

# 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 2020

## **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.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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.*



## CONTENTS

Corporate Information . . . . .	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) . . . . .	4
Condensed Consolidated Statement of Financial Position (Unaudited) . . . . .	5
Condensed Consolidated Statement of Changes in Equity (Unaudited) . . . . .	6
Condensed Consolidated Statement of Cash Flows (Unaudited) . . . . .	7
Notes to the Condensed Consolidated Financial Statements . . . . .	8
Management Discussion and Analysis . . . . .	21
Definitions . . . . .	33

# 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*

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay, Hong Kong

## PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

11th Floor, The Center

99 Queen's Road Central Central

Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 603, China Insurance Group Building

141 Des Voeux Road Central

Hong Kong

### **HONG KONG LEGAL ADVISERS**

Stephenson Harwood  
18/F, United Centre  
95 Queensway  
Hong Kong

### **PRINCIPAL SHARE REGISTRAR**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR**

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **STOCK CODE**

8036

### **WEBSITE OF THE COMPANY**

[www.ebrokersystems.com](http://www.ebrokersystems.com)

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

For the three months and six months ended 30 June 2020

### 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 2020 together with the unaudited comparative figures for the corresponding periods in 2019, as follows:

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

For the three months and six months ended 30 June 2020

	Note	Three months ended 30 June		Six months ended 30 June	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	4	10,175	10,765	19,802	23,579
Other income	5	384	172	653	212
Other gains and losses, net	5	(1,057)	–	(1,057)	–
Purchases of and changes in inventories		–	–	–	(10)
Staff costs		(5,091)	(4,790)	(11,474)	(10,051)
Depreciation expenses		(774)	(558)	(1,417)	(1,116)
Other operating expenses		(3,483)	(3,999)	(6,272)	(10,413)
<b>Profit from operations</b>		<b>154</b>	<b>1,590</b>	<b>235</b>	<b>2,201</b>
Finance costs	8(b)	(56)	(64)	(107)	(134)
<b>Profit before tax</b>		<b>98</b>	<b>1,526</b>	<b>128</b>	<b>2,067</b>
Income tax expense	7	(78)	(154)	(85)	(520)
Profit for the period attributable to owners of the Company	8(a)	20	1,372	43	1,547
<b>Other comprehensive income after tax:</b>					
Items that may be reclassified to profit or loss:					
Exchange differences on translating financial statements of a foreign subsidiary		(22)	–	(29)	–
<b>Other comprehensive income for the period, net of tax</b>		<b>(22)</b>	<b>–</b>	<b>(29)</b>	<b>–</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>(2)</b>	<b>1,372</b>	<b>14</b>	<b>1,547</b>
<b>Earnings per share</b>					
– Basic (HK cent per share)	9	0.002	0.11	0.004	0.13
– Diluted (HK cent per share)	9	N/A	N/A	N/A	N/A

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2020

	Note	30 June 2020 HK\$'000 (unaudited)	31 December 2019 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	16	15,279	249
Intangible assets		983	–
Investment in a joint venture		5	5
Right-of-use assets	15	3,347	4,471
		<b>19,614</b>	<b>4,725</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		301	–
Contract assets	11	135	785
Trade and other receivables	12	15,008	6,650
Due from a joint venture		34	31
Pledged bank deposits		–	5,000
Cash and cash equivalents		28,205	46,972
		<b>43,683</b>	<b>59,438</b>
<b>Current liabilities</b>			
Contract liabilities	11	1,897	1,644
Trade and other payables	13	4,111	3,280
Lease liabilities		2,326	2,291
Current tax liabilities		132	986
		<b>8,466</b>	<b>8,201</b>
<b>Net current assets</b>		<b>35,217</b>	<b>51,237</b>
<b>Total assets less current liabilities</b>		<b>54,831</b>	<b>55,962</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		83	83
Lease liabilities		1,136	2,281
		<b>1,219</b>	<b>2,364</b>
<b>NET ASSETS</b>		<b>53,612</b>	<b>53,598</b>
<b>Capital and reserves</b>			
Share capital	14	1,230	1,230
Reserves		52,382	52,368
<b>TOTAL EQUITY</b>		<b>53,612</b>	<b>53,598</b>

