

eBROKER GROUP LIMITED

電子交易集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 8036



Interim Report **2019**

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 of the Stock Exchange 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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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 DIRECTORS

Executive Directors

Mr. Chan Lap Tak, Douglas (*Chairman*)

Mr. Lo Chi Ho (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Chan Chi Kwong Dickson

Mr. Liu Kin Sing

Mr. Au Yeung Po Fung

COMPANY SECRETARY

Mr. Liew Swee Yean,

Certified Public Accountant

COMPLIANCE OFFICER

Mr. Lo Chi Ho

AUTHORISED

REPRESENTATIVES

Mr. Chan Lap Tak, Douglas

Mr. Liew Swee Yean

AUDIT COMMITTEE

Mr. Au Yeung Po Fung (*Chairman*)

Mr. Chan Chi Kwong Dickson

Mr. Liu Kin Sing

REMUNERATION COMMITTEE

Mr. Liu Kin Sing (*Chairman*)

Mr. Au Yeung Po Fung

Mr. Chan Lap Tak, Douglas

NOMINATION COMMITTEE

Mr. Chan Lap Tak, Douglas (*Chairman*)

Mr. Liu Kin Sing

Mr. Chan Chi Kwong Dickson

COMPLIANCE ADVISER

Somerley Capital Limited

20/F, China Building, 29 Queen's Road Central, Hong Kong

AUDITORS

RSM Hong Kong

Certified Public Accountants

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REGISTERED OFFICE

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BUSINESS IN HONG KONG

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Hong Kong

HONG KONG LEGAL ADVISERS

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PRINCIPAL SHARE REGISTRAR

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**HONG KONG BRANCH SHARE
REGISTRAR**

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STOCK CODE

8036

WEBSITE OF THE COMPANY

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

For the three months and six months ended 30 June 2019

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2019 together with the unaudited comparative figures for the corresponding periods in 2018, as follows:

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

For the three months and six months ended 30 June 2019

	Note	Three months ended 30 June		Six months ended 30 June	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	4	10,765	13,290	23,579	27,190
Other income	5	172	26	212	47
Purchases of and changes in inventories		–	(376)	(10)	(376)
Staff costs		(4,790)	(4,998)	(10,051)	(10,041)
Depreciation expenses		(558)	(45)	(1,116)	(89)
Other operating expenses		(3,999)	(7,958)	(10,413)	(12,988)
Profit/(loss) from operations		1,590	(61)	2,201	3,743
Finance costs	8(b)	(64)	–	(134)	–
Profit/(loss) before tax		1,526	(61)	2,067	3,743
Income tax expense	7	(154)	(677)	(520)	(1,395)
Profit/(loss) and total comprehensive income for the periods attributable to owners of the Company	8(a)	1,372	(738)	1,547	2,348
Earnings/(loss) per share					
– Basic (HK cent per share)	9	0.11	(0.07)	0.13	0.23
– Diluted (HK cent per share)	9	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2019

	Note	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		314	367
Investment in a joint venture		5	5
Right-of-use assets	15	3,031	–
		3,350	372
Current assets			
Inventories		51	51
Contract assets	11	1,160	204
Trade and other receivables	12	4,971	11,693
Right-of-use assets	15	2,047	–
Due from a joint venture		31	97
Pledged bank deposits		5,000	5,000
Cash and cash equivalents		70,261	18,971
		83,521	36,016
Current liabilities			
Contract liabilities	11	1,048	1,595
Trade and other payables	13	2,418	8,093
Lease liabilities		1,998	–
Current tax liabilities		800	281
		6,264	9,969
Net current assets			
		77,257	26,047
Total assets less current liabilities			
		80,607	26,419
Non-current liabilities			
Deferred tax liabilities		83	83
Lease liabilities		3,141	–
NET ASSETS			
		77,383	26,336
Capital and reserves			
Share capital	14	1,230	1,000
Reserves		76,153	25,336
TOTAL EQUITY			
		77,383	26,336

Approved by the Board of Directors on 9 August 2019 and are signed on its behalf by:

Chan Lap Tak, Douglas
Director

Lo Chi Ho
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2019

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 January 2018	1,000	12,651	(54,333)	66,136	25,454
Total comprehensive income for the period	-	-	-	2,348	2,348
At 30 June 2018	1,000	12,651	(54,333)	68,484	27,802
At 1 January 2019	1,000	12,651	(54,333)	67,018	26,336
Issue of ordinary shares	230	64,170	-	-	64,400
Capitalisation of listing expenses	-	(14,900)	-	-	(14,900)
Total comprehensive income for the period	-	-	-	1,547	1,547
At 30 June 2019	1,230	61,921	(54,333)	68,565	77,383

