



## **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<br>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 . . . . .   | 22 |
| Definitions . . . . .  | 36 |

## 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

### AUDITORS

Gary Cheng CPA Limited

*Certified Public Accountants*

12th Floor, Elite Centre

22 Hung To Road, Kwun Tong

Kowloon, 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

Suite 1410-11, North Tower,

World Finance Centre,

19 Canton Road, Tsim Sha Tsui,

Kowloon, Hong Kong

### HONG KONG LEGAL ADVISERS

Stephenson Harwood

18/F, United Centre

95 Queensway

Hong Kong

## **CORPORATE INFORMATION**

### **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 2022

### 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 2022 together with the unaudited comparative figures for the corresponding periods in 2021, as follows:

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

For the three months and six months ended 30 June 2022

|   | Notes | Three months ended<br>30 June |                         | Six months ended<br>30 June |                         |
|---|-------|-------------------------------|-------------------------|-----------------------------|-------------------------|
|   |       | 2022                          | 2021                    | 2022                        | 2021                    |
|   |       | HK\$'000<br>(unaudited)       | HK\$'000<br>(unaudited) | HK\$'000<br>(unaudited)     | HK\$'000<br>(unaudited) |
| Revenue   | 4     | 9,331                         | 9,388                   | 18,373                      | 20,070                  |
| Other income  | 5     | 343                           | 39                      | 356                         | 82                      |
| Other gains and losses, net   | 5     | (349)                         | (160)                   | (1,079)                     | (233)                   |
| Purchases of and changes in inventories   |       | (44)                          | (52)                    | (44)                        | (256)                   |
| Staff costs   |       | (5,539)                       | (6,257)                 | (11,190)                    | (12,303)                |
| Depreciation expenses   |       | (609)                         | (497)                   | (1,220)                     | (820)                   |
| Other operating expenses  | 6     | (1,562)                       | (3,156)                 | (3,891)                     | (6,331)                 |
| <b>Profit/(loss) from operations</b>  |       | <b>1,571</b>                  | <b>(695)</b>            | <b>1,305</b>                | <b>209</b>              |
| Finance costs   | 9(b)  | (29)                          | (27)                    | (62)                        | (29)                    |
| <b>Profit/(loss) before tax</b>   |       | <b>1,542</b>                  | <b>(722)</b>            | <b>1,243</b>                | <b>180</b>              |
| Income tax expense  | 8     | –                             | (14)                    | (1)                         | (48)                    |
| Profit/(loss) for the period attributable to owners of the Company                        | 9(a)  | 1,542                         | (736)                   | 1,242                       | 132                     |
| <b>Other comprehensive income after tax:</b>  |       |                               |                         |                             |                         |
| <i>Items that will not be reclassified to profit or loss:</i>                             |       |                               |                         |                             |                         |
| Fair value changes of equity instruments at fair value through other comprehensive income |       | 44                            | –                       | (173)                       | –                       |
| <i>Items that may be reclassified to profit or loss:</i>                                  |       |                               |                         |                             |                         |
| Exchange differences on translating financial statements of a foreign subsidiary          |       | (1,119)                       | 281                     | (767)                       | 272                     |
| <b>Other comprehensive income for the period, net of tax</b>                              |       | <b>(1,075)</b>                | <b>281</b>              | <b>(940)</b>                | <b>272</b>              |
| <b>Total comprehensive income for the period attributable to owners of the Company</b>    |       | <b>467</b>                    | <b>(455)</b>            | <b>302</b>                  | <b>404</b>              |
| <b>Earnings/(loss) per share</b>  |       |                               |                         |                             |                         |
| – Basic (HK cent per share)   | 10    | 0.14                          | (0.06)                  | 0.11                        | 0.01                    |
| – Diluted (HK cent per share)   | 10    | N/A                           | N/A                     | N/A                         | N/A                     |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2022

|  | Note | 30 June<br>2022<br>HK\$'000<br>(unaudited) | 31 December<br>2021<br>HK\$'000<br>(audited) |
|--|------|--|--|
| <b>Non-current assets</b>  |      |  |  |
| Property, plant and equipment  | 17   | 14,966                                     | 16,002                                       |
| Intangible assets  | 18   | 5,534                                      | 3,752  |
| Investment in a joint venture  |      | –  | 5  |
| Right-of-use assets  | 16   | 2,349                                      | 2,941  |
| Financial assets at fair value through other<br>comprehensive income |      | 2,332                                      | –  |
|  |      | <b>25,181</b>                              | <b>22,700</b>                                |
| <b>Current assets</b>  |      |  |  |
| Trade and other receivables  | 13   | 8,017                                      | 7,291  |
| Contract assets  | 12   | 208  | 232  |
| Financial assets at fair value through profit or loss                |      | 8,166                                      | 12,516                                       |
| Current tax assets   |      | 11   | 368  |
| Pledged bank deposits  |      | 5,000                                      | 5,000  |
| Cash and cash equivalents  |      | 20,811                                     | 19,713                                       |
|  |      | <b>42,213</b>                              | <b>45,120</b>                                |
| <b>Current liabilities</b>   |      |  |  |
| Trade and other payables   | 14   | 1,799                                      | 2,651  |
| Contract liabilities   | 12   | 2,645                                      | 2,544  |
| Lease liabilities  |      | 682  | 1,335  |
|  |      | <b>5,126</b>                               | <b>6,530</b>                                 |
| <b>Net current assets</b>  |      | <b>37,087</b>                              | <b>38,590</b>                                |
| <b>Total assets less current liabilities</b>                         |      | <b>62,268</b>                              | <b>61,290</b>                                |
| <b>Non-current liabilities</b>                                       |      |  |  |
| Lease liabilities  |      | 1,790                                      | 1,740  |
|  |      | <b>1,790</b>                               | <b>1,740</b>                                 |
| <b>NET ASSETS</b>  |      | <b>60,478</b>                              | <b>59,550</b>                                |
| <b>Capital and reserves</b>  |      |  |  |
| Share capital  | 15   | 1,230                                      | 1,230  |
| Reserves   |      | 59,248                                     | 58,320                                       |
| <b>TOTAL EQUITY</b>  |      | <b>60,478</b>                              | <b>59,550</b>                                |