Approved by the Board of Directors on 6 August 2020 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 2020

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Shares held for share award scheme HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
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
At 1 January 2020	1,230	61,921	(54,333)	48	(23,300)	68,032	53,598
Total comprehensive income for the period	-	-	-	(29)	-	43	14
At 30 June 2020	1,230	61,921	(54,333)	19	(23,300)	68,075	53,612



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 HK\$'000	2019 HK\$'000
Net cash (used in)/generated from operating activities	(6,648)	1,682
Net cash (used in)/generated from investing activities	(10,951)	108
Net cash (used in)/generated from financing activities	(1,139)	49,500
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(18,738)</b>	<b>51,290</b>
Effect of foreign exchange rate changes	(29)	–
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>46,972</b>	<b>18,971</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>28,205</b>	<b>70,261</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	28,205	70,261

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 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 2020 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 GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2020 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2019 and the notes thereto (the “2019 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 2019 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.

## 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. The Directors considered that the adoption of new and revised HKFRSs which are effective for the accounting period beginning on 1 January 2020 will not have any material impact on the preparation and presentation of the results and financial conditions of the current 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 an assessment of the potential impact of the newly issued HKFRSs.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 4. REVENUE

### Disaggregation of revenue

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

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )
Front office solution service income	5,702	6,053	11,012	12,644
Back office solution service income	2,557	2,958	5,052	6,094
Installation and customisation services income	557	649	1,168	2,279
Managed cloud service income	914	706	1,791	1,793
Others	445	399	779	769
	<b>10,175</b>	<b>10,765</b>	<b>19,802</b>	<b>23,579</b>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines and geographical regions:

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )
<i>Products and services transferred at a point in time</i>				
Others	–	–	–	17
<i>Products and services transferred over time</i>				
Front office solution service income	5,702	6,053	11,012	12,644
Back office solution service income	2,557	2,958	5,052	6,094
Installation and customisation services income	557	649	1,168	2,279
Managed cloud service income	914	706	1,791	1,793
Others	445	399	779	752
Total	<b>10,175</b>	<b>10,765</b>	<b>19,802</b>	<b>23,579</b>
<i>Primary geographical markets</i>				
Hong Kong	9,761	10,385	19,137	22,156
Macau	414	380	665	1,423
	<b>10,175</b>	<b>10,765</b>	<b>19,802</b>	<b>23,579</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 5. OTHER INCOME, AND OTHER GAINS AND LOSSES, NET

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Other income				
Interest income on bank deposits	87	141	326	147
Management fees from a joint venture	34	31	64	65
Employment support scheme	263	–	263	–
	<b>384</b>	<b>172</b>	<b>653</b>	<b>212</b>
Other gains and losses, net				
Fair value loss on financial assets at fair value through profit or loss				
– Listed equity investments	(240)	–	(240)	–
– Derivatives	(817)	–	(817)	–
	<b>(1,057)</b>	<b>–</b>	<b>(1,057)</b>	<b>–</b>

## 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.

The following table sets out information about the geographical location of the Group's revenue from external customers during the periods. The geographical location of customers is based on the location to which the services were provided or the goods were delivered:

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Hong Kong	9,761	10,385	19,137	22,156
Macau	414	380	665	1,423
	<b>10,175</b>	<b>10,765</b>	<b>19,802</b>	<b>23,579</b>

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 2020

## 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		Six months ended	
	30 June		30 June	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax				
Provision for the periods	78	154	85	520
	78	154	85	520

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%.

PRC Enterprise Income Tax rate for the subsidiary in the PRC is 25%. However, no provision was made for the six months ended 30 June 2020 as the subsidiary incurred tax loss for the period.