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2019

Six months ended 30 June

2019

2018

HK\$'000

HK\$'000

Net cash generated from/(used in) operating activities	1,682	(372)
Net cash generated from/(used in) investing activities	108	(41)
Net cash generated from financing activities	49,500	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	51,290	(413)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	18,971	24,038
CASH AND CASH EQUIVALENTS AT 30 JUNE	70,261	23,625
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	70,261	23,625

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL INFORMATION

eBroker Group Limited (the “Company”) was incorporated in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 23 May 2016. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 February 2019.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These unaudited condensed consolidated financial statements comply with the accounting principles generally accepted in Hong Kong and the Rules Governing the Listing of Securities on GEM (“GEM Listing Rules”).

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2018 and the notes thereto (the “2018 Audited Consolidated Financial Statements”). The significant accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2018 Audited Consolidated Financial Statements except for the new and revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period’s financial statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited condensed consolidated financial statements. Although the estimates are based on the management’s best knowledge of and judgement on the present events and actions, the actual results may eventually differ from those estimates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Certain new and revised Hong Kong Financial Reporting Standard (“HKFRSs”) have been issued. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. Except as described below for the HKFRS 16, the Directors considered that the adoption of other new HKFRSs which are effective for the accounting periods beginning on 1 January 2019 will not have any material impact on the preparation and presentation of the results and financial conditions of the current period and previous periods. For the HKFRSs that are not yet effective nor have not been early adopted, the Group is in the process of making as assessment of the potential impact of the newly issued HKFRSs.

HKFRS 16 replaces HKAS 17 Leases and related interpretations and has been effective for annual period beginning on or after 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts for the period prior to first adoption.

Under HKFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognised and measured a liability at the present value of the future minimum lease payments and recognised a corresponding right-of-use assets for these leases previously classified as operating leases applying HKAS 17. The finance costs on the lease liability and depreciation on the right-of-use asset were recognised in profit or loss. The Group elected, on a lease-by-lease basis, to measure that right-of-use assets at amounts equal to the lease liabilities, adjusted by the amounts of any prepaid or accrued lease payments relating to these leases recognised in the statement of financial position immediately before the date of initial application.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

4. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the periods is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Front office solution service income	6,053	7,236	12,644	14,676
Back office solution service income	2,958	3,039	6,094	6,171
Installation and customisation services income	649	1,404	2,279	3,800
Managed cloud service income	706	742	1,793	1,407
Others	399	869	769	1,136
	10,765	13,290	23,579	27,190

The Group derives revenue from the transfer of goods and services in Hong Kong over time and at a point in time for the periods is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<i>Products and services transferred at a point in time</i>				
Others	–	574	17	574
<i>Products and services transferred over time</i>				
Front office solution service income	6,053	7,236	12,644	14,676
Back office solution service income	2,958	3,039	6,094	6,171
Installation and customisation services income	649	1,404	2,279	3,800
Managed cloud service income	706	742	1,793	1,407
Others	399	295	752	562
Total	10,765	13,290	23,579	27,190

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

5. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	HK\$'000 (<i>unaudited</i>)	HK\$'000 (<i>unaudited</i>)	HK\$'000 (<i>unaudited</i>)	HK\$'000 (<i>unaudited</i>)
Interest income on bank deposits	141	6	147	6
Management fees from a joint venture	31	20	65	41
	172	26	212	47

6. SEGMENT INFORMATION

During the periods, all of the Group's contract revenue has been generated from the sale of computer products, provision of contracted trading solutions and development of electronics trading systems for brokerage.

The Group has one reportable segment which is the provision of services to the Group's customers. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and assessment of the Group's performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group's services is presented.

All of the Group's revenue from external customers was generated from Hong Kong during the periods.

During the periods, no individual customer contributes over 10% of the total revenue of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

7. INCOME TAX EXPENSE

Income tax has been recognised in unaudited condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax				
Provision for the periods	154	677	520	1,395
	154	677	520	1,395

The provision for Hong Kong Profits Tax is calculated at a rate of 16.5% on the estimated assessable profit for the periods.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK\$2 million will continue to be subject to the tax rate of 16.5%.

