

Stream Ideas Group Limited

源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8401

SHARE OFFER

Sole Sponsor



Giraffe Capital Limited

Sole Bookrunner and Joint Lead Manager

平安證券有限公司
Ping An Securities Limited

Joint Lead Manager



IMPORTANT

If you are in doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Stream Ideas Group Limited

源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares : 50,000,000 Shares (subject to Offer Size Adjustment Option)
Number of Placing Shares : 45,000,000 Shares (subject to reallocation and Offer Size Adjustment Option)
Number of Public Offer Shares : 5,000,000 Shares (subject to reallocation)
Offer Price : Not more than HK\$1.30 per Offer Share and expected to be not less than HK\$1.00 per Offer Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal Value : HK\$0.01 per Share
Stock Code : 8401

Sole Sponsor



Giraffe Capital Limited

Sole Bookrunner and Joint Lead Manager

平安證券有限公司
Ping An Securities Limited

Ping An Securities Limited

Joint Lead Manager



HK Monkey Securities Limited

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.

A copy of this prospectus, having attached thereto the documents specified under the paragraph headed "Documents Delivered to the Registrar of Companies and Available for Inspection – Documents available for inspection" in Appendix V to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents in this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date. The Offer Price is expected to be not more than HK\$1.30 per Offer Share and not less than HK\$1.00 per Offer Share. If, for any reason, the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on the Price Determination Date, the Share Offer will not proceed and will lapse.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law of the U.S. and may not be offered, sold, pledged, or transferred within the U.S., except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. securities law.

Prospective investors of the Offer Shares should note that the Sole Sponsor and/or the Sole Bookrunner (for itself and on behalf of the Underwriters) may in its/their absolute discretion, upon giving notice in writing to our Company, terminate the Underwriting Agreement with immediate effect if any of the events set out under the paragraph headed "Underwriting – Underwriting arrangements and expenses – Grounds for termination" in this prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Sole Sponsor and/or the Sole Bookrunner (for itself and on behalf of the Underwriters) terminate the Underwriting Agreement in accordance with the terms of the Underwriting Agreement, the Share Offer will not proceed and will lapse.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

16 March 2018

CHARACTERISTICS OF GEM

Characteristics of GEM of the Stock Exchange

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information and dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the Stock Exchange's website at www.hkexnews.hk in order to obtain up-to-date information on GEM listed issuers.

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Share Offer, we will issue an announcement in Hong Kong to be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.stream-ideas.com.

2018 ^(Note 1)

- Application Lists open ^(Note 2) 11:45 a.m. on Wednesday, 21 March
- Latest time for lodging **WHITE** and **YELLOW** Application Forms 12:00 noon on Wednesday, 21 March
- Latest time for giving **electronic application instructions**
to HKSCC ^(Note 3) 12:00 noon on Wednesday, 21 March
- Application Lists close ^(Note 2) 12:00 noon on Wednesday, 21 March
- Expected Price Determination Date ^(Note 4) Thursday, 22 March
- (1) Announcement of the final Offer Price, the level of indications of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares Tuesday, 27 March
- (2) Results of allocations in the Public Offer (with successful applicants' identification document or business registration numbers, where appropriate) to be available through a variety of channels as described in "How to Apply for Public Offer Shares – 10. Publication of results" from Tuesday, 27 March
- (3) A full announcement containing (1) and (2) above to be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.stream-ideas.com ^(Note 5) from Tuesday, 27 March
- Results of allocations in the Public Offer will be available at www.tricor.com.hk/ipo/result with a "search by ID Number/ Business Registration Number" function from Tuesday, 27 March
- Despatch/Collection of Share certificates or deposit of the Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer on or before ^(Notes 6 and 8) Tuesday, 27 March
- Despatch/Collection of refund cheques in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Public Offer on or before ^(Notes 7 and 8) Tuesday, 27 March

EXPECTED TIMETABLE

Dealings in the Shares on GEM expected to commence

at 9:00 a.m. on Wednesday, 28 March

Notes:

1. All times and dates refer to Hong Kong local time and date. If there is any change of the above expected timetable, a separate announcement will be made by our Company on the Stock Exchange's website and our Company's website accordingly.
2. If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 21 March 2018, the Application Lists will not open or close on that day. See "How to Apply for Public Offer Shares – 9. Effect of bad weather on the opening of the Application Lists". If the Application Lists do not open and close on Wednesday, 21 March 2018, the dates mentioned in this section may be affected.
3. Applicants who apply for Public Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to "How to Apply for Public Offer Shares – 5. Applying by giving electronic application instructions to HKSCC via CCASS".
4. The Offer Price is expected to be determined on or about this date, being Thursday, 22 March 2018 or such later date as the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company may agree, but in any event not later than Monday, 26 March 2018. If the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on or before Monday, 26 March 2018, the Share Offer will not proceed and will lapse.
5. None of our Company's website or any of the information contained in our Company's website forms part of this prospectus.
6. Share certificates will only become valid at 8:00 a.m. on Wednesday, 28 March 2018 provided that the Share Offer has become unconditional in all respects and none of the Underwriting Agreements has been terminated in accordance with their respective terms. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk. If the Share Offer does not become unconditional or the Underwriting Agreements are terminated in accordance with their respective terms, we will make an announcement as soon as possible.
7. Refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Public Offer and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.
8. Applicants who have applied on **WHITE** Application Forms for 1,000,000 Public Offer Shares or more and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates (where applicable) in person from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 27 March 2018. Applicants being individuals who are eligible for personal collection must not authorise any other person to collect on their behalf.

Applicants being corporations which are eligible for personal collection must attend by their authorised representatives bearing a letter of authorisation from their corporation stamped with the company's chop. Both individuals and authorised representatives of corporations must produce evidence of identity acceptable to the Hong Kong Branch Share Registrar at the time of collection.

EXPECTED TIMETABLE

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 Public Offer Shares or more and have provided all information required by the Application Form may collect their refund cheques, if any, in person but may not elect to collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their or the designated CCASS Participant's stock account as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who have applied for Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to "How to Apply for Public Offer Shares – 13. Despatch/collection of Share certificates and refund monies – Personal collection – (iii) If you apply via **electronic application instructions** to HKSCC" for details.

Applicants who have applied for 1,000,000 Public Offer Shares or more but do not collect their Share certificates (if applicable) and/or refund cheques, the Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants' own risk, to the addresses specified in the relevant applications.

Further information is set out in "How to Apply for Public Offer Shares – 12. Refund of application monies" and "How to Apply for Public Offer Shares – 13. Despatch/collection of Share certificates and refund monies".

The above expected timetable is a summary only. You should refer to "Structure and Conditions of the Share Offer" and "How to Apply for Public Offer Shares" for details of the structure of the Share Offer, including the conditions of the Share Offer, and the procedures for application for the Public Offer Shares.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong, You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Public Offer is made solely on the basis of the information contained and the representations made in this prospectus. Our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of our or their respective directors, advisers, officers, employees, agents, affiliates and/or representatives or any other persons or parties involved in the Share Offer. The information contained on our website at www.stream-ideas.com does not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in “Risk Factors”. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in “Definitions” and “Glossary”.

BUSINESS OVERVIEW

Founded in Hong Kong in 2010, we are a digital media company and our principal business activity is to provide online focus group to Brand Owners and advertising agencies to deliver their marketing information in a more effective and interactive manner through our Platforms which had over 555,000 Members, out of which approximately 76,000 are Active Members, across Hong Kong, Taiwan, Malaysia and Singapore as at the Latest Practicable Date.

The table below sets forth the number of Active Members by regions as at the indicated dates:

	Hong Kong <i>in '000</i>	Taiwan <i>in '000</i>	Malaysia¹ <i>in '000</i>	Singapore¹ <i>in '000</i>	Total <i>in '000</i>
As at 31 March 2016	26.4	38.9	–	–	65.3
As at 31 March 2017	29.2	40.4	23.4	–	93.0
As at 30 November 2017	24.2	25.6	18.9	3.2	71.9

Note:

1 JAG Malaysia and JAG Singapore were incorporated in February and March 2017, respectively.

For further details regarding our Members during the Track Record Period, please refer to the paragraph headed “Business – Our Members” in this prospectus. Through our self-developed Platforms (namely, our websites and mobile applications), our clients can reach their target audience, being our Members, by delivering their online advertising contents to or holding advertising campaigns for our Members in the form of Missions. All the original advertising contents are provided by our clients and we were not engaged in advertisement production during the Track Record Period. For further details regarding our business model and operation processes, please refer to the paragraphs headed “Business – Our business” and “Business – Our operation processes” in this prospectus, respectively. Our Members can earn JAG Points through participation in the Missions. For further details regarding the nature of JAG Points and how our Members earn JAG Points through participation in the Missions, please refer to the paragraphs headed “Business – Our services” and “Business – JAG Points” in this prospectus. During the Track Record Period, we provide a range of Rewards which our Members can redeem by using different amount of JAG Points. For further details regarding the nature of Rewards, the redemption of JAG Points and the conversion ratio of JAG Points to Rewards, please refer to the paragraph headed “Business – JAG Points” in this prospectus.