## 8. PROFIT FOR THE PERIOD

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

	Three months ended		Six months ended	
	30 June		30 June	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Auditor's remuneration	200	147	400	295
Cost of inventories sold	-	-	-	10
Depreciation of property, plant and equipment	196	46	264	92
Depreciation of right-of-use-assets	578	512	1,153	1,024
Listing expenses	-	-	-	1,835
Legal and professional fees	910	603	1,638	1,253
Operating lease charges on land and buildings	-	66	-	157

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 8. PROFIT FOR THE PERIOD (continued)

### (b) Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Other interest expenses	11	–	13	–
Interest expense on lease liabilities	45	64	94	134
	56	64	107	134

## 9. EARNINGS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Earnings</b>				
Profit attributable to owners of the Company and earnings for the purpose of calculating basic earnings per share	20	1,372	43	1,547
	'000	'000	'000	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,110,000	1,230,000	1,110,000	1,167,735

The weighted average number of ordinary shares for the three months and six months ended 30 June 2020 for the purpose of calculating basic earnings per share has been adjusted to exclude the shares held for share award scheme.

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 shares issued on 19 February 2019 in connection with the Listing on GEM of the Stock Exchange.

No diluted earnings per share is calculated for the three months and six months ended 30 June 2020 and 2019 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 2020 (2019: HK\$ Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

Details of contract assets are as follow:

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Contract assets related to provision of services	135	785
	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables"	4,651	4,183

The contract assets represent the Group's rights to consideration for work completed but not billed as at 30 June 2020. The contract assets are transferred to trade receivables when the rights become unconditional other than passage of time. Contract assets decreased in 2020 was primarily due to a material project completed and billed before 30 June 2020.

### (b) Contract liabilities

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

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Contract liabilities related to provision of services	1,897	1,644

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. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method. The increase in contract liabilities in 2020 was mainly due to increase in overall installation projects and there was a slight increase in advance billing of contract customers.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 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	
	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )	2020 HK\$'000 ( <i>unaudited</i> )	2019 HK\$'000 ( <i>unaudited</i> )
Revenue recognised that was included in the balance of contract liabilities at 1 April/1 January				
Revenue from provision of services	103	148	563	827

Movements in contract liabilities:

	30 June 2020 HK\$'000 ( <i>unaudited</i> )	31 December 2019 HK\$'000 ( <i>audited</i> )
Balance at 1 January 2020/2019	1,644	1,595
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	(563)	(1,085)
Increase in contract liabilities as a result of billing in advance of installation and customisation services	816	1,134
Balance at 30 June 2020/31 December 2019	1,897	1,644

The amount of billings in advance of performance received that is expected to be recognised as income after more than one year as at 30 June 2020 is approximately HK\$Nil (31 December 2019: HK\$Nil).



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 12. TRADE AND OTHER RECEIVABLES

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Trade receivables*	4,747	4,279
Impairment losses on trade receivables	(96)	(96)
	<b>4,651</b>	4,183
Prepayments, deposits and other receivables**	1,953	2,467
Amounts due from brokers***	8,404	–
	<b>15,008</b>	6,650

\* Included in the trade receivables as at 30 June 2020 is approximately HK\$90,000 (31 December 2019: approximately HK\$Nil) 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 2020 is approximately HK\$360,000 (31 December 2019: HK\$360,000) of rental deposits paid to a company in which Mr Chan Lap Tak Douglas and Lo Chi Ho have beneficial interests.

\*\*\* Amounts due from brokers represent the net position held by two brokers in respect of cash and margin trading accounts. Included in the amounts due from brokers as at 30 June 2020 is approximately HK\$2,130,000 (31 December 2019: HK\$Nil) due by a 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:

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
0 to 30 days	2,256	1,945
31 to 60 days	804	811
61 to 90 days	333	101
91 to 120 days	401	391
Over 120 days	857	935
	<b>4,651</b>	4,183

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 12. TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the trade receivables are denominated in HK\$.