8. PROFIT FOR THE PERIOD

(a) The Group's profit for the periods are stated after charging the following:

	Three months ended 30 June		Six months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Auditor's remuneration	147	228	295	294
Cost of inventories sold	-	376	10	376
Depreciation of property, plant and equipment	46	45	92	89
Depreciation of right-of-use-assets	512	-	1,024	-
Listing expenses	-	4,061	1,835	5,649
Legal and professional fees	603	3	1,253	7
Lease payments under operating leases in respect of land and buildings which are not included in lease liabilities	66	504	157	1,009

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

8. PROFIT FOR THE PERIOD (continued)

(b) Finance costs

	Three months ended		Six months ended	
	30 June		30 June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest expense on lease liabilities	64	-	134	-

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following:

	Three months ended		Six months ended	
	30 June		30 June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings				
Profit/(loss) attributable to owners of the Company and earnings for the purpose of calculating basic earnings per share	1,372	(738)	1,547	2,348
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,230,000	1,000,000	1,167,735	1,000,000

The weighted average number of ordinary shares for the three months and six months ended 30 June 2019 for the purpose of basic earnings per share has been adjusted for the share issued on 19 February 2019 in connection with the Listing on GEM of the Stock Exchange.

The weighted average number of ordinary shares for the three months and six months ended 30 June 2018 for the purpose of basic earnings per share has been adjusted for the share subdivision on 22 January 2019.

No diluted earnings per share is calculated for the three months and six months ended 30 June 2019 and 2018 as there was no potential dilutive ordinary share in existence.

10. DIVIDEND

The Directors do not recommend any payment of dividend for the six months ended 30 June 2019 (2018: HK\$ Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

Details of contract assets are as follow:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Contract assets related to provision of services	1,160	204

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables"	733	850

The contract assets represent the Group's rights to consideration for work completed but not billed as at 30 June 2019. The contract assets are transferred to trade receivables when the rights become unconditional other than passage of time. Contract assets increased in 2019 was primarily due to a material project completed substantially but not yet been billed before 30 June 2019.

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Contract liabilities related to provision of services	1,048	1,595

The contract liabilities represent the advanced consideration received from customers for which revenue is recognised based on the progress toward complete satisfaction of the related services. The decrease in contract liabilities in 2019 was mainly due to completion of installation projects which were included in the contract liabilities at the beginning of the year, and there were only slightly increase in contract liabilities as a result of advance billing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

11. CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(b) Contract liabilities (continued)

The following table shows the revenue recognised during the periods related to carried-forward contract liabilities:

	Three months ended 30 June		Six months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue recognised that was included in the balance of contract liabilities at 1 April/1 January				
Revenue from provision of services	148	468	827	1,341

Movements in contract liabilities:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Balance at 1 January 2019/2018	1,595	–
Reclassification from trade and other payables	–	1,950
Decrease in contract liabilities as a result of recognising revenue during the period/year was included in the contract liabilities at the beginning of the period/year	(827)	(1,552)
Increase in contract liabilities as a result of billing in advance of installation and customisation services	280	1,197
Balance at 30 June 2019/31 December 2018	1,048	1,595

The amount of revenue recognised in the six months ended 30 June 2019 from performance obligations satisfied (or partially satisfied) in previous period is approximately HK\$827,000 (31 December 2018: approximately HK\$1,552,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

12. TRADE AND OTHER RECEIVABLES

	30 June 2019	31 December 2018
	HK\$'000	HK\$'000
	(unaudited)	<i>(audited)</i>
Trade receivables*	3,429	5,683
Impairment losses on trade receivables	(75)	(75)
	3,354	5,608
Prepayments, deposits and other receivables**	1,617	6,085
	4,971	11,693

* Included in the trade receivables as at 30 June 2019 is approximately HK\$185,000 (31 December 2018: approximately HK\$340,000) of trade receivables due from a company in which Mr Chan Lap Tak Douglas has beneficial interests.

** Included in the prepayments, deposits and other receivables as at 30 June 2019 is approximately HK\$20,000 (31 December 2018: Nil) of technical support services fee prepaid to a related company in which Mr Chan Lap Tak Douglas has beneficial interests.

The Group's trading terms with customers are due upon presentation of invoices. However, as the Group seeks to develop long-term relationship with its customers, it may allow an average credit period of 60 days to its customers, depending on the creditworthiness of customers and the existing relationships with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on the invoice date, and net of allowance is as follows:

	30 June 2019	31 December 2018
	HK\$'000	HK\$'000
	(unaudited)	<i>(audited)</i>
0 to 30 days	1,954	2,376
31 to 60 days	342	1,043
61 to 90 days	302	168
91 to 120 days	–	704
Over 120 days	756	1,317
	3,354	5,608

The carrying amounts of the trade receivables prepayments, deposits and other receivables are denominated in Hong Kong dollars.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

13. TRADE AND OTHER PAYABLES

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Trade payables	393	297
Accruals and other payables	2,025	7,796
	2,418	8,093

The ageing analysis of trade payables based on the date of receipt of goods or services, is as follows:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
0 to 30 days	202	162
31 to 60 days	69	62
61 to 90 days	40	37
Over 90 days	82	36
	393	297

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Renminbi	236	150
Hong Kong dollars	154	147
US dollars	3	-
	393	297



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

14. SHARE CAPITAL

The Group

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. At 30 June 2019, the ratio of the Group's total liabilities over its total assets was 10.9% (31 December 2018: 27.6%).

