

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

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “**Directors**”) of Stream Ideas Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

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
3/F, 8 Wyndham Street
Central, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, 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, Jhongsan North Road
Jhongsan District Taipei City
Taiwan

COMPANY'S WEBSITE

www.stream-ideas.com

STOCK CODE

8401



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019 (THE “RELEVANT PERIOD”)

- The Group’s unaudited revenue amounted to approximately HK\$11,959,000, represented a decrease of approximately 8.5% compared with that for the six months ended 30 September 2018 (the “**Previous Period**”);
- The Group’s unaudited gross profit decreased from approximately HK\$8,776,000 for the Previous Period to approximately HK\$7,338,000 for the Relevant Period, representing a decrease of approximately HK\$1,438,000 or 16.4%;
- The Group’s unaudited loss was approximately HK\$873,000 for the Relevant Period, compared to an unaudited profit of approximately HK\$2,062,000 for the Previous Period, representing a decrease of approximately HK\$2,935,000 mainly due to the decrease in revenue, increase in selling and distribution costs and administrative and other operating expenses for the Relevant Period; and
- The Group does not recommend the payment of any dividend for the Relevant Period.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Amidst the recent social unrest in Hong Kong together with the ongoing trade dispute between China and the United States, the advertising market in Hong Kong has been sluggish. Furthermore, the impact of new accounting standard – HKFRS 15 Revenue from Contracts with Customers and decline of revenue derived from Taiwan have also slowed the overall performance of the Group, which recorded approximately 8.5% decrease in revenue to approximately HK\$11,959,000 (2018: approximately HK\$13,064,000) for the Relevant Period. To reignite the Group's growth engine, the Group has recently deployed more resources and applied the successful market expansion model in Malaysia to two new markets: Philippines and Indonesia.

Gross profit (after reversal of JAG points i.e. the points which the Group distributes to reward its members to participate in the Group's advertising campaigns) decreased by approximately 16.4% to approximately HK\$7,338,000 (2018: approximately HK\$8,776,000). The Group recorded a loss for the Relevant Period of approximately HK\$873,000 (2018: profit of approximately HK\$2,062,000).

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, Singapore and recently Philippines and Indonesia. 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 62.7% of the Group's revenue (2018: approximately 47.2%) was generated from clients in Hong Kong, while approximately 27.3% (2018: approximately 42.3%) was generated from clients in Taiwan. Malaysia and Singapore contribute approximately 10% of the revenue to the Group (2018: approximately 10.5%), while Indonesia and Philippines have yet to contribute.

Hong Kong

During the Relevant Period, revenue from Hong Kong increased to approximately HK\$7,502,000 from approximately HK\$6,170,000 in the Previous Period, representing approximately 21.6% increase. The growth was mainly contributed by the increase in first quarter sales while a negative growth was observed in second quarter when compared to last year. In view of the instability of economical environment and increasing competition from other online advertising service providers, the Group continues to adjust the service mix to meet clients' needs.

Taiwan

During the Relevant Period, the operating environment in Taiwan continued to be challenging, mainly attributable to the changing behaviour of internet users, increasing competition from other online advertising service providers and instability of economical environment. The Group is dealing with the change with a shift of focus on service type. We also see tourism segment withdrew campaigns due to the recent social unrest in Hong Kong. With the various challenges encountered and the impact of new accounting standard – HKFRS 15 Revenue from Contracts with Customers, the revenue for the Relevant Period in Taiwan decreased to approximately HK\$3,263,000 (2018: approximately HK\$5,520,000).

Other Markets

During the Relevant Period, total revenue for other markets declined slightly to approximately HK\$1,194,000 from approximately HK\$1,374,000 in the Previous Period. Malaysia continues to be the core driver in sales revenue for Other Markets. To further strengthen growth of Other Markets, the Group has recently expanded to Philippines and Indonesia.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The Group anticipates intensifying competition in the online advertising industry as new emerging players are offering social media influencer services that rival with the Group's service offerings. Despite the foreseeable challenges ahead, 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 different 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 replicate its expansion success in Malaysia and apply the experience to drive the new businesses in Philippines and Indonesia.

To accomplish these objectives, the Group will also recruit more talents, especially for the business development segment, to strengthen its workforce. This will enable the Group to better cater for the ever-changing needs of various industries, as well as those of existing and potential clients. In addition, the Group will consider new opportunities, such as sponsoring advertising-related awards to reach out to more potential clients so as to enhance the Group's overall profitability. Furthermore, the Group will focus on enriching their member base from different segments such as age group, interest and lifestyle to enhance the diversity of the Group's membership base and thereby attract more clients.