SUMMARY

We believe that by rewarding our Members with JAG Points, we are able to motivate our Members to participate in our clients' advertising campaigns, and our clients can thereby promote their brands, products or services. Our Group promotes our Platform through social media marketing, advertisement displays and search engine marketing, which lead potential Members to our Platforms to become our Members. We also have a referral program for existing Members by rewarding existing Members with JAG Points for bringing in new Members. Our online advertising services comprise (i) social viral service; (ii) engager service; (iii) mass blogging service; and (iv) other services. For further details regarding our various online advertising services and our pricing policy, please refer to the paragraphs headed "Business – Our services" and "Business – Sales and marketing – Pricing policy" in this prospectus, respectively. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, approximately 58.6%, 49.7%, 48.4% and 55.1% of our revenue were derived from our business operation in Hong Kong and approximately 41.4%, 50.3%, 51.6% and 42.8% of our revenue were derived from our business operations in Taiwan, respectively. In 2017, we have expanded our business operations to Malaysia and Singapore. For further details regarding our major development milestones, please refer to the paragraph headed "Our History, Reorganisation and Corporate Structure – Overview – Our business development" in this prospectus.

The table below sets forth the breakdown of our Group's revenue and gross profit by different types of online advertising services during the Track Record Period:

Types of online advertising services	Number of projects	Year ended 31 March										
		2016					2017					
		Revenue		Average revenue per project	Gross profit	Gross profit margin	Revenue		Average revenue per project	Gross profit	Gross profit margin	
		HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	%	HK\$'000	HK\$'000	%	
Social viral service	461	13,195	60.6	29	8,014	60.7	472	17,087	64.9	36	11,224	65.7
Engager service	263	6,145	28.2	23	4,016	65.4	267	6,468	24.5	24	4,290	66.3
Mass blogging service	86	2,079	9.6	24	1,352	65.0	77	2,388	9.1	31	1,710	71.6
Other services	17	349	1.6	21	319	91.4	22	399	1.5	18	382	95.7
Total	827	21,768	100	26	13,701	62.9	838	26,342	100	31	17,606¹	66.8¹

Types of online advertising services	Number of projects	Eight months ended 30 November										
		2016					2017					
		Revenue		Average revenue per project	Gross profit	Gross profit margin	Revenue		Average revenue per project	Gross profit	Gross profit margin	
		HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	%	HK\$'000	HK\$'000	%	
Social viral service	347	11,293	67.0	33	7,007	62.0	337	11,664	60.3	35	7,599	65.1
Engager service	168	3,836	22.8	23	2,400	62.6	208	5,832	30.2	28	3,793	65.0
Mass blogging service	60	1,641	9.7	27	1,143	69.7	59	1,430	7.4	24	952	66.6
Other services	15	83	0.5	6	80	96.4	29	410	2.1	14	398	97.1
Total	590	16,853	100	29	10,630	63.1	633	19,336	100	31	12,742¹	65.9¹

Note:

- This represents the gross profit before reversal of JAG Points provision or gross profit margin before reversal of JAG Points provision.

SUMMARY

The following table sets out a breakdown of our cost of services by nature during the Track Record Period:

Cost of services by nature	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	HK\$'000	%	HK\$'000	% ¹	HK\$'000 (unaudited)	%	HK\$'000	% ¹
JAG Points provision	7,385	91.5	8,085	92.5	5,821	93.5	6,006	91.1
Server cost	400	5.0	399	4.6	260	4.2	348	5.3
System maintenance cost	282	3.5	252	2.9	142	2.3	240	3.6
Cost of services before reversal of JAG Points provision	8,067	100	8,736	100	6,223	100	6,594	100
Reversal of JAG Points provision	–	–	(1,551)	N/A	–	–	(309)	N/A
Total	8,067	100	7,185	N/A	6,223	100	6,285	N/A

Note:

- This represents the percentage to cost of services before reversal of JAG Points provision.

Since March 2016, pursuant to our revised membership terms of services, the accumulated but not redeemed JAG Points are valid for redemption for one year from the last login date on our Platform by our Members. Therefore, as at 31 March 2017, being more than one year from the revision of membership terms of services, provision in relation to JAG Points awarded to Members who have not logged into our Platforms for a continuous period of at least one year has been reversed.