The carrying amounts of the prepayments, deposits, other receivables and amounts due from brokers are denominated in the following currencies:

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
HK\$	10,315	2,256
Renminbi	42	211
	<b>10,357</b>	2,467

## 13. TRADE AND OTHER PAYABLES

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Trade payables	449	465
Amount due to a broker	1,383	–
Accruals and other payables	2,279	2,815
	<b>4,111</b>	3,280

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

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
0 to 30 days	189	142
31 to 60 days	83	163
61 to 90 days	38	35
Over 90 days	139	125
	<b>449</b>	465

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 13. TRADE AND OTHER PAYABLES (continued)

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

	<b>30 June 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
Renminbi	232	216
HK\$	217	174
United States dollar	–	75
	<b>449</b>	<b>465</b>

## 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 2020, the ratio of the Group's total liabilities over its total assets was approximately 15.3% (31 December 2019: approximately 16.5%).

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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 14. SHARE CAPITAL (continued)

### The Company

	Nominal value per share HK\$	Number of shares '000	Amount HK\$'000
Authorised:			
Ordinary shares			
At 1 January 2019	0.01	500,000	5,000
Each share subdivided into 10 shares (note 14(i))	–	4,500,000	–
At 31 December 2019, 1 January 2020 and 30 June 2020 (unaudited)	0.001	5,000,000	5,000
Issued and fully paid:			
Ordinary shares			
At 1 January 2019	0.01	100,000	1,000
Each share subdivided into 10 shares (note 14(i))	–	900,000	–
Issue of ordinary shares (note 14(ii))	0.001	230,000	230
Ordinary shares			
At 31 December 2019, 1 January 2020 and 30 June 2020 (unaudited) (note 14(iii))	0.001	1,230,000	1,230

Note:

- (i) Pursuant to the resolution passed by the shareholders of the Company at an extraordinary general meeting on 22 January 2019, each of the issued and unissued shares of HK\$0.01 each in the share capital of the Company was subdivided into 10 shares of HK\$0.001 each such that the authorised share capital of the Company became HK\$5,000,000 divided into 5,000,000,000 shares, of which 1,000,000,000 shares were in issue, fully paid or credited as fully paid.
- (ii) 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 approximately HK\$64,400,000 from which approximately HK\$64,170,000 was credited to the Company's share premium account.
- (iii) At 30 June 2020 and 31 December 2019, total number of shares included 120,000,000 shares were held by the trustee under the share award scheme adopted by the Company on 12 August 2019.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 15. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2020, the Group entered into a new lease agreement for car park for two years. The Group makes fixed monthly payments on the usage of the asset during the contract period. On lease commencement, the Group recognised approximately HK\$62,000 of right-of-use asset and lease liability.

## 16. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment of approximately HK\$15,294,000 (31 December 2019: approximately HK\$73,000) which included the acquisition of a property located in the PRC of approximately HK\$14,686,000 (31 December 2019: HK\$Nil).

## 17. RESERVES

The amounts of the Group's reserves and the movements therein for the period and the same period in 2019 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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Management fee received from a joint venture	34	31	64	65
Rental expenses paid to a related party	540	540	1,080	1,080

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 2020

## 18. RELATED PARTY TRANSACTIONS (continued)

- (b) During the period ended 30 June 2019, 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.

## 19. CONTINGENT LIABILITIES

At 30 June 2020, the Group did not have any significant contingent liabilities.

## 20. EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to 30 June 2020 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 2020 were approved and authorised for issue by the Board of Directors on 6 August 2020.

## BUSINESS REVIEW

The Group is principally engaged in the provision of financial software solution services to 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 customisation services, managed cloud service and other services income.