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

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus issued on 16 March 2018 (the "Prospectus") with the Group's actual business progress for the six months ended 30 September 2019 is set out below:

Objectives	Implementation Plan	Actual business progress up to 30 September 2019
Build brand, develop client base and network of Members	<ul style="list-style-type: none"> - Enhance brand image via engaging spokesperson(s) to represent our Group in the regions where we operate, to promote our brand by increasing our awareness and credibility - Build brand awareness via online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing - 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 - Enhance membership development by organizing events for members 	<ul style="list-style-type: none"> - We are still under progress to find suitable spokesperson who can have personality or characteristics that can represent our Group in the regions we operate to promote our brand - We continue to build our brand awareness and recruit new members through strategic and focused advertising spend in selected social media platforms - During the period from the 28 March 2018 (the "Listing Date") to 30 September 2019, we successfully grew total number of members from approximately 555,000 to approximately 846,000, an increase of approximately 52.4% - To develop and expand client base, we continued to sponsor Marketing Excellence Award in Malaysia in October 2019 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 different markets to introduce latest online advertising trends with relevant case studies - To enhance the bonding with our members, we organize members' event in Hong Kong and Malaysia to encourage regular visits to our platform and high participation of our different missions



MANAGEMENT DISCUSSION AND ANALYSIS

Objectives

Upgrade information technology systems

Implementation Plan

- Enhance the functionality of the Integrated Information Management System to introduce new online advertising services; enhance the analytical capability of data collected from campaigns we held to understand the prevailing market trends and behaviors of our members; implement enriched segmentations of our members
- Revamp the user interface of our mobile applications and websites
- Upgrade information technology equipment for our staff

Actual business progress up to 30 September 2019

- 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
- 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
- During the period from the Listing Date to 30 September 2019, we have engaged vendors to improve the appearance of overall user interfaces, adapt and develop our mobile applications and websites in customised wordings with localized languages preferences; and enhance the variety and selection of rewards to members in different countries based on local members' preferences
- 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

MANAGEMENT DISCUSSION AND ANALYSIS

Objectives	Implementation Plan	Actual business progress up to 30 September 2019
<p>Strengthen talent pool and workforce and improve working environment</p>	<ul style="list-style-type: none"> - Expand workforce in different function - Improve our working environment by renovating and leasing additional office 	<ul style="list-style-type: none"> - To cope with our expanding business, in the period from the Listing Date to 30 September 2019, we have recruited additional 1 human resources, 1 finance and 2 IT staff for our Group. We have also recruited 2, 6 & 4 new sales staff in Hong Kong, Taiwan and Malaysia respectively - 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 where 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 footprint from approximately 100 sqft to 1000 sqft
<p>Working capital and general corporate purposes</p>	<ul style="list-style-type: none"> - used as working capital and funding for other general corporate purposes according to our current business plans 	<ul style="list-style-type: none"> - 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
<p>Pursue growth through selective acquisitions</p>	<ul style="list-style-type: none"> - Acquire digital media companies or advertising companies 	<ul style="list-style-type: none"> - We are not yet identified suitable target for the acquisition

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

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 is (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\$6.9 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 2019 is set out below:

	Use of proceeds as stated in the Prospectus HK\$'000	Planned use of net proceeds as stated in the Prospectus from the Listing Date to 30 September 2019 HK\$'000	Actual use of net proceeds from the Listing Date to 30 September 2019 HK\$'000
Build brand, develop client base and network of members	6,002	4,250	1,086
Upgrade information technology systems	4,776	3,327	2,363
Strengthen talent pool and workforce and improve work environment	6,857	4,262	2,679
Pursue growth through selective acquisitions	6,377	3,810	0
Working capital and general corporate purposes	2,668	2,668	2,668
	<hr/>	<hr/>	<hr/>
	26,680	18,317	8,796

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.

The unutilized proceeds were placed in interest-bearing deposits with licensed banks in Hong Kong.

Actual use of proceeds on building brand, developing client base and network of members were significantly lower than the planned use of proceeds because the Group is still exploring suitable spokesperson.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue decrease from approximately HK\$13,064,000 for the Previous Period to approximately HK\$11,959,000 for the Relevant Period, representing a decrease of approximately 8.5%, primarily attributable to decrease in sales in Taiwan.