OUR PLATFORMS

Each of our Platforms is an integration of a front-end user interface with a back-end system. The front-end user interfaces consist of our websites, namely, *jag-hk.com*, *jagtw.com*, *my.jagreward.com* and *sg.jagreward.com*; and our mobile applications. We use our Integrated Information Management System, which is linked to our network of Members and other domains, as our back-end infrastructure to support both our mobile applications and websites. The Integrated Information Management System is responsible for (i) management and publication of the advertising contents; (ii) management of Members accounts and participation records; (iii) tracking the performance of the online advertisement; and (iv) providing the system for JAG Points to be used for redeeming different Rewards. We host our Platforms through an international network service provider, an Independent Third Party, to ensure that our system is secured. We operate our Hong Kong, Taiwan, Malaysia and Singapore Platforms separately under different websites on different servers. In addition, the daily backup of data for our Platforms is stored in another server. For further details, please refer to section headed “Business – Our Platforms” in this prospectus.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths are the key factors contributing to our success to date:

- our self-developed Platforms enable our clients to achieve their performance targets and drive growth of our business;
- proven track record in providing online advertising services to wide variety of reputable clients;
- an established and diversified network of Members in Hong Kong and Taiwan with a growing number of Members in Malaysia and Singapore; and
- our experienced and professional management team.

SUMMARY

For further details, please refer to the paragraph headed “Business – Competitive strengths” in this prospectus.

OUR CLIENTS

Our clients who seek our online advertising services include advertising agencies on behalf of their clients and Brand Owners. Majority of regional brand companies would deal with us through their designated advertising agencies, as they have engaged such advertising agencies to manage their overall advertising strategies; while Brand Owners are companies or organisations which place advertisements or deploy marketing strategies to promote its brands, products or services directly with us. We believe that our business relationships with advertising agencies are conducive to broadening our client base and increasing our competitive strength in the industry.

The table below sets forth the breakdown of our Group’s revenue by different types of clients during the Track Record Period:

Types of clients	Year ended 31 March						Eight months ended 30 November					
	2016		2017		2016		2017		2016		2017	
	Number of clients	HK\$'000	% of total revenue	Number of clients	HK\$'000	% of total revenue	Number of clients	HK\$'000	% of total revenue	Number of clients	HK\$'000	% of total revenue
Advertising agencies	74	19,129	87.9	76	21,985	83.5	67	15,135	89.8	77	14,147	73.2
Brand Owners	46	2,639	12.1	46	4,357	16.5	34	1,718	10.2	51	5,189	26.8
Total	120	21,768	100	122	26,342	100	101	16,853	100	128	19,336	100

The table below sets forth the breakdown of our Group’s revenue by clients according to their geographic location during the Track Record Period:

Geographic locations	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Hong Kong	12,760	58.6	13,096	49.7	8,154	48.4	10,651	55.1
Taiwan	9,008	41.4	13,242	50.3	8,699	51.6	8,268	42.8
Other countries ¹	–	–	4	0.0	–	–	417	2.1
Total	21,768	100	26,342	100	16,853	100	19,336	100

Note:

- Other countries refer to Singapore and Malaysia.

For each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our five largest clients in aggregate accounted for approximately 41.8%, 37.6% and 28.5% of our revenue, respectively, and none of them was a connected person of our Company. Sales to our single largest client for the same periods accounted for approximately 12.2%, 12.3% and 7.0% of our revenue, respectively.

During the Track Record Period, JAG Taiwan Branch has separately entered into master agreement with some of our advertising agency clients. For the purpose of this prospectus, we treated such advertising agency clients, together with the other advertising agency clients referred to in the relevant master agreement, as one client. Our five largest clients during the Track Record Period were Independent Third Parties and none of our Directors, their respective close associates or any Shareholder who owns more than 5% of the issued share capital of our Company, had any interests in any of our five largest clients. For further details, please refer to the paragraph headed “Business – Our clients” in this prospectus.

SUMMARY

OUR SUPPLIERS

During the Track Record Period, our suppliers mainly comprise (i) suppliers of Rewards, coupon suppliers, distributors of IM Stickers and consumer goods; and (ii) network service provider, web hosting and other information technology related service providers. The following sets forth our selection criteria of our suppliers of Rewards:

- Popularity and diversity of the relevant coupons, IM Stickers and other Rewards;
- Market recognition;
- Validity period of the coupons, IM Stickers and other Rewards; and
- Costs.

For further details regarding our suppliers of Rewards, please refer to the paragraph headed “Business – Our suppliers” in this prospectus.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, purchases from our five largest suppliers accounted for approximately 69.9%, 78.4% and 59.7% of our total cost of purchase, respectively. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, purchases from our largest supplier accounted for approximately 23.6%, 35.4% and 17.3% of our total cost of purchase, respectively.