Approved by the Board of Directors on 9 August 2022 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 2022

|  | Share capital<br>HK\$'000 | Share premium<br>HK\$'000 | Capital reserve<br>HK\$'000 | Foreign currency translation reserve<br>HK\$'000 | Investment revaluation reserve<br>HK\$'000 | Shares held for share award scheme<br>HK\$'000 | Shares based compensation reserve<br>HK\$'000 | Retained profits<br>HK\$'000 | Total equity<br>HK\$'000 |
|--|---------------------------|---------------------------|-----------------------------|--|--|--|---|------------------------------|--------------------------|
| At 1 January 2021                          | 1,230                     | 61,921                    | (54,333)                    | 1,244  | -  | (21,805)                                       | -   | 68,701                       | 56,958                   |
| Grant of shares under shares award scheme  | -                         | -                         | -                           | -  | -  | -  | 710   | -                            | 710                      |
| Total comprehensive income for the period  | -                         | -                         | -                           | -  | -  | -  | -   | 132                          | 132                      |
| Other comprehensive income for the period  | -                         | -                         | -                           | 272  | -  | -  | -   | -                            | 272                      |
| At 30 June 2021                            | 1,230                     | 61,921                    | (54,333)                    | 1,516  | -  | (21,805)                                       | 710   | 68,833                       | 58,072                   |
| At 1 January 2022                          | 1,230                     | 61,921                    | (54,333)                    | 2,007  | -  | (19,898)                                       | 751   | 67,872                       | 59,550                   |
| Grant of shares under shares award scheme  | -                         | -                         | -                           | -  | -  | -  | 626   | -                            | 626                      |
| Shares vested under the share award scheme | -                         | -                         | -                           | -  | -  | 190  | (88)  | (102)                        | -                        |
| Total comprehensive income for the period  | -                         | -                         | -                           | -  | -  | -  | -   | 1,242                        | 1,242                    |
| Other comprehensive income for the period  | -                         | -                         | -                           | (767)  | (173)                                      | -  | -   | -                            | (940)                    |
| At 30 June 2022                            | 1,230                     | 61,921                    | (54,333)                    | 1,240  | (173)                                      | (19,708)                                       | 1,289   | 69,012                       | 60,478                   |

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2022

|   | Six months ended 30 June |                  |
|---|--------------------------|------------------|
|   | 2022<br>HK\$'000         | 2021<br>HK\$'000 |
| <b>Net cash generated from/(used in) operating activities</b> | 2,225                    | (663)            |
| <b>Net cash used in investing activities</b>                  | 44                       | (1,743)          |
| <b>Net cash used in financing activities</b>                  | (1,030)                  | (149)            |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>              | 1,239                    | (2,555)          |
| <b>Effect of foreign exchange rate changes</b>                | (141)                    | 561              |
| <b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>                 | 19,713                   | 28,001           |
| <b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>                   | 20,811                   | 26,007           |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                  |                          |                  |
| Bank and cash balances  | 20,811                   | 26,007           |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 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 2022 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 2022 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2021 and the notes thereto (the “2021 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 2021 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 2022 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 2022

## 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<br>30 June   |                                 | Six months ended<br>30 June     |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) |
| Front office solution service income              | 4,621                           | 4,832                           | 9,366                           | 9,924                           |
| Back office solution service income               | 2,600                           | 2,590                           | 5,152                           | 5,067                           |
| Installation and customisation<br>services income | 737                             | 617                             | 1,215                           | 2,090                           |
| Managed cloud service income                      | 812                             | 776                             | 1,594                           | 1,631                           |
| Others  | 561                             | 573                             | 1,046                           | 1,358                           |
|   | <b>9,331</b>                    | <b>9,388</b>                    | <b>18,373</b>                   | <b>20,070</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<br>30 June   |                                 | Six months ended<br>30 June     |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) |
| <i>Products and services transferred at a point in time</i> |                                 |                                 |                                 |                                 |
| Others  | 84                              | 52                              | 84                              | 333                             |
| <i>Products and services transferred over time</i>          |                                 |                                 |                                 |                                 |
| Front office solution service income                        | 4,621                           | 4,832                           | 9,366                           | 9,924                           |
| Back office solution service income                         | 2,601                           | 2,590                           | 5,152                           | 5,067                           |
| Installation and customisation<br>services income           | 737                             | 617                             | 1,215                           | 2,090                           |
| Managed cloud service income                                | 812                             | 776                             | 1,594                           | 1,631                           |
| Others  | 476                             | 521                             | 962                             | 1,025                           |
| Total   | <b>9,331</b>                    | <b>9,388</b>                    | <b>18,373</b>                   | <b>20,070</b>                   |
| <i>Primary geographical markets</i>                         |                                 |                                 |                                 |                                 |
| Hong Kong   | 8,960                           | 9,156                           | 17,747                          | 19,545                          |
| Macau   | 341                             | 232                             | 596                             | 525                             |
| Singapore   | 30                              | –                               | 30                              | –                               |
|   | <b>9,331</b>                    | <b>9,388</b>                    | <b>18,373</b>                   | <b>20,070</b>                   |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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