For the six months ended 30 June 2020, the Group recorded a revenue of approximately HK\$19.8 million, representing a decrease of approximately 16.0% from approximately HK\$23.6 million recorded for the six months ended 30 June 2019. Profit attributable to owners of the Company for the six months ended 30 June 2020 amounted to approximately HK\$43,000, representing a significant decrease of approximately 97.2% as compared with the profit of approximately HK\$1.5 million for the six months ended 30 June 2019, it was attributable to (i) decrease in front office solution service income by approximately HK\$1.6 million; decrease in back office solution service income by approximately HK\$1.0 million and decrease of non-recurring installation and customisation service income by approximately HK\$1.1 million mainly due to poor market sentiment resulting from the outbreak of COVID-19 in early 2020; (ii) increase in staff costs by approximately HK\$1.4 million after the establishment of the research and development centre in Shenzhen; (iii) investment loss of approximately HK\$1.1 million and, these were partially offset by (i) the absence of listing expense of approximately HK\$1.8 million; (ii) reduction in sub-contracting cost of approximately HK\$1.3 million; and (iii) decrease in cost of service of approximately HK\$1.8 million.

The total net book value of the Group's property, plant and equipment rose by approximately HK\$15.0 million from approximately HK\$249,000 at 31 December 2019 to approximately HK\$15.3 million at 30 June 2020. The increase was mainly due to the acquisition of an office premise in Shenzhen, the PRC to establish a research and development centre. New addition of intangible assets of approximately HK\$1.0 million mainly related to the capitalisation of development costs for the Group's wealth management solution, which is targeted to be launched in late 2020.

## OUTLOOK

With the Group's long term objective to strengthen its position as one of the leading financial software solution service providers 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; and (iii) expanding its managed cloud services to Asia Pacific region brokerage firm clients. The Group's next generation wealth management solution is targeted to be launched in late 2020, which aims to empower individual investors with professional tools on a mobile app.

# MANAGEMENT DISCUSSION AND ANALYSIS

The recent outbreak of COVID-19 has a significant impact on the global economy and it has imposed uncertainty on the Group's businesses this year. The Group will pay close attention to the development of the COVID-19 outbreak and evaluated its impact on the financial position and operating results of the Group. Despite various challenges, the Group is of the view that demands of financial software solution service will increase after the outbreak of COVID-19 is under control and economy activities resume normal. With the setup of PRC research and development centre, the Group is prepared for the increase in demand. The Group will strictly adhere to its cost control policy and shall swiftly adjust its business strategies in response to changes of the external environment. The Group will continue to capture market opportunities so as to achieve sustainable business growth and provide long-term benefits for the Group's Shareholders.

## 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 customisation services; (iv) managed cloud service and (v) other services income. For the six months ended 30 June 2020, the Group recorded revenue of approximately HK\$19.8 million, representing a decrease of approximately 16.0% as compared with the previous year of approximately HK\$23.6 million. Such decrease was mainly attributable to the significant decrease in installation and customisation services income, back office solution service income and front office solution service income. The installation and customisation services decreased by approximately 48.7% from approximately HK\$2.3 million for the six months ended 30 June 2019 to approximately HK\$1.2 million for the six months ended 30 June 2020. The managed cloud service decreased slightly by approximately 0.1% from approximately HK\$1.8 million for the six months ended 30 June 2019 to approximately HK\$1.8 million for the six months ended 30 June 2020. Front office solution service income decreased by approximately 12.9% from approximately HK\$12.6 million for the six months ended 30 June 2019 to approximately HK\$11.0 million for the six months ended 30 June 2020 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 2020 was HK\$Nil, representing a decrease of approximately 100% from approximately HK\$10,000 in respect of the six months ended 30 June 2019. Such decrease was primarily due to no product sales was generated for the Group for the six months ended 30 June 2020.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit before tax

The Group's profit before tax for the six months ended 30 June 2020 was approximately HK\$128,000, representing a decrease by approximately 93.8% when compared with its profit before tax of approximately HK\$2.1 million for the six months ended 30 June 2019. This was primarily due to the decrease in front office solution and installation and customisation services income by approximately HK\$3.0 million for the six months ended 30 June 2020.