For the years ended 31 March 2016 and 2017, Couponmall was one of our five largest suppliers mainly supplying coupons. Couponmall was beneficially owned as to 33.33% and controlled by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee up to 9 March 2017. Prior to February 2017, we sourced certain coupons from Couponmall and the purchases from Couponmall amounted to approximately HK\$1.8 million and HK\$1.6 million, respectively, for the years ended 31 March 2016 and 2017, which represented approximately 23.6% and 22.2% of the total cost of purchase for the same period. From February 2017, we ceased to source coupons from Couponmall and purchased similar coupons from the coupon issuers directly. The prices of the coupons offered by Couponmall in general were lower than those offered by the coupon issuers. For illustration only and to the best knowledge of our Directors, the estimated amount saved by purchases from Couponmall compared to purchases from the coupon issuers, being the difference between the amount we paid to purchase from Couponmall and the amount we would have to pay to purchase directly from coupon issuers, taking into consideration any discount generally offered by the relevant coupon issuers to the public, for the years ended 31 March 2016 and 2017 amounted to approximately HK\$0.1 million and HK\$0.2 million, representing approximately 1.4% and 2.6% of our total cost of purchase, respectively. For further details regarding our relationship and historical arrangement with Couponmall, please refer to the paragraphs headed “Business – Our suppliers – Major suppliers – Couponmall” and “Discontinued Transaction with Related Parties – Transactions with Couponmall” in this prospectus.

For coupons with transfer, trade, promotional or commercial purposes restrictions, the purchase cost of the relevant coupons issued by such coupon issuers from which we have obtained consents accounted for approximately HK\$0.4 million, HK\$0.3 million and HK\$0.2 million, representing approximately 6.6%, 5.8% and 5.4% of our total coupon purchase cost for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, respectively. For coupons with transfer, trade, promotional or commercial purposes restrictions and no consents from the coupon issuers are obtained, our Group has decided to adopt a prudent approach and ceased the distribution of such coupons as Rewards. Such coupons have accounted for approximately HK\$158,000, HK\$49,000 and nil, representing approximately 2.7%, 0.9% and nil of our total coupon purchase cost for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, respectively. For further details please refer to the paragraph headed “Business – Our suppliers – Our major supplies during the Track Record Period – Coupons” in this prospectus. Our Directors are of the view that such coupons which we have ceased to distribute as Rewards were not material to the Group’s business and our Group was able to identify and purchase similar coupons at comparable costs and quantities.

SUMMARY

During the Track Record Period, we did not experience any material shortage or delay in supplies due to default of our suppliers. Save and except Couponmall, our five largest suppliers were Independent Third Parties and none of our Directors, their respective close associates or any Shareholder who owns more than 5% of the issued share capital of our Company, had any interests in any of our five largest suppliers during the Track Record Period. For details, please refer to “Business – Our suppliers” in this prospectus.

OUR TRADE RECEIVABLES

The table below sets forth our average trade receivable turnover days during the Track Record Period:

	Year ended 31 March		Eight months ended 30 November 2017
	2016	2017	2017
Average trade receivable turnover days (<i>Note</i>)	91	101	119

Note: The average trade receivable turnover days for the Track Record Period is calculated by the average of the balance of our trade receivables at the beginning and at the end for the relevant year/period (i) divided by revenue for the relevant year/period; and (ii) multiplied by the number of days in the relevant year/period.

Our average trade receivable turnover days for each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were 91 days, 101 days and 119 days, respectively. The increase in the average trade receivable turnover days for the years ended 31 March 2016 and 2017 was mainly due to the increase in revenue for the year ended 31 March 2017. Our average trade receivable turnover days increased to 119 days for the eight months ended 30 November 2017 mainly due to the increase in the trade receivable balance as at 31 March 2017 as a result of the increase in our revenue for the year ended 31 March 2017. For details regarding the impact of default payment from Client X on the Group’s trade receivables turnover days, please refer to the paragraph headed “Financial Information – Certain items of consolidated statement of financial position – Trade and other receivables” in this prospectus. The trade receivable turnover days were consistent with our usual credit period granted to our clients ranging from 60 to 130 days.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

Immediately following the completion of the Capitalisation Issue and the Share Offer and without taking into account Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme, each of JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee will be regarded as our Controlling Shareholders under the GEM Listing Rules. For details, please refer to the section headed “Our History, Reorganisation and Corporate Structure” in this prospectus.