|   | Three months ended<br>30 June            |  | Six months ended<br>30 June              |  |
|---|--|--|--|--|
|   | 2022<br>HK\$'000<br>( <i>unaudited</i> ) | 2021<br>HK\$'000<br>( <i>unaudited</i> ) | 2022<br>HK\$'000<br>( <i>unaudited</i> ) | 2021<br>HK\$'000<br>( <i>unaudited</i> ) |
| Other income  |  |  |  |  |
| Interest income on bank deposits  | 12                                       | 6  | 19                                       | 14                                       |
| Dividends income  | 49                                       | –  | 52                                       | –  |
| Employment support scheme   | 256                                      | –  | 256                                      | –  |
| Government subsidies  | 23                                       | 33                                       | 29                                       | 68                                       |
|   | <b>340</b>                               | <b>39</b>                                | <b>356</b>                               | <b>82</b>                                |
| Other gains and losses, net   |  |  |  |  |
| Fair value loss on financial assets<br>at fair value through profit or loss |  |  |  |  |
| – Listed equity investments   | (346)                                    | 51                                       | (1,074)                                  | 104                                      |
| – Derivatives   | –  | (211)                                    | –  | (337)                                    |
| Loss on deregistration of a joint venture                                   | –  | –  | (5)                                      | –  |
|   | <b>(346)</b>                             | <b>(160)</b>                             | <b>(1,079)</b>                           | <b>(233)</b>                             |

## 6. OTHER OPERATING EXPENSES

|  | Three months ended<br>30 June            |  | Six months ended<br>30 June              |  |
|--|--|--|--|--|
|  | 2022<br>HK\$'000<br>( <i>unaudited</i> ) | 2021<br>HK\$'000<br>( <i>unaudited</i> ) | 2022<br>HK\$'000<br>( <i>unaudited</i> ) | 2021<br>HK\$'000<br>( <i>unaudited</i> ) |
| Cost of services                             | 574                                      | 1,162                                    | 1,165                                    | 2,208                                    |
| Auditor's remuneration                       | 162                                      | (2)                                      | 328                                      | 200                                      |
| Insurance                                    | 118                                      | 107                                      | 219                                      | 210                                      |
| Legal and professional fees                  | 235                                      | 537                                      | 580                                      | 957                                      |
| Office expenses                              | 391                                      | 356                                      | 823                                      | 811                                      |
| Expenses relating to short-term lease        | 172                                      | 632                                      | 350                                      | 1,268                                    |
| Transportation and entertainment<br>expenses | 162                                      | 176                                      | 328                                      | 358                                      |
| Net exchange (gains)/losses                  | (259)                                    | 4  | (155)                                    | 41                                       |
| Other miscellaneous expenses                 | 7  | 184                                      | 253                                      | 278                                      |
| Total other operating expenses               | <b>1,562</b>                             | <b>3,156</b>                             | <b>3,891</b>                             | <b>6,331</b>                             |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 7. 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<br>30 June   |                                 | Six months ended<br>30 June     |                                 |
|-----------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|           | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) |
| Hong Kong | 8,960                           | 9,156                           | 17,747                          | 19,545                          |
| Macau     | 341                             | 232                             | 596                             | 525                             |
| Singapore | 30                              | –                               | 30                              | –                               |
|           | <b>9,331</b>                    | <b>9,388</b>                    | <b>18,373</b>                   | <b>20,070</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 2022

## 8. 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<br>30 June          |  | Six months ended<br>30 June            |  |
|-------------------------------------|--|--|--|--|
|                                     | 2022<br>HK\$'000<br><i>(unaudited)</i> | 2021<br>HK\$'000<br><i>(unaudited)</i> | 2022<br>HK\$'000<br><i>(unaudited)</i> | 2021<br>HK\$'000<br><i>(unaudited)</i> |
| Current tax – Hong Kong Profits Tax |  |  |  |  |
| Provision for the periods           | –                                      | (34)                                   | –                                      | –                                      |
| Under-provision in prior period     | –                                      | 48                                     | 1                                      | 48                                     |
|                                     | –                                      | 14                                     | 1                                      | 48                                     |

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 2022 as the subsidiary has tax losses brought forward to set off assessable profit for the period.