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The Group is not subject to any externally imposed capital requirements during the six months ended 30 June 2019 and for the year ended 31 December 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

14. SHARE CAPITAL (continued)

The Company

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 January 2018	100,000	1,000
Increase in authorised capital (note 14(i))	400,000	4,000
At 31 December 2018 and 1 January 2019	500,000	5,000
Each share subdivided into 10 shares (note 14(ii))	4,500,000	–
At 30 June 2019 (unaudited)	5,000,000	5,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2018, 31 December 2018 and 1 January 2019	100,000	1,000
Each share subdivided into 10 shares (note 14(ii))	900,000	–
Issue of ordinary shares (note 14(iii))	230,000	230
Ordinary shares of HK\$0.001 each		
At 30 June 2019 (unaudited)	1,230,000	1,230

Note:

- (i) On 19 June 2018, the authorised share capital of the Company was increased from HK\$1,000,000 divided into 100,000,000 shares of HK\$0.01 each to HK\$5,000,000 divided into 500,000,000 shares of HK\$0.01 each by the creation of additional 400,000,000 shares of HK\$0.01 each, each ranking pari passu with the shares then in issue in all respects.
- (ii) Pursuant to the resolution passed by the shareholders of the Company at an extraordinary general meeting on 22 January 2019, that each of the issued and unissued shares of HK\$0.01 each in the share capital of the Company was subdivided into 10 shares such that the authorised share capital of the Company became HK\$5,000,000 divided into 5,000,000,000 shares of HK\$0.001 each, of which 1,000,000,000 shares were in issue, fully paid or credited as fully paid, and 4,000,000,000 shares remained unissued.
- (iii) On 19 February 2019, the Company has successfully listed on the GEM of the Stock Exchange. In connection with the completion of the listing, the Company issued a total of 230,000,000 ordinary shares at a price of HK\$0.28 per share for a total proceeds (before related fees and expense) of HK\$64,400,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

15. RIGHT-OF-USE ASSETS

Upon the adoption HKFRS 16 on 1 January 2019, the Group recognized approximately HK\$60,000 of right-of-use assets and lease liabilities of existing leases.

During the period, the Group entered into two new lease agreements for an average term of 3 years. On the commencement of these leases, the Group recognized approximately HK\$6,042,000 right-of-use assets for the period was approximately HK\$1,024,000.

16. LEASE COMMITMENTS

At 30 June 2019 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2019 HK\$'000 (unaudited)	31 December 2018 HK\$'000 (audited)
Within one year	60	300

Operating lease payments represent rentals payable by the Group for certain of its office, car parks and rack spaces at data centres. For the period/year, leases are negotiated for term ranged from 1 to 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

17. RESERVES

The amounts of the Group's reserves and the movements therein for the period and the same period in 2018 are presented in the unaudited condensed consolidated statement of changes in equity in this report.

18. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the periods:

	For the three months ended 30 June		For the six months ended 30 June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Management fee received from a joint venture	31	20	65	41

The related party transactions were carried out at terms mutually negotiated between the Group and the respective related parties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

18. RELATED PARTY TRANSACTIONS (continued)

- (b) The Group made lease payment to a related company amounting to HK\$540,000 for the three months ended 30 June 2019 (2018: HK\$405,000) and HK\$1,080,000 for the six months ended 30 June 2019 (2018: HK\$810,000).

Upon adoption of HKFRS 16, the Group recognised depreciation of right-of-use assets and interest on lease liabilities in relation to the above lease arrangement with the related company of approximately HK\$503,000 and HK\$63,000 respectively for the three months ended 30 June 2019 and approximately HK\$1,007,000 and HK\$133,000 respectively for the six months ended 30 June 2019 in the profit or loss.

- (c) During the periods ended 30 June 2018, the Group had provided corporate guarantee to a bank for banking facilities to the extent of HK\$74,500,000 granted to Easy System. The corporate guarantee was released on 11 February 2019. Details of the guarantee are set out in note 19.