Cost of Services

The Group's cost of services was increased by approximately 7.8% from approximately HK\$4,288,000 for the Previous Period to approximately HK\$4,621,000 for the Relevant Period. Such increase was mainly attributable to the higher cost in system maintenance.

Gross Profit

Gross profit of the Group was decreased by approximately 16.4% from approximately HK\$8,776,000 for the Previous Period to approximately HK\$7,338,000 for the Relevant Period.

Selling and Distribution Costs

Selling and distribution costs of the Group increased by approximately 17.7% from approximately HK\$1,818,000 for the Previous Period to approximately HK\$2,139,000 for the Relevant Period. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The increase was mainly attributable to increase of headcount and promotional expenses on other media platforms.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately 39.6% from approximately HK\$4,749,000 for the Previous Period to approximately HK\$6,630,000 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.

Income Tax Expenses

Income tax for the Group decreased by approximately 79.4% from approximately HK\$485,000 for the Previous Period to approximately HK\$100,000 for the Relevant Period. The decrease was in line with decrease in taxable profits of our subsidiaries in the Relevant Period.

Loss for the Period

The Group's net loss was approximately HK\$873,000 for the Relevant Period compared to net profit of approximately HK\$2,062,000 for the Previous Period. The decrease was mainly attributable to the decrease in revenue and 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.

Liquidity and Financial Resources

As at 30 September 2019, the Group had total assets of approximately HK\$69,990,000 (as at 31 March 2019: approximately HK\$72,499,000), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$9,112,000 (as at 31 March 2019: approximately HK\$10,696,000) and approximately HK\$60,878,000 (as at 31 March 2019: approximately HK\$61,803,000) respectively. The current ratio, being the ratio of current assets to current liabilities, as at 30 September 2019 was 7.6 times (as at 31 March 2019: 6.7 times).



MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure

Total capital expenditure for the Relevant Period was approximately HK\$1,422,000 (as at 31 March 2019: approximately HK\$942,000), which was mainly used in the purchase of property, plant and equipment and intangible assets.

Contingent Liabilities

As at 30 September 2019, there were no significant contingent liabilities for the Group.

Gearing Ratio

The gearing ratio, being the ratio of bank loan to total equity, of the Group as at 30 September 2019 was nil (as at 31 March 2019: nil) due to no bank borrowings for the Relevant Period.

Capital Structure

There was no change in the Company's capital structure during the Relevant Period.

Segmental Information

Segmental information is presented for the Group as disclosed on note 3 of the unaudited condensed consolidated financial statements.

Material Acquisitions and Disposals of Subsidiaries

As disclosed herein, there was no significant investment, material acquisition and disposal of subsidiaries by the Company during the Relevant Period.

Significant Investments Held

Except for investment in its subsidiaries, the Group did not hold any significant investments during Relevant Period.

Employees and Emolument Policy

The Group employed a total of 35 employees in the Relevant Period (2018: 29 employees). The staff costs of our Group (including directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the Relevant Period were approximately HK\$5,297,000 (2018: approximately HK\$3,068,000).

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

Post Balance Sheet Event

The Group has entered into a share purchase agreement on 24 October 2019 with Cyber Credit Technology (Hong Kong) Limited (the "Seller"), as the seller of the Sale Shares (as defined below), for the purchase of 1.6026% of shareholdings (the "Sale Shares") in Asia Interactive Content Holdings Limited (the "Target Company") at a consideration of HK\$5,000,000. The share purchase agreement have been completed on 30 October 2019, the Company has indirectly held the Sale Shares in the Target Company.

For details, please refer to the announcements dated 24 and 30 October 2019 respectively.

OTHER INFORMATION

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

As at 30 September 2019, 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 (Note 1)	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Anakin Law (Note 1)	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Garlos Lee (Note 1)	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Lin Hung Yuan (Note 2)	Interest of a controlled corporation	34,720,000	17.36%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 September 2019. (i.e. 200,000,000 shares)

Notes:

- Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially own 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such shares held by JAG United Company Limited.
- Mr. Lin Hung Yuan beneficially owns the entire issued shares of VMI Capital Group Limited.

Save as disclosed above, as at 30 September 2019, none of the Directors of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

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

As at 30 September 2019, 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

OTHER INFORMATION

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	34,720,000	17.36%
VMI Mega Growth Fund SPC (Note 5)	Beneficial interest	34,720,000	17.36%
Ms. Zhang Tian (Note 6)	Interest of spouse	34,720,000	17.36%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 September 2019. (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 34,720,000 shares of the Company through the interest of her spouse, Mr. Lin Hung Yuan.