## 9. PROFIT/(LOSS/ FOR THE PERIOD

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

|  | Three months ended<br>30 June          |  | Six months ended<br>30 June            |  |
|--|--|--|--|--|
|  | 2022<br>HK\$'000<br><i>(unaudited)</i> | 2021<br>HK\$'000<br><i>(unaudited)</i> | 2022<br>HK\$'000<br><i>(unaudited)</i> | 2021<br>HK\$'000<br><i>(unaudited)</i> |
| Auditor's remuneration                           | 162                                    | 123                                    | 328                                    | 325                                    |
| Cost of inventories sold                         | 44                                     | 52                                     | 44                                     | 256                                    |
| Depreciation of property,<br>plant and equipment | 274                                    | 253                                    | 552                                    | 504                                    |
| Depreciation of right-of-use-assets              | 335                                    | 246                                    | 668                                    | 317                                    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 9. PROFIT/(LOSS/ FOR THE PERIOD (continued)

### (b) Finance costs

|                                       | Three months ended |             | Six months ended |             |
|---------------------------------------|--------------------|-------------|------------------|-------------|
|                                       | 30 June            |             | 30 June          |             |
|                                       | 2022               | 2021        | 2022             | 2021        |
|                                       | HK\$'000           | HK\$'000    | HK\$'000         | HK\$'000    |
|                                       | (unaudited)        | (unaudited) | (unaudited)      | (unaudited) |
| Interest expense on lease liabilities | 29                 | 27          | 62               | 29          |

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following:

|   | Three months ended |             | Six months ended |             |
|---|--------------------|-------------|------------------|-------------|
|   | 30 June            |             | 30 June          |             |
|   | 2022               | 2021        | 2022             | 2021        |
|   | HK\$'000           | HK\$'000    | HK\$'000         | HK\$'000    |
|   | (unaudited)        | (unaudited) | (unaudited)      | (unaudited) |
| <b>Earnings/(loss)</b>  |                    |             |                  |             |
| Profit/(loss) attributable to owners of the Company and earnings for the purpose of calculating basic (loss)/earnings per share | 1,542              | (736)       | 1,242            | 132         |
|   | '000               | '000        | '000             | '000        |
| <b>Number of shares</b>   |                    |             |                  |             |
| Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share                       | 1,128,397          | 1,117,700   | 1,128,397        | 1,117,700   |

The weighted average number of ordinary shares for the three months and six months ended 30 June 2022 for the purpose of calculating basic earnings/(loss) per share has been adjusted to exclude the shares held for share award scheme.

No diluted earnings/(loss) per share is calculated for the three months and six months ended 30 June 2022 and 2021 as there was no potential dilutive ordinary share in existence.

## 11. DIVIDEND

The Directors do not recommend any payment of dividend for the six months ended 30 June 2022 (30 June 2021: HK\$ Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 12. CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

Details of contract assets are as follow:

|   | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|---|--|--|
| Contract assets related to provision of services  | <b>208</b>   | 232  |
|   |  |  |
|   | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
| Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables" | <b>3,805</b>   | 4,458  |

The contract assets represent the Group's rights to consideration for work completed but not billed as at 30 June 2022. The contract assets are transferred to trade receivables when the rights become unconditional other than passage of time. Contract assets decreased in 2022 was primarily due to decrease in work completed but not billed as at 30 June 2022.

### (b) Contract liabilities

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

|   | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|---|--|--|
| Contract liabilities related to provision of services | <b>2,645</b>   | 2,544  |

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 2022 was mainly due to increase in overall installation projects and there was an increase in advance billing of contract customers.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 12. 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<br>30 June   |                                 | Six months ended<br>30 June     |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) | 2022<br>HK\$'000<br>(unaudited) | 2021<br>HK\$'000<br>(unaudited) |
| Revenue recognised that was included in the balance of contract liabilities at 1 April/1 January |                                 |                                 |                                 |                                 |
| Revenue from provision of services   | 327                             | 205                             | 1,059                           | 1,619                           |

Movements in contract liabilities:

|   | 30 June<br>2022<br>HK\$'000<br>(unaudited) | 31 December<br>2021<br>HK\$'000<br>(audited) |
|---|--|--|
| Balance at 1 January 2021/2020  | 2,544                                      | 2,873  |
| 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 | (1,059)                                    | (1,821)                                      |
| Increase in contract liabilities as a result of billing in advance of installation and customisation services   | 1,160                                      | 1,492  |
| Balance at 30 June 2022/31 December 2021  | 2,645                                      | 2,544  |

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 2022 is HK\$Nil (31 December 2021: HK\$Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 13. TRADE AND OTHER RECEIVABLES

|  | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|--|--|--|
| Trade receivables                            | 4,031  | 4,610  |
| Impairment losses on trade receivables       | (226)  | (152)  |
|  | <b>3,805</b>   | 4,458  |
| Prepayments, deposits and other receivables* | 1,637  | 1,067  |
| Amount due from a trustee                    | 676  | 689  |
| Amounts due from brokers**                   | 1,899  | 1,077  |
|  | <b>8,017</b>   | 7,291  |

\* Included in the deposits as at 30 June 2022 is approximately HK\$45,000 (31 December 2021: HK\$47,000) of rental deposits paid to a company in which Mr Chan Lap Tak Douglas has 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 2022 is approximately HK\$1,790,000 (31 December 2021: HK\$968,000) 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<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|----------------|--|--|
| 0 to 30 days   | 1,675  | 1,977  |
| 31 to 60 days  | 322  | 584  |
| 61 to 90 days  | 363  | 146  |
| 91 to 120 days | -  | 233  |
| Over 120 days  | 1,445  | 1,518  |
|                | <b>3,805</b>   | 4,458  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 13. 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, amount due from a trustee and amounts due from brokers are denominated in the following currencies:

|                               | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|-------------------------------|--|--|
| HK\$                          | 4,050  | 2,678  |
| Renminbi                      | 57   | 47   |
| United States dollar ("US\$") | 105  | 108  |
|                               | <b>4,212</b>   | 2,833  |