In order to maintain a clear delineation of business between us and our Controlling Shareholders, JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee have entered into a deed of non-competition dated 7 March 2018 in favour of our Group. None of our Controlling Shareholders have interests in other businesses that compete or are likely to compete with the business of our Group. For further details, please refer to the paragraph headed “Relationship with Controlling Shareholders – Non-competition undertakings” in this prospectus. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee are co-founders of our Group and executive Directors. For further details, please refer to the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors” in this prospectus.

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Pre-IPO Investment

On 19 July 2017, VMI entered into the Pre-IPO Investment Agreement with JAG United, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and our Company, pursuant to which our Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15 million convertible into such number of Shares as representing 23.81% of the issued share capital of our Company as enlarged by the issue of the conversion Shares on a fully diluted basis. Mr. Lin Hung Yuan beneficially owns 100% of VMI Capital Group Limited which holds 100% of the voting rights of VMI. Mr. Lin Hung Yuan was appointed as a non-executive Director of our Company. For further details, please refer to the paragraph headed “Our History, Reorganisation and Corporate Structure – Pre-IPO Investment” in this prospectus.

Pursuant to the Pre-IPO Investment Agreement, the entire Convertible Bond was converted into 31,250 Shares on 28 February 2018, therefore, our Company was owned as to 76.19% by JAG United and as to 23.81% by VMI. Immediately after the Share Offer (assuming the Offer Size Adjustment Option is not exercised), our Company will be owned as to 57.14% by JAG United and as to 17.86% by VMI.

UNDERTAKINGS FROM THE CONTROLLING SHAREHOLDERS

Each of our Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Underwriters) and the Stock Exchange. Our Controlling Shareholders have also given undertakings to our Company and the Stock Exchange as bound by the lock-up requirements as imposed by Rule 13.16A and Rule 13.19 of the GEM Listing Rules.

Apart from satisfying the lock-up requirements under the GEM Listing Rules, each of our Controlling Shareholders has voluntarily undertaken to our Company that, he/she/it shall not, at any time during the twelve months from the expiry of the Second Six-Month Period under the GEM Listing Rules, dispose of any of the Relevant Securities, if immediately following such disposal they would cease to be controlling shareholders of our Company on a collective basis. Such voluntary lock-up undertakings from the Controlling Shareholders are irrevocable and may not be waived by our Company. For further details, please refer to the paragraph headed “Underwriting – Voluntary lock-up undertaking by our Controlling Shareholders” in this prospectus.

UNDERTAKINGS FROM THE PRE-IPO INVESTOR

On 15 March 2018, the Pre-IPO Investor has undertaken to and covenanted with each of the Company, the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) that it will not, at any time within the First Six-Month Period, (i) offer, pledge, charge, sell, lend, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any options, rights or warrants to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, repurchase any of the share or debt capital or other securities of our Company or any interest therein; or (ii) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of share capital or such other securities of our Company, in cash or otherwise. For further details, please refer to the paragraph headed “Our History, Reorganisation and Corporate Structure – Pre-IPO Investment – Undertaking from the Pre-IPO Investor” in this prospectus.

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COMPETITIVE LANDSCAPE AND MARKET SHARE

Our Directors consider that all online advertising service providers in Hong Kong, Taiwan, Malaysia and Singapore are, to certain extent, competitors of our Group. According to the CIC Report, the online advertising industry in Hong Kong, Taiwan and Malaysia is relatively fragmented with a large number of online advertising companies. There are relatively fewer online advertising platforms, with large and engaged user base, which our potential clients could choose. For further details, please refer to the section headed “Industry Overview” in this prospectus.

We face competition in relation to the quality and effectiveness of our services, our ability to meet potential clients’ expectations and specifications in a flexible way, and our experience and reputation. We believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths. For further details, please refer to the paragraph headed “Business – Competitive strengths” in this prospectus.

KEY OPERATING AND FINANCIAL DATA

The following tables present a summary of key operational and financial data for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 and should be read in conjunction with our historical financial information included in the Accountants’ Report set forth in Appendix I to this prospectus, including the notes thereto.

Selected information extracted from consolidated statements of profit or loss and other comprehensive income

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000
Revenue	21,768	26,342	16,853	19,336
Gross profit	13,701	19,157	10,630	13,051
Profit/(loss) before taxation	9,657	14,753	8,013	(1,648)
Profit/(loss) for the year/period	8,009	12,260	6,653	(3,001)
Adjusted profit for the year/period, excluding Listing expenses ⁽¹⁾	8,009	12,260	6,653	6,331

Note:

- Adjusted profit for the year/period, excluding Listing expenses, is calculated by net profit/(loss) for the year/period excluding the Listing expenses charged in the relevant year/period. The terms of adjusted profit/(loss) excluding Listing expenses, is not defined under HKFRS.