19. CONTINGENT LIABILITIES

At 30 June 2019, the Group did not have any significant contingent liabilities.

During the year ended 31 December 2016, the Company has issued a letter of corporate guarantee in favor of a bank to the extent of HK\$74,500,000 for the banking facilities granted to Easy System. The directors of the Company considered that the fair value of the corporate guarantee provided by the Company is insignificant. At 31 December 2018 the maximum liability of the Group under the guarantee is the outstanding balance of the bank loan due by Easy System at that date of approximately HK\$13,878,000. The corporate guarantee was released on 11 February 2019.

20. EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to 30 June 2019 and up to the date of this report.

21. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 9 August 2019.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of financial software solution services to primarily financial institutions (including mainly brokerage firms, proprietary trading firms and wealth management companies) in Hong Kong. The Group derives its revenue mainly from front office solution service, back office solution service, installation and customization services, managed cloud service and other services income.

For the six months ended 30 June 2019, the Group recorded a revenue of approximately HK\$23.6 million, representing a decrease of approximately 13.3% from approximately HK\$27.2 million recorded for the six months ended 30 June 2018. Profit attributable to owners of the Company for the six months ended 30 June 2019 amounted to approximately HK\$1.5 million, representing a significant decrease of approximately 34.8% as compared with the profit of approximately HK\$2.3 million for the six months ended 30 June 2018 mainly due to (i) decrease of front office solution service income by approximately HK\$2.0 million due to adverse business and economic conditions; (ii) decrease of non-recurring installation and customisation service income by approximately HK\$1.5 million due to the recognition of setup charges for Two Factor Authentication solution in second quarter of 2018; (iii) increase of legal and professional expense by approximately HK\$1.2 million after the listing; and (iv) decrease of listing expense by approximately HK\$3.8 million.

In view of the ever-increasing regulation and the innovation of the financial market in Hong Kong, the Group responded to the needs of the financial communities by broadening our services to our clients. The Group has also continued to strengthen its research and development capabilities in order to respond to and anticipate changes in the market and enhance the Group's competitiveness within the financial technology market.

OUTLOOK

With the Group's long term objective to strengthen its position as one of the top financial software solution services provider by enhancing its overall competitiveness in the financial technology market, the Group intends to focus on (i) expanding its customer base in wealth management solution; (ii) improving user trading applications; (iii) expanding our managed cloud services to local brokerage firm clients; and (iv) establishing our research and development centre in the PRC.

Looking ahead, the financial technology market is expected to be more competitive than in previous years. The Group plans to further develop the Group's brand recognition and expand its customer base by marketing our services to overseas financial institutions with local offices in Hong Kong, establishing long-term strategic business relationships with wealth management companies, exploring new service solutions and approaching new customers.

The Directors believe that the financial resources obtained by the Group from the Listing will strengthen its financial position and enable it to implement its business plan as mentioned above.

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the provision of financial technology solutions which can be classified into (i) front office solution service; (ii) back office solution service; (iii) installation and customization services; (iv) managed cloud service and (v) other services income. For the six months ended 30 June 2019, the Group recorded revenue of approximately HK\$23.6 million, representing a decrease of approximately 13.2% as compared with the previous year of approximately HK\$27.2 million. Such decrease was mainly attributable to the significant decrease in installation and customization services and front office solution service income. The installation and customization services decreased by approximately 39.5% from approximately HK\$3.8 million for the six months ended 30 June 2018 to approximately HK\$2.3 million for the six months ended 30 June 2019 due to the recognition of setup charges for Two Factor Authentication solution in second quarter of 2018. The managed cloud service increased by approximately 28.6% from approximately HK\$1.4 million for the six months ended 30 June 2018 to approximately HK\$1.8 million for the six months ended 30 June 2019. Front office solution service income decreased by approximately 14.3% from approximately HK\$14.7 million for the six months ended 30 June 2018 to approximately HK\$12.6 million for the six months ended 30 June 2019 due to adverse business and economic conditions.

Purchases of and Changes in Inventories

The Group's purchases of and changes in inventories for the six months ended 30 June 2019 was approximately HK\$10,000, representing a decrease of approximately 97.5% from approximately HK\$0.4 million in respect of the six months ended 30 June 2018. Such decrease was primarily due to a decrease of approximately HK\$0.56 million in product sales of the Group for the six months ended 30 June 2019.

Profit before Tax

The Group's profit before tax for the six months ended 30 June 2019 was approximately HK\$2.1 million, representing a decrease by approximately 43.2% when compared with its profit before tax of approximately HK\$3.7 million for the six months ended 30 June 2018. This was primarily due to the decrease in front office solution and installation and customisation services income of approximately HK\$3.6 million for the six months ended 30 June 2019.