## 14. TRADE AND OTHER PAYABLES

|                             | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|-----------------------------|--|--|
| Trade payables              | 308  | 349  |
| Accruals and other payables | 1,491  | 2,302  |
|                             | <b>1,799</b>   | 2,651  |

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

|               | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|---------------|--|--|
| 0 to 30 days  | 203  | 248  |
| 31 to 60 days | 101  | 101  |
| 61 to 90 days | –  | –  |
| Over 90 days  | 4  | –  |
|               | <b>308</b>   | 349  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 14. TRADE AND OTHER PAYABLES (continued)

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

|          | <b>30 June<br/>2022<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(audited) |
|----------|--|--|
| HK\$     | 273  | 33   |
| Renminbi | 35   | 316  |
|          | <b>308</b>   | 349  |

## 15. 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 2022, the ratio of the Group's total liabilities over its total assets was approximately 10.3% (31 December 2021: approximately 12.2%).

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 2022

## 15. SHARE CAPITAL (continued)

### The Company

|   | Nominal<br>value<br>per share<br>HK\$ | Number of<br>shares<br>'000 | Amount<br>HK\$'000 |
|---|---------------------------------------|-----------------------------|--------------------|
| Authorised:   |                                       |                             |                    |
| Ordinary shares   |                                       |                             |                    |
| At 1 January 2021   | 0.001                                 | 5,000,000                   | 5,000              |
| At 31 December 2021,<br>1 January 2022 and<br>30 June 2022 (unaudited)                                    | 0.001                                 | 5,000,000                   | 5,000              |
| Issued and fully paid:  |                                       |                             |                    |
| Ordinary shares   |                                       |                             |                    |
| At 1 January 2021   | 0.001                                 | 1,230,000                   | 1,230              |
| Ordinary shares<br>At 31 December 2021,<br>1 January 2022 and<br>30 June 2022 (unaudited)<br>(note 15(i)) | 0.001                                 | 1,230,000                   | 1,230              |

Note:

(i) At 30 June 2022, total number of shares included 101,500,000 shares were held by the trustee under the share award scheme adopted by the Company on 12 August 2019.

At 31 December 2021, total number of shares included 102,480,000 shares were held by the trustee under Share Award Scheme and 9,820,000 shares were held by the trustee on behalf of selected persons 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 2022

## 16. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2022, the Group has addition of approximately HK\$76,000 (31 December 2021: approximately HK\$3,590,000), makes fixed monthly payments on the usage of the asset during the contract period and recognised approximately HK\$668,000 (31 December 2021: approximately HK\$896,000) of right-of-use asset as depreciation expenses.

## 17. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of approximately HK\$24,000 (31 December 2021: approximately HK\$675,000).

## 18. INTANGIBLE ASSETS

During the six months period ended 30 June 2022, the Group capitalised development cost of approximately HK\$2,020,000 (31 December 2021: approximately HK\$2,365,000).

## 19. RESERVES

The amounts of the Group's reserves and the movements therein for the period and the same period in 2021 are presented in the unaudited condensed consolidated statement of changes in equity in this report.

## 20. RELATED PARTY TRANSACTIONS

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<br>ended 30 June |             | For the six months<br>ended 30 June |             |
|---|---------------------------------------|-------------|-------------------------------------|-------------|
|   | 2022                                  | 2021        | 2022                                | 2021        |
|   | HK\$'000                              | HK\$'000    | HK\$'000                            | HK\$'000    |
|   | (unaudited)                           | (unaudited) | (unaudited)                         | (unaudited) |
| Rental income received from a related party | -                                     | 544         | -                                   | 1,088       |

The related party transactions were carried out at terms mutually negotiated between the Group and the respective related parties. The Group had no transactions with its related parties during the six months ended 30 June 2022.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 21. CONTINGENT LIABILITIES

At 30 June 2022, the Group did not have any significant contingent liabilities.

## 22. EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to 30 June 2022 and up to the date of this report.

## 23. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 9 August 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2022, the Group recorded a revenue of approximately HK\$18.4 million, representing a decrease of approximately 8.5% from approximately HK\$20.1 million recorded for the six months ended 30 June 2021. Profit attributable to owners of the Company for the six months ended 30 June 2022 amounted to approximately HK\$1.2 million, representing an increase of approximately 840.9% as compared with the profit of approximately HK\$132,000 for the six months ended 30 June 2021, it was attributable to (i) increase in front office solution service income by approximately HK\$0.6 million; increase in back office solution service income by approximately HK\$85,000 and decrease of non-recurring installation and customisation service income by approximately HK\$0.9 million mainly due to poor market sentiment resulting from the outbreak of COVID-19 in early 2020; (ii) decrease in staff costs by approximately HK\$1.1 million after the establishment of the research and development centre in Shenzhen; (iii) investment loss of approximately HK\$1 million and, these were partially offset by (i) the decrease in legal and professional fees of approximately HK\$0.4 million; (ii) increase in depreciation expenses of approximately HK\$0.4 million; and (iii) decrease in cost of service of approximately HK\$1.0 million.