## Other income

The Group's other income consists of government subsidy and management fee received from a joint venture and interest income on bank deposits. The Group's other income increased to approximately HK\$653,000 from approximately HK\$212,000 for the six months ended 30 June 2019 due to an increase in interest income by approximately HK\$179,000, which was mainly due to an increase in bank balance as a result of the proceeds from the listing.

## Staff costs

For the six months ended 30 June 2020, the Group's staff costs remained stable at approximately HK\$11.5 million (2019: approximately HK\$10.1 million).

## Depreciation

The Group's depreciation increased by approximately HK\$0.3 million for the six months ended 30 June 2020, representing a significant increase of approximately 27.0% from approximately HK\$1.1 million for the six months ended 30 June 2019 to approximately HK\$1.4 million for the six months ended 30 June 2020. The increase was primarily due to the addition of fixed assets during the period.

## Other operating expenses

The Group's other operating expenses mainly include (i) cost of services; (ii) building management fee and rates; and (iii) listing expenses. The Group's other operating expenses for the six months ended 30 June 2020 were approximately HK\$6.3 million, representing a decrease of approximately 39.8% over the other operating expenses of approximately HK\$10.4 million for the six months ended 30 June 2019. The decrease was primarily attributable to (i) a decrease in listing expenses of approximately HK\$1.8 million; and (ii) a decrease in cost of service of approximately HK\$1.8 million as a result of setup of inhouse development team in shenzhen, the PRC.

## Income tax expense

The Group's income tax expense for the six months ended 30 June 2020 was approximately HK\$85,000, representing a decrease of approximately 83.7% from approximately HK\$0.5 million for the six months ended 30 June 2019. Such decrease was in line with the decrease in profit before tax for the six months ended 30 June 2020. The effective income tax rates of the Group, which equal to the income tax expense divided by profit before tax, were approximately 66.4% and 25.2% for the six months ended 30 June 2020 and 2019, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit for the period attributable to owners of the Company

Profit attributable to owners of the Company for the six months ended 30 June 2020 amounted to approximately HK\$43,000, representing a decrease of approximately 97.2% as compared with the profit of approximately HK\$1.5 million for the six months ended 30 June 2019. The significant decrease was primarily attributable to the decrease in front office solution and installation and customisation services income of approximately HK\$3.0 million for the six months ended 30 June 2020.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations are financed mainly by its cash generated from operations. The Group recorded net current assets of approximately HK\$35.2 million as at 30 June 2020 (31 December 2019: approximately HK\$51.2 million).

As at 30 June 2020, the Group's current assets amounted to approximately HK\$43.7 million (31 December 2019: approximately HK\$59.4 million) of which approximately HK\$0.3 million (31 December 2019: HK\$Nil) was financial assets at fair value through profit or loss; approximately HK\$15.0 million was trade and other receivables (31 December 2019: approximately HK\$6.7 million); and approximately HK\$28.2 million was bank and cash balances (31 December 2019: approximately HK\$47.0 million).

As at 30 June 2020, the Group had no interest-bearing and non-interest bearing borrowing. On 26 May 2020, the Group had released the pledge of banking deposits of HK\$5.0 million to secure overdraft facilities granted to the Group.

Given that there was no interest-bearing borrowing as at 30 June 2019 and 30 June 2020, the gearing ratio is not applicable for analysis.

The Group's financial position had been 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 2020, 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 2020, 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**

On 26 May 2020, the Group had released the pledge of HK\$5 million bank deposits to secure overdraft facilities granted to the Group to the extent of HK\$5 million (31 December 2019: HK\$5 million). As at 30 June 2020, the Group did not have any material pledge of assets (2019: HK\$5 million).

## **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 2020.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 30 June 2020, the Group did not have any material capital commitments and contingent liabilities.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group's revenue and costs are primarily denominated in HK\$. 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents and the receivables from contract with customers and contract assets. Our management does not expect significant credit risk as all bank balances are placed with recognised 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.

## HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2020, the Group had a workforce of 56 (2019: 30) full-time employees. 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 2020, the total employee benefit expenses of the Group (including salaries, bonuses, allowances and retirement benefit scheme contributions) remained stable at approximately HK\$11.5 million (2019: approximately HK\$10.1 million). The Company 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. To recognise and reward the eligible employees for their contributions to the business and development of the Group, the Company has adopted a share award scheme on 12 August 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

In January 2020, Qianhai eBroker, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement and supplemental agreement for the acquisition of an office premise in Shenzhen, the PRC to establish its research and development center. The transaction was completed in April 2020. Saved as disclosed herein, there was no significant investment held by the Group or have any 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:

### 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%	0.51	2.09
Improve the user trading applications	6.8	29%	0.51	6.29
Expand the managed cloud services to local brokerage firm clients	2.6	11%	0.35	2.25
Establish a research and development centre in the PRC	10.7	46%	9.43	1.27
General working capital	0.6	3%	-	0.6
	23.3	100%	10.80	12.5

Note: As there was a delay in the set up of the PRC subsidiary and the acquisition of property for use as the Group's research and development centre in the PRC, the utilization of the relevant proceeds had been delayed. Reference is made to the announcements made by the Company on 22 January 2020, 6 February 2020 and 29 April 2020 regarding the acquisition of property in the PRC and change of use of proceeds. Save for the abovementioned, there is no other change in the use of proceeds from the share offer.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2020, 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:

### 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 (" <b>Mr. Chan</b> ")	Interest of spouse	2,291,420	0.19%
Mr. Lo Chi Ho <i>(who is also the chief executive officer)</i>	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 2020, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2020, 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:

### 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 <i>(note 1)</i>	33.49%
Eagle Business Consulting Limited ("Eagle Business")	Beneficial interests and interest in a controlled corporation	652,896,910 <i>(note 1 and note 2)</i>	53.08%
Good Steward Foundation Limited ("Good Steward Foundation")	Interest in a controlled corporation	652,896,910 <i>(note 2 and note 3)</i>	53.08%
Financial Data Technologies Limited ("Financial Data Technologies")	Beneficial interests	130,000,000 <i>(note 4)</i>	10.57%
Mr. Nie Lehui	Interest in a controlled corporation	130,000,000 <i>(note 4)</i>	10.57%
Bank of Communications Trustee Ltd.	Trustee	120,000,000 <i>(note 5)</i>	9.76%

#### 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 Chung Fai. 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) Bank of Communication Trustee Ltd. is the trustee appointed by the Company in relation to the share award scheme adopted by the Company on 12 August 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 30 June 2020, 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.

### SHARE AWARD SCHEME

On 12 August 2019, the Company adopted a share award scheme. The share award scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. The Shares under the share award scheme will be acquired by the trustee by way of subscription of new shares (whether pursuant to general mandate or specific mandate granted by the Shareholders or otherwise) and/or purchase of shares from the market out of the funds contributed by the Group and be held on trust for the participants until such awarded Shares are vested in the relevant selected participants in accordance with the rules of the share award scheme. Subject to any early termination as may be determined by the Board by resolution, the share award scheme shall be valid and effective for a term of 10 years commencing from the date of adoption.

The maximum number of Shares which may be allocated and awarded to a selected participant under the share award scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

During the six months ended 30 June 2020, the Company did not issue any new shares nor arranged any funds to be paid to the trustee for purchasing Shares of the Company on the Stock Exchange. As at 30 June 2020, there were 120,000,000 Shares of the Company held by the trustee pursuant to the share award scheme. No Share was awarded to any employee of the Company under the share award scheme during the six months ended 30 June 2020.



## COMPETING INTEREST

During the six months ended 30 June 2020 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 2020.

## 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 2020.

## 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EVENTS AFTER THE REPORTING PERIOD

There is no material event undertaken by the Company or by the Group subsequent to 30 June 2020 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 2020, 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 2020 (2019: HK\$ Nil).

## DEFINITIONS

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
“%”	Per cent