Other Income

The Group's other income consists of management fee received from a joint venture and interest income on bank deposits. The Group's other income increased slightly to approximately HK\$212,000 from approximately HK\$47,000 for the six months ended 30 June 2018 due to an increase in interest income of approximately HK\$141,000, which was mainly due to an increase in bank balance as a result of the proceeds from the listing.

MANAGEMENT DISCUSSION AND ANALYSIS

Staff Costs

For the six months ended 30 June 2019, the Group's staff costs remained stable at approximately HK\$10.1 million (2018: approximately HK\$10.0 million).

Depreciation

The Group's depreciation increased by approximately HK\$1.1 million for the six months ended 30 June 2019 representing a significant increase of approximately 1,136.0% from approximately HK\$89,000 for the six months ended 30 June 2018. The increase was primarily due to the depreciation of right-of-use assets under the adoption of HKFRS 16 during the period.

Other Operating Expenses

The Group's other operating expenses mainly include (i) cost of services; (ii) rent, building management fee and rates; and (iii) listing expenses. The Group's other operating expenses for the six months ended 30 June 2019 were approximately HK\$10.4 million, representing a decrease of approximately 20% over the other operating expenses of approximately HK\$13 million for the six months ended 30 June 2018. The decrease was primarily attributable to (i) a decrease in listing expenses of approximately HK\$3.8 million; and (ii) an increase in legal and professional fees of approximately HK\$1.2 million.

Income Tax Expense

The Group's income tax expense for the six months ended 30 June 2019 was approximately HK\$0.5 million, representing a decrease of approximately 64.3% from approximately HK\$1.4 million for the six months ended 30 June 2018. Such decrease was in line with the decrease in profit before tax for the six months ended 30 June 2019. The effective income tax rates of the Group, which equal to the income tax expense divided by profit before tax, were approximately 25.2% and 37.3% for the six months ended 30 June 2019 and 2018, respectively. The decrease in the effective income tax rate for the six months ended 30 June 2019 was primarily attributable to the net effect of (i) the decrease in profit before tax; (ii) the incurrence of listing expenses that are not deductible.

Profit for the year attributable to owners of the Company

Profit attributable to owners of the Company for the six months ended 30 June 2019 amounted to approximately HK\$1.5 million, representing a decrease of approximately 34.8% as compared with the profit of approximately HK\$2.3 million for the six months ended 30 June 2018. If the listing expenses and related professional fees were excluded, the profit attributable to owners of the Company decreased by approximately 42.1% as compared to the six months ended 30 June 2018. The significant decrease was primarily attributable to the decrease in front office solution and installation and customisation services income of approximately HK\$3.6 million for the six months ended 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations are financed mainly by of cash generated from operations. The Group recorded net current assets of approximately HK\$77.3 million as at 30 June 2019 (31 December 2018: approximately HK\$26.0 million).

As at 30 June 2019, the Group's current assets amounted to approximately HK\$83.5 million (31 December 2018: approximately HK\$36.0 million) of which approximately HK\$0.05 million (31 December 2018: approximately HK\$0.05 million) was inventories; approximately HK\$5.0 million was trade and other receivables (31 December 2018: approximately HK\$11.7 million); and approximately HK\$70.3 million was bank and cash balances (31 December 2018: approximately HK\$19.0 million).

As at 30 June 2019, the Group had no interest-bearing and non-interest bearing borrowing. On the same date, the Group had unused banking facilities of approximately HK\$5.0 million which was secured by cash deposits of approximately HK\$5.0 million.

Given that there was no interest-bearing borrowing as at 30 June 2018 and 30 June 2019, the gearing ratio is not applicable for analysis.

The Group's financial position has been further enhanced by the net proceeds of approximately HK\$23.3 million obtained from the Listing in February 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations include: (i) the Group's research and development may not be able to catch up with technological advancements which are important for the Group to maintain its competitiveness; and (ii) the Group may be unable to collect its trade receivables in a timely manner and have to record impairment losses. In addition, the Group's activities are exposed to a variety of financial risks including, credit risk, liquidity risk and interest rate risk.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 19 February 2019. There has been no change in the capital structure of the Company since then. As at 30 June 2019, the capital structure of the Company comprised mainly of issued share capital and reserves.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities, convertible securities, options, warrants or similar rights of the Company.

PLEDGE OF ASSETS

As at 30 June 2019, the Group had pledged HK\$5 million bank deposits to secure overdraft facilities granted to the Group to the extent of HK\$5 million (31 December 2018: HK\$5 million).



MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the six months ended 30 June 2019.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any material capital commitments. The details of contingent liabilities are set out in note 19 to the condensed consolidated financial statements.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenue and costs are primarily denominated in Hong Kong Dollar. Some costs are denominated in Renminbi. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents and the accounts receivables due from customers and contract assets. Our management does not expect significant credit risk as all bank balances are placed with recognized banks in Hong Kong and the Group has comprehensive credit policy in place.

EXPOSURE TO LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition. The Group does not have significant exposure on interest rate risk. Except as stated above, the Group has no other interest-bearing assets and liabilities as at the end of the reporting period, its income and operating cash flows are substantially independent of changes in variable interest rates.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2019, the Group had a workforce of 30 full-time employees (2018: 31). The remuneration of the Group's employees are determined depending on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in accordance with relevant labour regulations. The Group provides various training to its employees from time to time which include management training courses to the employees of supervisory level to develop their management and leadership skills and other training courses to its employees to keep abreast of the latest technology development.

For the six months ended 30 June 2019, the total employee benefit expenses of the Group (including salaries, bonuses, allowances and retirement benefit scheme contributions) remained stable at approximately HK\$10.0 million (2018: approximately HK\$10.0 million). The Company has adopted a Share Option Scheme on 22 January 2019 to enable the Company to grant options to, amongst others, the employees and directors of the Group.

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments as at 30 June 2019. Save as disclosed in the Prospectus, the Company did not have other plans for material investments or capital assets.

USE OF PROCEEDS FROM LISTING

The net proceeds from the Share Offer were approximately HK\$23.3 million, which was based on the gross proceeds from the share offer less the actual expenses related to the Listing. Subsequent to the Listing, these proceeds will be used for the purposes in accordance with the future plans as set out in the Prospectus and the utilization amount of net proceeds is set out as below:

MANAGEMENT DISCUSSION AND ANALYSIS

Use of proceeds

Description of intended use of the proceeds	Net proceeds HK\$ million	Approximate percentage of total net proceeds	Actual use of proceeds from Listing Date to the date of this report HK\$ million	Unutilized amount as at the date of this report HK\$ million
Expand the business in Wealth Management Solution	2.6	11%	–	2.6
Improve the user trading applications	6.8	29%	–	6.8
Expand the managed cloud services to local brokerage firm clients	2.6	11%	–	2.6
Establish a research and development centre in the PRC	10.7	46%	–	10.7
General working capital	0.6	3%	–	0.6
	23.3	100%	–	23.3

Due to unforeseen prolonged procedures during the set-up of a PRC subsidiary for our research and development centre in the PRC, immaterial amount of proceeds have been used for the initial setup and recruitment. The implementation plan for establishment of our research and development centre has been unexpectedly delayed but there is no change to the plan for the use of proceeds.

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

As at 30 June 2019, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which are required (a) 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 in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

MANAGEMENT DISCUSSION AND ANALYSIS

Long positions

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate percentage of the issued Shares
Mr. Chan Lap Tak, Douglas ("Mr. Chan")	Interest of spouse	2,291,420	0.19%
Mr. Lo Chi Ho (who is also the chief executive officer)	Beneficial interest	9,100,010	0.74%

Note: Mr. Chan is the spouse of Ms. Cheung Mee Kuen, Amy ("Ms. Cheung") and is deemed to be interested in all the Shares in which Ms. Cheung is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company nor their associates had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

MANAGEMENT DISCUSSION AND ANALYSIS

Long positions in the Shares

Name	Capacity and nature of interest	Number of Shares held	Approximate percentage of the issued Shares
Quantsmile (BVI) Limited ("Quantsmile BVI")	Beneficial interests	411,902,870 (note 1)	33.49%
Eagle Business Consulting Limited ("Eagle Business")	Beneficial interests and interest in a controlled corporation	639,646,910 (note 1 and note 2)	52.00%
Good Steward Foundation	Interest in a controlled corporation	639,646,910 (note 2 and note 3)	52.00%
Financial Data Technologies Limited ("Financial Data Technologies")	Beneficial interests	130,000,000 (note 4)	10.57%
Mr. Nie Lehui	Interest in a controlled corporation	130,000,000 (note 4)	10.57%
Glory Sight Holdings Ltd. ("Glory Sight")	Beneficial interests	87,218,200 (note 5)	7.09%
Mr. Wong Tit Shing	Interest in a controlled corporation	87,218,200 (note 5)	7.09%

Notes:

- (1) Quantsmile (BVI) is an investment holding company incorporated in the BVI and is held as to approximately 50.85% by Eagle Business Consulting, 23.73% by Supergrand and 25.42% jointly by Mr. Chan (an executive Director) and Ms. Cheung (the spouse of Mr. Chan). By virtue of the SFO, Eagle Business Consulting is deemed to be interested in the Shares held by Quantsmile (BVI) in the Company.
- (2) Eagle Business Consulting is an investment holding company incorporated in Hong Kong and is held as to approximately 95.19% by Good Steward Foundation, 4.76% by Ms. Cheung (the spouse of Mr. Chan) and 0.05% by Mr. Ng. By virtue of the SFO, Good Steward Foundation is deemed to be interested in the Shares held by Quantsmile (BVI), which held approximately 33.49% interests in the Company.
Eagle Business Consulting also directly holds approximately 18.52% interest in the Company. By virtue of the SFO, Good Steward Foundation is deemed to be interested in the Shares held by Eagle Business Consulting in the Company.
- (3) Good Steward Foundation is a charitable company incorporated in Hong Kong and holds approximately 95.19% interest in Eagle Business Consulting, which holds approximately 50.85% in Quantsmile (BVI), which in turn held approximately 33.49% interests in the Company. By virtue of the SFO, Good Steward Foundation is deemed to be interested in the Shares held by Eagle Business Consulting.
- (4) Financial Data Technologies is beneficially and wholly owned by Mr. Nie Lehui.
- (5) Glory Sight is an investment holding company incorporated in the BVI and is held as to 70% by Mr. Wong Tit Shing and 30% by Mr. Luke Hung Pong, Patrick, each an independent third party. By virtue of the SFO, Mr. Wong Tit Shing is deemed to be interested in the Shares held by Glory Sight in the Company.



MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 30 June 2019, so far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive officer of the Company) had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 22 January 2019. No share options have been granted by the Company under the Share Option Scheme since its adoption.

COMPETING INTEREST

During the six months ended 30 June 2019 and up to the date of this report, none of the Directors or the Controlling Shareholders or their close associates (as defined in the GEM Listing Rules) are interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor did they have any conflicts of interest with the Group.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules as the basis of the Company's corporate governance practices during the six months ended 30 June 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct regarding directors' securities transactions ("**Required Standard of Dealings**").

Having made specific enquiry with all the Directors, all Directors have confirmed that they have complied with the Required Standard of Dealings during the six months ended 30 June 2019.



MANAGEMENT DISCUSSION AND ANALYSIS

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed Somerley Capital Limited as its compliance adviser, which will provide advice and guidance to the Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 19 December 2018, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There is no material event undertaken by the Company or by the Group subsequent to 30 June 2019 and up to the date of this report.

AUDIT COMMITTEE

The audit committee of the Company, which consists of Mr. Au Yeung Po Fung, Mr. Chan Chi Kwong Dickson and Mr. Liu Kin Sing, all being independent non-executive Directors, has reviewed this report and the Group's unaudited condensed consolidated financial results for the six months ended 30 June 2019, and is of the opinion that the preparation of such results complied with applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made in respect thereof.

DIVIDEND

The Directors do not recommend any payment of dividend for the six months ended 30 June 2019 (2018: HK\$ Nil).

In this report, unless the context otherwise requires, the following expressions have the following meaning:

“Board”	The board of Directors
“China” or “PRC”	The People’s Republic of China and, except where the context requires otherwise and only for the purposes of this report, references to China or the PRC exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company”	eBroker Group Limited (電子交易集團有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands on 23 May 2016
“Controlling Shareholder(s)”	Has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	The director(s) of the Company
“Easy System”	Easy System Design Company Limited (依時系統設計有限公司), a company incorporated in Hong Kong with limited liability on 21 September 1998.
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time as the context may require
“Group”	The Company and its subsidiaries, or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	The Hong Kong Special Administrative Region of the PRC
“Listing”	The listing of the Shares on GEM on the Stock Exchange on 19 February 2019
“Listing Date”	19 February 2019, the date on which the Shares were listed on GEM of the Stock Exchange
“Prospectus”	The prospectus of the Company published on 30 January 2019 in connection with the Listing
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	Ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the Shares
“Share Option Scheme”	The share option scheme of the Company adopted by the Shareholders on 22 January 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Two Factor Authentication”	a security mechanism which requires the adoption of any two of the following authentication factors for accessing a database, operating system, or platform: (1) “what a client knows”; (2) “what a client has”; and (3) “who a client is”
“%”	Per cent