## OUTLOOK

With the Group's long term objective to strengthen its position as one of the major financial software solution services 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 our managed cloud services to local brokerage firm clients. The Group believes that the coming year will continue to be shaped by the impact of the COVID-19 pandemic, ongoing geopolitical tensions and the challenging road to economic recovery and as a player in the Hong Kong financial technology market, the Group will inevitably be affected by the market volatility. Despite these challenges, the Group will continue its focus on executing and delivering its business strategies in response to changes of the external environment, whilst adopting prudent approach to cost control and risk management. We will continue to explore market opportunities so as to achieve a sustainable business growth and long-term benefits of the Shareholders.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2022, the Group recorded revenue of approximately HK\$18.4 million, representing a decrease of approximately 8.5% as compared with the previous year of approximately HK\$20.1 million. Such decrease was mainly attributable to the significant decrease in installation and customisation services income and front office solution service income. The installation and customisation services decreased by approximately 41.9% from approximately HK\$2.1 million for the six months ended 30 June 2021 to approximately HK\$1.2 million for the six months ended 30 June 2022. Front office solution service income decreased by approximately 5.6% from approximately HK\$9.9 million for the six months ended 30 June 2021 to approximately HK\$9.4 million for the six months ended 30 June 2022 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 2022 was approximately HK\$44,000, representing a decrease of approximately 82.8% from approximately HK\$256,000 in respect of the six months ended 30 June 2021. Such decrease was primarily due to the decrease in product sales for the Group for the six months ended 30 June 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit before tax

The Group's profit before tax for the six months ended 30 June 2022 was approximately HK\$1.2 million, representing an increase by approximately 590.6% when compared with its profit before tax of approximately HK\$180,000 for the six months ended 30 June 2021. This was primarily due to the decrease in staff costs and cost of service by approximately HK\$2.2 million for the six months ended 30 June 2022.

## Other income

The Group's other income consists of government subsidies and interest income on bank deposits. The Group's other income increased to approximately HK\$356,000 from approximately HK\$82,000 for the six months ended 30 June 2021 due to an increase in interest income by approximately HK\$5,000 and increase in the Government employment support scheme subsidies of approximately HK\$256,000.

## Staff costs

For the six months ended 30 June 2022, the Group's staff costs decreased by approximately HK\$1.1 million (30 June 2021: approximately HK\$12.3 million).

## Depreciation

The Group's depreciation increased by approximately HK\$0.4 million for the six months ended 30 June 2022, representing an increase of approximately 48.8% from approximately HK\$0.8 million for the six months ended 30 June 2021 to approximately HK\$1.2 million for the six months ended 30 June 2022. The increase was primarily due to the increase of depreciation expenses for the right-of-use assets during the period.

## Other operating expenses

The Group's other operating expenses mainly include (i) cost of services; (ii) office expenses; and (iii) legal and professional fees. The Group's other operating expenses for the six months ended 30 June 2022 were approximately HK\$3.9 million, representing a decrease of approximately 38.5% over the other operating expenses of approximately HK\$6.3 million for the six months ended 30 June 2021. The decrease was primarily attributable to (i) a decrease in legal and professional fees of approximately HK\$0.4 million; (ii) a decrease in cost of service of approximately HK\$1.0 million as a result of setup of inhouse development team in shenzhen, the PRC; and (iii) a decrease of expenses relating to short-term lease by approximately HK\$0.9 million.

## Income tax expense

The Group's income tax expense for the six months ended 30 June 2022 was approximately HK\$1,000, representing a decrease of approximately 97.9% from approximately HK\$48,000 for the six months ended 30 June 2021. Such decrease was due to the tax loss brought forward from the year 2021. The tax expense for the period ended 30 June 2022 and 2021 represented the under-provision of profits tax in prior years.

# 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 2022 amounted to approximately HK\$1.2 million, representing an increase of approximately 840.9% as compared with the profit of approximately HK\$132,000 for the six months ended 30 June 2021. The significant increase was primarily attributable to the decrease in staff costs and cost of service of approximately HK\$2.2 million for the six months ended 30 June 2022.

## 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\$39.4 million as at 30 June 2022 (31 December 2021: approximately HK\$38.6 million).

As at 30 June 2022, the Group's current assets amounted to approximately HK\$44.5 million (31 December 2021: approximately HK\$45.1 million) of which approximately HK\$10.5 million (31 December 2021: HK\$12.5 million) was financial assets at fair value through profit or loss; approximately HK\$8.0 million was trade and other receivables (31 December 2021: approximately HK\$7.3 million); and approximately HK\$25.8 million was bank and cash balances (31 December 2021: approximately HK\$24.7 million).

As at 30 June 2022, the Group had no interest-bearing and non-interest bearing borrowing. On the same date, the Group had unused banking facilities of HK\$5.0 million which was secured by bank deposits of not less than HK\$5.0 million.

Given that there was no interest-bearing borrowing as at 30 June 2021 and 30 June 2022, the gearing ratio is not applicable for analysis.

## 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2022, 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 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities, convertible securities, options, warrants or similar rights of the Company.

## PLEDGE OF ASSETS

As at 30 June 2022, the Group had pledged its HK\$5 million (31 December 2021: HK\$5 million) bank deposits to secure overdraft facilities granted to the Group to the extent of HK\$5 million (31 December 2021: 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 2022.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2022, 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 2022, the Group had a workforce of 52 (2021: 55) 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 2022, the total employee benefit expenses of the Group (including salaries, bonuses, allowances and retirement benefit scheme contributions) remained stable at approximately HK\$11.2 million (30 June 2021: approximately HK\$12.3 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

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.