Our revenue increased by approximately HK\$4.5 million or 20.6% from approximately HK\$21.8 million for the year ended 31 March 2016 to approximately HK\$26.3 million for the year ended 31 March 2017. Such increase was mainly due to (i) the increase in revenue from social viral service in Hong Kong and Taiwan as a result of the increase in average service fee per project; (ii) the increase in revenue from engager service in Taiwan as a result of the increase in the number of projects and (iii) the increase in revenue from mass blogging service in Hong Kong as a result of the increase in the number of projects with higher average service fee per project. Our revenue increased by approximately HK\$2.4 million or 14.2% from approximately HK\$16.9 million for the eight months ended 30 November 2016 to approximately HK\$19.3 million for the eight months ended 30 November 2017. Such increase was mainly due to (i) the increase in revenue from social viral service in Hong Kong as a result of the increase in the number of projects and the increase in average service fee per project and (ii) increase in revenue from engager service in Hong Kong and Taiwan as a result of the increase in the number of projects and the increase in average service fee per project.

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Our profit for the year increased by approximately HK\$4.3 million or 53.8% from approximately HK\$8.0 million for the year ended 31 March 2016 to approximately HK\$12.3 million for the year ended 31 March 2017 which was in line with the increase in gross profit. Our profit for the period decreased by approximately HK\$9.7 million or 144.8% from approximately HK\$6.7 million for the eight months ended 30 November 2016 to loss of approximately HK\$3.0 million for the eight months ended 30 November 2017, mainly due to the incurring of Listing expenses and allowance of doubtful debts.

Selected information extracted from consolidated statements of financial position

	As at 31 March		As at 30 November
	2016 HK\$'000	2017 HK\$'000	2017 HK\$'000
Current assets	11,073	17,218	30,634
Current liabilities	9,206	8,666	25,347
Net current assets	1,867	8,552	5,287

Selected information extracted from consolidated statements of cash flows

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000
Operating cashflow before changes in working capital	9,647	13,499	8,051	(1,514)
Net cash generated from/(used in) operating activities	9,453	9,939	2,073	(2,619)
Net cash (used in)/generated from investing activities	(30)	1	–	(73)
Net cash (used in)/generated from in financing activities	(8,581)	(6,398)	(274)	12,019
Net increase in cash and cash equivalents	842	3,542	1,799	9,327
Cash and cash equivalents at the end of the year/period	3,924	7,397	5,739	16,779

Selected key financial ratios

	Year ended/as at 31 March		Eight months ended/as at 30 November
	2016	2017	2017
Gross profit margin	62.9%	72.7%	67.5%
Net profit margin ⁽¹⁾	36.8%	46.5%	32.7%
Current ratio	1.2	2.0	1.2
Quick ratio	1.1	1.9	1.2
Gearing ratio ⁽²⁾	31.8%	0.4%	254.6%
Return on total assets ⁽³⁾	69.2%	68.9%	30.3%
Return on equity ⁽⁴⁾	343.7%	134.4%	160.3%

Notes:

- Net profit margin equals profit for the period divided by revenue for the period. Net profit margin for the eight months ended 30 November 2017 equals profit for the period before Listing expenses divided by revenue for the period.
- Gearing ratio is calculated based on the sum of amounts due to Controlling Shareholders, bank loan and Convertible Bond divided by the total equity as at the respective period end and multiplied by 100%.
- Return on total assets is calculated by the profit for the period divided by the total assets as at the respective period end and multiplied by 100%. Return on total assets for the eight months ended 30 November 2017 is calculated by dividing profit after taxation before Listing expenses for the period by total assets, on an annualised basis and multiplied by 100%.

SUMMARY

4. Return on equity is calculated by the profit for the period divided by the total equity as at the respective period end and multiplied by 100%. Return on equity for the eight months ended 30 November 2017 is calculated by dividing profit after taxation before Listing expenses for the period by total equity, on an annualised basis and multiplied by 100%.

