relevant Period.

### Profit for the Period

The Group's net profit was approximately HK\$2,062,000 for the Relevant Period compared to net loss of approximately HK\$5,811,000 for the Previous Period. The increase was primarily attributable to the listing expenses incurred in the Previous Period, which were partially off-set by the 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 September 2018 which would materially affect the Group's operating and financial performance.

## OTHER INFORMATION

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

As at 30 September 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", Cap 571 Laws of Hong Kong)) 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 September 2018. (i.e. 200,000,000 Shares)

#### Notes:

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

Save as disclosed above, as at 30 September 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 September 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 30 September 2018. (i.e. 200,000,000 Shares)

#### Notes:

- 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.
- 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 September 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 interim report, the Company has complied with the applicable code provisions ("**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules except the following deviations. Under 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. Meanwhile, 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 A.2.1 to A.2.9. 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 (Code Provision A.2.2);
- (ii) all directors receive accurate and adequate information in a timely manner (Code Provision A.2.3);
- (iii) establishment of corporate governance practice and procedures (Code Provision A.2.5);
- (iv) effective communication with shareholders (Code Provision 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 (Code Provisions 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 (Code Provision 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 September 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 interests 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 September, 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, 8 November 2018

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

For the six months ended 30 September 2018

	Note	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>13,064</b>	12,242
Cost of services		<b>(4,288)</b>	(4,347)
<b>Gross profit</b>		<b>8,776</b>	7,895
Other income	4	<b>338</b>	3
Selling and distribution costs		<b>(1,818)</b>	(1,007)
Administrative and other operating expenses		<b>(4,749)</b>	(3,108)
Listing expenses		<b>–</b>	(8,711)
<b>Profit/(loss) before taxation</b>	5	<b>2,547</b>	(4,928)
Income tax	6	<b>(485)</b>	(883)
<b>Profit/(loss) for the period</b>		<b>2,062</b>	(5,811)
<b>Other comprehensive income, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>			
Foreign currency translation differences for foreign operations		<b>(189)</b>	–
<b>Total comprehensive income for the period</b>		<b>1,873</b>	(5,811)
<b>Earnings/(losses) per share</b>	7		
– Basic (HK\$)		<b>0.01</b>	(0.05)
– Diluted (HK\$)		<b>0.01</b>	(0.05)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	As at 30 September 2018 HK\$'000 (Unaudited)	As at 31 March 2018 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		141	62
Intangible assets		191	66
Deferred tax assets		618	696
		<b>950</b>	824
<b>Current assets</b>			
Inventories		728	637
Trade and other receivables	8	9,385	58,712
Tax recoverable		–	61
Cash and cash equivalents		56,465	13,934
		<b>66,578</b>	73,344
<b>Current liabilities</b>			
Trade and other payables	9	8,696	17,214
Tax payable		394	389
		<b>9,090</b>	17,603
<b>Net current assets</b>		<b>57,488</b>	55,741
<b>Net assets</b>		<b>58,438</b>	56,565
<b>Capital and reserves</b>			
Share capital		2,000	2,000
Reserves		56,438	54,565
<b>Total equity</b>		<b>58,438</b>	56,565

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 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	
As at 1 April 2017	384	–	–	(255)	8,993	9,122
Loss for the period	–	–	–	–	(5,811)	(5,811)
Total comprehensive income	–	–	–	–	(5,811)	(5,811)
Issuance of shares Arising from the Reorganisation	–*	–	–	–	–	–
	(383)	–	383	–	–	–
Balance as at 30 September 2017 (Unaudited)	1	–	383	(255)	3,182	3,311
<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>
Profit for the period	–	–	–	–	2,062	2,062
Other comprehensive income	–	–	–	(189)	–	(189)
Total comprehensive income	–	–	–	(189)	2,062	1,873
<b>Balance as at 30 September 2018 (Unaudited)</b>	<b>2,000</b>	<b>71,988</b>	<b>383</b>	<b>(472)</b>	<b>(15,461)</b>	<b>58,438</b>

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	<b>2018</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2017 HK\$'000 (Unaudited)
Net cash from operating activities	<b>43,212</b>	(5,459)
Net cash outflow from investing activities	<b>(248)</b>	(10)
Net cash outflow from financing activities	<b>–</b>	12,227
	<b>42,964</b>	6,758
Increase in cash and cash equivalents	<b>13,934</b>	7,397
Cash and cash equivalents at beginning of the period	<b>(433)</b>	–
Effect of foreign exchange rate changes	<b>–</b>	–
	<b>56,465</b>	4,155
Cash and cash equivalents at end of the period	<b>56,465</b>	4,155

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Stream Ideas Group Limited is 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 six months ended 30 September 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 Hong Kong Institute of Certified Public Accountants, 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 six months ended 30 September 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.