On 22 January 2020, the Board resolved to change the use of proceeds in relation to the location of establishment of the Group's research and development centre. For details, please refer to the Company's announcement dated 22 January 2020 ("1st UOP Announcement") and 6 February 2020.

On 29 September 2021, the Board resolved to change the use of the unutilized net proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's announcement dated 29 September 2021. Subsequent to the Listing and up to 30 June 2022, these proceeds were used for the purposes in accordance with the future plans as set out in the Prospectus (as changed on 22 January 2020 and 29 September 2021) and the details of the utilization amount of net proceeds from Listing up to 30 June 2022 set out as below:

| Intended use of the net proceeds   | Amount of net proceeds allocated at the Listing | Actual amount utilized from the date of Listing up to 29 September 2021 | Reallocation in use of unutilized net proceeds on 29 September 2021 | Amount of unutilized net proceeds after reallocation | Actual amount utilized up to 30 June 2022 | Unutilized net proceeds up to 30 June 2022 | Expected timeline for full utilisation of the unutilised net proceeds |
|--|---|---|---|--|---|--|---|
|  | HK\$ million                                    | HK\$ million  | HK\$ million  | HK\$ million   | HK\$ million                              | HK\$ million                               |   |
| <b>Expand our business in Wealth Management Solution</b>   | 2.60  | 1.08  | 2.11  | 3.63   | 3.48                                      | 1.23                                       | End of December 2022  |
| (i) man power investment by hiring one experienced business analyst  | 1.09  | 1.07  | -   | 0.02   | 1.09                                      | -  | N/A   |
| (ii) man power investment by hiring independent third party research and development personnels  | 1.45  | -   | (1.45)  | -  | -   | -  | N/A   |
| (iii) establishing and developing own in-house research and development team   | -   | -   | 3.46  | 3.46   | 2.28                                      | 1.18                                       | End of December 2022  |
| (iv) marketing communication expenses including fees for participating in industry exhibitions or seminars and running sales campaigns | 0.06  | 0.01  | (0.05)  | -  | 0.01                                      | -  | N/A   |
| (v) marketing communication expenses including fees for digital marketing activities   | -   | -   | 0.15  | 0.15   | 0.10                                      | 0.05                                       | End of December 2022  |

# MANAGEMENT DISCUSSION AND ANALYSIS

| Intended use of the net proceeds   | Amount of net proceeds allocated at the Listing | Actual amount utilized from the date of Listing up to 29 September 2021 | Reallocation in use of unutilized net proceeds on 29 September 2021 | Amount of unutilized net proceeds after reallocation | Actual amount utilized up to 30 June 2022 | Unutilized net proceeds up to 30 June 2022 | Expected timeline for full utilisation of the unutilised net proceeds |
|--|---|---|---|--|---|--|---|
|  | HK\$ million                                    | HK\$ million  | HK\$ million  | HK\$ million   | HK\$ million                              | HK\$ million                               |   |
| <b>Improve our user trading applications</b>   | 6.80  | 1.60  | (0.71)  | 4.49   | 4.51                                      | 1.58                                       | End of December 2022  |
| (i) man power investment by hiring one experienced business analyst  | 1.16  | 1.08  | –   | 0.08   | 1.16                                      | –  | N/A   |
| (ii) man power investment by hiring independent third party research and development personnels  | 1.91  | –   | (1.91)  | –  | –   | –  | N/A   |
| (iii) establishing and developing own in-house research and development team   | –   | –   | 3.44  | 3.44   | 2.28                                      | 1.16                                       | End of December 2022  |
| (iv) application for market data licence from HKEX involving OMD securities premium feed redistribution fee, OMD derivatives premium feed redistribution fee, and connection fee | 1.88  | 0.50  | (0.57)  | 0.81   | 0.94                                      | 0.37                                       | End of December 2022  |
| (v) data centre deployment involving fees for deployment of low latency infrastructure at HKEX co-location data centre, network equipment, and annual maintenance cost           | 1.58  | –   | (1.58)  | –  | –   | –  | N/A   |
| (vi) marketing communication expenses including fees for digital marketing activities  | 0.27  | 0.02  | (0.09)  | 0.16   | 0.13                                      | 0.05                                       | End of December 2022  |
| <b>Expand our managed cloud services to local brokerage firm clients</b>   | 2.60  | 1.23  | (0.25)  | 1.12   | 2.06                                      | 0.29                                       | End of December 2022  |
| (i) man power investment by hiring a network support engineering for running the cloud services  | 0.83  | 0.67  | –   | 0.16   | 0.83                                      | –  | End of December 2022  |
| (ii) data centre deployment  | 1.28  | 0.56  | (0.14)  | 0.58   | 0.95                                      | 0.19                                       | End of December 2022  |
| (iii) marketing communication expenses involving hosting industry seminar, participating in industry exhibitions and seminars, and putting advertisements                        | 0.49  | –   | (0.49)  | –  | –   | –  | N/A   |
| (iv) marketing communication expenses including fees for digital marketing activities  | –   | –   | 0.38  | 0.38   | 0.28                                      | 0.10                                       | End of December 2022  |