Save as disclosed above, as at 30 September 2019, 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.

CHANGES IN INFORMATION OF DIRECTORS

Upon recommendation of the remuneration committee of the Company and approval of the Board, emoluments of the directors named below have changed since the last published annual report of the Company.

OTHER INFORMATION

Details of the changes are set out below:

Directors

Ms. Cheung Lee

Mr. Law Ka Kin

Mr. Lee Wing Leung Garlos

Mr. Leung Wai Lun

Mr. Kwan Chi Hong

Mr. Fenn David

Mr. Ho Ho Tung Armen

Details of Changes

The emoluments of Ms. Cheung has changed from HK\$640,000 per annum to HK\$1,300,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Law has changed from HK\$649,000 per annum to HK\$1,300,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Lee has changed from HK\$640,000 per annum to HK\$1,300,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Leung has changed from HK\$529,000 per annum to HK\$720,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Kwan has changed from HK\$97,000 per annum to HK\$96,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Fenn has changed from HK\$97,000 per annum to HK\$96,000 per annum with effect from 1 April 2019.

The emoluments of Mr. Ho has changed from HK\$97,000 per annum to HK\$96,000 per annum with effect from 1 April 2019.

CORPORATE GOVERNANCE CODE

During the Relevant Period and up to the date of this 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 2019 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 to be the compliance adviser. As notified by Giraffe Capital Limited, as at 30 September 2019, neither Giraffe Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDER

Each of the controlling shareholder, namely JAG United Company Limited, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee (the "**Covenantors**"), have entered into a deed of non-competition dated 7 March 2018 in favour of the Company and subsidiaries (the "**Deed of Non-Competition**"), details of which have been set out in the Prospectus.

The Company has received a confirmation from the Covenantors in respect of their compliance with the non-competition undertakings under the Deed of Non-Competition throughout the year ended 31 March 2019 and also up to 30 September 2019. The independent non-executive Directors have also reviewed the compliance with the non-competition undertakings under the Deed of Non-Competition by the Covenantors have not been in breach of the Deed of Non-Competition during the year ended 31 March 2019 and up to 30 September 2019.

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, 7 November 2019

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

For the six months ended 30 September 2019

	Note	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue			
Cost of services	3	11,959 (4,621)	13,064 (4,288)
Gross profit		7,338	8,776
Other income	4	661	338
Selling and distribution costs		(2,139)	(1,818)
Administrative and other operating expenses		(6,630)	(4,749)
Profit/(loss) before operations		(770)	2,547
Finance costs		(3)	–
Profit/(loss) before taxation		(773)	2,547
Income tax	6	(100)	(485)
Profit/(loss) for the period		(873)	2,062
Other comprehensive income, net of tax			
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>			
Foreign currency translation differences for foreign operations		(52)	(189)
Total comprehensive income for the period		(925)	1,873
Earnings/(losses) per share			
– Basic (HK\$)	7	(0.004)	0.01
– Diluted (HK\$)		(0.004)	0.01

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Note	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
Non-current assets			
Cost of services		170	126
Intangible assets		1,683	795
Right-of-use assets		73	–
Deferred tax assets		451	451
		2,377	1,372
Current assets			
Inventories		911	638
Trade and other receivables	8	9,473	10,122
Contract assets		–	1,341
Tax recoverable		–	709
Deposit with bank		50,948	51,894
Cash and cash equivalents		6,281	6,423
		67,613	71,127
Current liabilities			
Trade and other payables	9	8,921	9,654
Contract liabilities		–	894
Lease liabilities		73	–
Tax payable		47	77
		9,041	10,625
Net current assets		58,572	60,502
Total assets less current liabilities		60,949	61,874
Non-current liabilities			
Deferred tax liabilities		71	71
Net assets		60,878	61,803
Capital and Reserves			
Share capital		2,000	2,000
Reserves		58,878	59,803
Total Equity		60,878	61,803

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Attributable to equity shareholders of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
As at 1 April 2018	2,000	71,988	383	(283)	(17,523)	56,565
Loss for the period	–	–	–	–	2,062	2,062
Other comprehensive income	–	–	–	(189)	–	(189)
Total comprehensive income	–	–	–	(189)	2,062	1,873
Balance as at 30 September 2018 (Unaudited)	2,000	71,988	383	(472)	(15,461)	58,438
As at 1 April 2019	2,000	71,988	383	(417)	(12,151)	61,803
Loss for the period	–	–	–	–	(873)	(873)
Other comprehensive income	–	–	–	(52)	–	(52)
Total comprehensive income	–	–	–	(52)	(873)	(925)
Balance as at 30 September 2019 (Unaudited)	2,000	71,988	383	(469)	(13,024)	60,878