### (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.

	<b>Six months ended 30 September</b>			
	<b>Revenue from</b>		<b>Specified</b>	
	<b>external customers</b>		<b>non-current</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>HK\$’000</b>	HK\$’000	<b>HK\$’000</b>	HK\$’000
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
Hong Kong	<b>6,170</b>	6,713	<b>318</b>	24
Taiwan	<b>5,520</b>	5,303	<b>8</b>	1
Others	<b>1,374</b>	226	<b>6</b>	–
	<b>13,064</b>	12,242	<b>332</b>	25

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. OTHER INCOME

	Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Interest Income	335	–
Sundry Income	3	3
	338	3

## 5. PROFIT/(LOSS) BEFORE TAXATION

	Six months ended 30 September	
	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)	3,068	2,201
Auditor's remuneration	406	354
Listing expense	–	8,711
Depreciation of property, plant and equipment	19	12
Amortisation of intangible assets	25	–
Allowance for doubtful debts	–	428
Operating lease charges on office premises		
– minimum lease payments in respect of leasing of office premises	211	130
Exchange gain	(37)	–
	–	–

## 6. INCOME TAX

	Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Current tax – Hong Kong</b>		
Provision for the period	–	442
<b>Current tax – Other jurisdictions</b>		
Provision for the period	577	441
<b>Deferred tax</b>		
Origination of temporary differences	(92)	
	485	883

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6. INCOME TAX (Continued)

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.
- (ii) The provision for Hong Kong Profits Tax for the six months ended 30 September 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 six months ended 30 September 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. EARNINGS/(LOSSES) PER SHARE

The calculation of the basic earnings/(losses) per share for the six months ended 30 September 2018 and 2017 are based on the following:

	<b>Six months ended 30 September</b>	
	<b>2018</b> <b>(Unaudited)</b>	2017 (Unaudited)
Profit for the period attributable to equity shareholders of the Company (HK\$'000)	<b>2,062</b>	(5,811)
Weighted average number of ordinary shares in issue during the period ('000)	<b>200,000</b>	114,286
Basic and diluted earnings/(losses) per share (HK\$)	<b>0.01</b>	( 0.05)

During the period ended 30 September 2017, there was no dilutive potential ordinary shares in issue.

During the period ended 30 September 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 period ended 30 September 2018.

The amount of dilutive earnings/(losses) per share is the same as basic earnings/(losses) per share for the periods ended 30 September 2018 and 2017.

## 8. TRADE AND OTHER RECEIVABLES

	<b>As at</b> <b>30 September</b> <b>2018</b> <b>HK\$'000</b> <b>(Unaudited)</b>	As at 31 March 2018 HK\$'000 (Audited)
Trade receivables	<b>8,912</b>	9,446
Less: allowance for doubtful debts	<b>(428)</b>	(428)
	<b>8,484</b>	9,018
Deposits, prepayments and other receivables	<b>901</b>	1,067
Proceeds receivables from initial public offering	<b>–</b>	48,627
	<b>9,385</b>	58,712

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 8. TRADE AND OTHER RECEIVABLES *(Continued)*

### Ageing Analysis

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>As at 30 September 2018 HK\$'000 (Unaudited)</b>	As at 31 March 2018 HK\$'000 (Audited)
Within 30 days	2,063	3,010
31 to 60 days	2,275	1,689
61 to 90 days	2,035	1,828
91 to 180 days	1,433	2,081
Over 180 days	678	410
	<b>8,484</b>	<b>9,018</b>

Trade receivables are normally due within 60 to 130 days from invoice date.

## 9. TRADE AND OTHER PAYABLES

	<b>As at 30 September 2018 HK\$'000 (Unaudited)</b>	As at 31 March 2018 HK\$'000 (Audited)
Points provision <i>(Note)</i>	6,749	6,975
Other payables and accruals	1,947	10,239
	<b>8,696</b>	<b>17,214</b>

*Note:* The point provision is analysed as follows:

Balance at beginning of the year	6,975	6,095
Exchange adjustments	(132)	96
Distribution for the period	4,626	9,456
Redemption during the period	(4,463)	(8,165)
Reversal during the period	(257)	(507)
	<b>6,749</b>	<b>6,975</b>

## 10. DIVIDEND

The Group does not recommend the payment of any dividend for the six months ended 30 September 2018.