# MANAGEMENT DISCUSSION AND ANALYSIS

| Intended use of the net proceeds  | Amount of net proceeds allocated at the Listing | Actual amount utilized from the date of Listing up to 29 September 2021 | Reallocation in use of unutilized net proceeds on 29 September 2021 | Amount of unutilized net proceeds after reallocation | Actual amount utilized up to 30 June 2022 | Unutilized net proceeds up to 30 June 2022 | Expected timeline for full utilisation of the unutilised net proceeds |
|---|---|---|---|--|---|--|---|
|   | HK\$ million                                    | HK\$ million  | HK\$ million  | HK\$ million   | HK\$ million                              | HK\$ million                               |   |
| <b>Establish our research and development centre in the PRC</b>                             | 10.70   | 9.45  | (1.25)  | –  | 9.45                                      | –  | N/A   |
| (i) Acquisition of property in Qianhai, Shenzhen, the PRC                                   | 9.50  | 9.43  | (0.07)  | –  | 9.43                                      | –  | N/A   |
| (ii) Renovation of the acquired property and acquisition of furnitures                      | 0.37  | –   | (0.37)  | –  | –   | –  | N/A   |
| (iii) Acquisition of computer hardware such as computers and network modules                | 0.55  | 0.02  | (0.53)  | –  | 0.02                                      | –  | N/A   |
| (iv) Acquisition of computer software such as operating system and data processing software | 0.28  | –   | (0.28)  | –  | –   | –  | N/A   |
| <b>General working capital</b>  | 0.60  | 0.60  | 0.10  | 0.10   | 0.70                                      | –  | End of December 2022  |
|   | 23.30   | 13.96   | –   | 9.34   | 20.20                                     | 3.10                                       |   |

# MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2022, 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<br>("Mr. Chan")                           | Interest of spouse ( <i>Note 1</i> )  | 2,291,420             | 0.19%                                       |
| Mr. Lo Chi Ho<br>( <i>who is also the chief executive officer</i> ) | Beneficial interest ( <i>Note 2</i> ) | 10,810,010            | 0.9%  |

Notes:

- (1) 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.
- (2) The interest comprises 9,100,010 Shares and 730,000 and 980,000 underlying Shares in respect of award Shares vested on 31 December 2020 and 20 January 2022 respectively.

Save as disclosed above, as at 30 June 2022, 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 2022, 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<br>("Quantsmile BVI")                         | Beneficial interests   | 411,902,870<br><i>(note 1)</i>                | 33.49%                                      |
| Eagle Business Consulting Limited<br>("Eagle Business Consulting")     | Beneficial interests/Interest<br>in a controlled corporation | 664,296,910<br><i>(note 1 and<br/>note 2)</i> | 54.01%                                      |
| Good Steward Foundation Limited<br>("Good Steward Foundation")         | Interest in a controlled<br>corporation                      | 664,296,910<br><i>(note 2 and<br/>note 3)</i> | 54.01%                                      |
| Financial Data Technologies Limited<br>("Financial Data Technologies") | Beneficial interests   | 130,000,000<br><i>(note 4)</i>                | 10.57%                                      |
| Mr. Nie Lehui  | Interest in a controlled<br>corporation                      | 130,000,000<br><i>(note 4)</i>                | 10.57%                                      |
| Bank of Communications Trustee Ltd.                                    | Trustee  | 101,500,000<br><i>(note 5)</i>                | 8.25%                                       |

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 95.24% by Good Steward Foundation and 4.76% by Ms. Cheung (the spouse of Mr. Chan). 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.
- (3) Good Steward Foundation is a charitable company incorporated in Hong Kong and holds approximately 95.24% 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

- (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.

Save as disclosed above, as at 30 June 2022, 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 option has been granted for the six months ended 30 June 2022.

## SHARE AWARD SCHEME

On 12 August 2019, the Company adopted the 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 of the Share Award Scheme. The Board shall not make any further award of awarded shares which will result in the total number of issued Shares awarded by the Board under Share Award Scheme exceeding 10% of the total number of issued Shares from time to time.

During the six months ended 30 June 2022, the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, did not purchase any Shares on the Stock Exchange. As at 30 June 2022, there were 101,500,000 Shares held by the trustee pursuant to the Share Award Scheme. On 20 January 2022, the Board has resolved to grant an aggregate of 9,280,000 award shares, all in the form of existing shares, to 45 selected persons under the Share Award Scheme. Subject to the satisfaction of the vesting conditions, 980,000 of the award Shares shall be vested on the date of grants, 4,640,000 of these award Shares shall be vested to the respective selected persons on 31 December 2022 and 3,660,000 of the award shares shall be vested to the respective selected persons on 31 December 2023. For details, please refer to the Company's announcement dated 20 January 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## COMPETING INTEREST AND DEED OF NON-COMPETITION

Each of the Controlling Shareholders entered into a deed of non-competition in favour of the Company on 22 January 2019, details of which are set out in the section headed “Relationship with our Controlling Shareholders – Non-competition undertaking” in the Prospectus.

During the six months ended 30 June 2022 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 2022.

## 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 and no non-compliance events with the Required Standard of Dealings have to be reported during the six months ended 30 June 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed Somerley Capital Limited as its compliance adviser, which will provide advice and guidance to the Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. The appointment of Somerley Capital Limited ended on 29 March 2022. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 19 December 2018, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

There is no material event undertaken by the Company or by the Group subsequent to 30 June 2022 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 2022, 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 2022 (2021: 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 Award Scheme”  | the share award scheme adopted by the Company on 12 August 2019, as amended from time to time |
| “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  |