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Net cash from operating activities	1,342	43,212
Net cash outflow from investing activities	(1,186)	(248)
Net cash outflow from financing activities		–
Increase/(decrease) in cash and cash equivalents	156	42,964
Cash and cash equivalents at beginning of the period	6,423	13,934
Effect of foreign exchange rate changes	(298)	(433)
Cash and cash equivalents at end of the period	6,281	56,465



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 30 September 2019 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622, Laws of Hong Kong). The financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2019 have not been audited by the Company’s independent auditors but have been reviewed by the Company’s Audit Committee.

HKFRS 16, Leases

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

HKFRS 16 is primarily affected the Group’s accounting as a lessee of leases for office premises, which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss and other comprehensive income over the period of the lease

The Group elected to use the modified retrospective approach for the adoption of HKFRS 16 and recognised the cumulative effect of initial application without restating comparative information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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.

	Six months ended 30 September			
	Revenue from external customers		Specified non-current assets	
	2019 HK\$'000 (Unaudited)	2018 HK'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK'000 (Unaudited)
Hong Kong	7,502	6,170	1,839	318
Taiwan	3,263	5,520	6	8
Others	1,194	1,374	8	6
	11,959	13,064	1,853	332

4. OTHER INCOME

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest Income	661	335
Sundry Income	-	3
	661	338

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. PROFIT/(LOSS) BEFORE TAXATION

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Finance cost - interest on lease liabilities	3	–
Staff costs (including directors' emoluments)	5,297	3,068
Auditor's remuneration	495	406
Depreciation of property, plant and equipment	102	19
Amortisation of intangible assets	221	25
Operating lease charges on office premises – minimum lease payments in respect of leasing of office premises	160	211
Exchange (gain)/loss	41	(37)

6. INCOME TAX

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Current tax – Hong Kong		
Provision for the period	22	–
Current tax – Other jurisdictions		
Provision for the period	386	577
Deferred tax		
Origination of temporary differences	(308)	(92)
	100	485

Notes:

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

(ii) The provision for Hong Kong Profits Tax for the six months ended 30 September 2019 is calculated at 16.5% (2018: 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 2019 (2018: 20%).

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. EARNINGS/(LOSSES) PER SHARE

The calculation of the basic earnings/losses per share for the six months ended 30 September 2019 and 2018 are based on the following:

	Six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity shareholders of the Company (HK\$'000)	(873)	2,062
Weighted average number of ordinary shares in issue during the period ('000)	200,000	200,000
Basic and diluted earnings/(losses) per share (HK\$)	(0.004)	0.01

During the six months ended 30 September 2019 and 2018, there was no dilutive potential ordinary shares in issue.

During the six months 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 six months ended 30 September 2018.

The amount of dilutive losses per share is the same as basic losses per share for the six months ended 30 September 2019 and 2018.

8. TRADE RECEIVABLES

	As at	As at
	30 September	31 March
	2019	2019
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Audited)
Trade receivables	7,828	8,384
Deposits, prepayments and other receivables	1,645	1,738
	9,473	10,122

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. TRADE 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:

	As at 30 September 2019 (HK\$'000) (Unaudited)	As at 31 March 2019 (HK\$'000) (Audited)
Within 30 days	1,518	2,590
31 to 60 days	1,807	1,907
61 to 90 days	1,647	1,304
91 to 180 days	2,376	1,989
Over 180 days	480	594
	7,828	8,384

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

9. TRADE PAYABLES

	As at 30 September 2018 (HK\$'000) (Unaudited)	As at 31 March 2019 (HK\$'000) (Audited)
Points provision <i>(Note)</i>	7,402	7,517
Other payables and accruals	1,519	2,137
	8,921	9,654

Note: The point provision is analysed as follows:

	As at 30 September 2018 (HK\$'000) (Unaudited)	As at 31 March 2019 (HK\$'000) (Audited)
Balance at beginning of the year	7,517	6,975
Exchange adjustments	(107)	(114)
Distribution for the period	4,353	9,301
Redemption during the period	(4,087)	(8,129)
Reversal during the period	(274)	(516)
	7,402	7,517

10. DIVIDEND

The Group does not recommend the payment of any dividend for the six months ended 30 September 2019 (2018: nil).