Our overall gross profit margin increased by approximately 9.8 percentage points from approximately 62.9% for the year ended 31 March 2016 to approximately 72.7% for the year ended 31 March 2017. Such increase was mainly due to (i) the increase in the gross profit margin of our social viral service resulting from the increase in average service fee per project, particularly for the Taiwan market; (ii) the increase in the gross profit margin of our mass blogging service as we were able to secure certain advertising campaigns with higher gross margins from advertising agencies for their clients in the personal care sector for the year ended 31 March 2017; and (iii) the reversal of JAG Points provision in relation to JAG Points historically distributed to Members. Our overall gross profit margin increased by approximately 4.4 percentage points from 63.1% for the eight months ended 30 November 2016 to 67.5% for the eight months ended 30 November 2017. Such increase was mainly due to (i) the increase in the gross profit margins in our social viral service and engager service; and (ii) the reversal of JAG Points provision in relation to JAG Points historically distributed to Members. Reversal of JAG Points provision represents reversal of provision in relation to JAG Points, historically distributed to Members who have not logged into our Platforms for a continuous period of one year. For further details regarding such reversal, please refer to the paragraph headed “Financial Information – Certain items of consolidated statements of financial position – Trade and other payables – JAG Points provision” in this prospectus.

Our gearing ratio decreased from approximately 31.8% as at 31 March 2016 to approximately 0.4% as at 31 March 2017, which was mainly attributable to (i) the repayment of bank loan and amounts due to Controlling Shareholders; and (ii) the increase in total equity as a result of the increase of the operating profit for the year ended 31 March 2017. Our gearing ratio increased to 254.6% as at 30 November 2017 mainly attributable to the Convertible Bond pursuant to the Pre-IPO Investment.

For further details, please refer to the paragraph headed “Financial Information – Analysis of key financial ratios” in this prospectus.

DIVIDEND

Dividend in the amount of approximately HK\$0.2 million has been declared by our Company on 23 June 2017 and has been settled against the amount due from the then Shareholders of our Company on 30 June 2017. During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, subsidiaries of our Company declared and paid dividend to their then shareholders amounting to approximately HK\$8.1 million, HK\$5.4 million and HK\$0.2 million, respectively. We currently do not have any plans to distribute regular dividends immediately after the Listing. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. The recommendation of the payment of dividend is subject to the absolute discretion of our Board, and, after Listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders. Our Group does not have any dividend policy or a fixed dividend payout ratio. For further details, please refer to section headed “Financial Information – Dividend” in this prospectus.

SUMMARY

LISTING EXPENSES

Our financial results may be adversely affected by the non-recurring Listing expenses. The total Listing expenses in relation to the Share Offer, primarily consisting of fees paid or payable to professional parties and underwriting fees and commission, are estimated to be approximately HK\$26.1 million (based on the mid-point of the indicative Offer Price range of HK\$1.15 per Offer Share and assuming that the Offer Size Adjustment Option is not exercised). Part of the proceeds from the Pre-IPO Investment were used to pay for the Listing expenses. Among the estimated total Listing expenses, (i) approximately HK\$9.1 million is directly attributable to the issue of new Shares and to be accounted for as a deduction from equity upon Listing; (ii) approximately HK\$9.3 million had been charged to our consolidated statements of profit or loss and other comprehensive income for the eight months ended 30 November 2017; and (iii) the remaining amount of approximately HK\$7.7 million is expected to be recognised as expenses in our consolidated statements of profit or loss and other comprehensive income for the year ending 31 March 2018. Prospective investors should be aware of the impact of the Listing expenses on the financial performance of our Group for the year ending 31 March 2018.

RECENT DEVELOPMENTS

We will record a net loss for the year ending 31 March 2018 mainly due to the estimated decrease in overall gross profit margin for the year ending 31 March 2018. Our overall gross profit margin is expected to decrease slightly due to the expected lower gross profit margin derived from the newly expanding business in Malaysia and Singapore since (a) our Group would offer trial-price to attract new clients; and (b) more JAG Points would be distributed to attract new Members to enhance our market position. Our expected net loss is due to (i) the non-recurring Listing expenses of approximately HK\$17.0 million (assuming an Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised); (ii) the fair value loss on the Convertible Bond; (iii) the anticipated increase in expenses including staff costs to cope with our business expansion and remuneration for executive and independent non-executive Directors after the Listing; and (iv) the estimated increase in auditors' remuneration after the Listing.

For the eight months ended 30 November 2017, we had recorded a loss of approximately HK\$46,000 on the change in fair value of the Convertible Bond. We will record a loss on the change in fair value of the Convertible Bond of approximately HK\$18.5 million (assuming an Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised) for the year ending 31 March 2018. The fair value loss is a non-cash item. Before the completion of the Share Offer, the Convertible Bond will be converted into Shares pursuant to the Pre-IPO Investment Agreement. There will be no fair value loss associated with the Convertible Bond for any financial period after 31 March 2018 on the assumption that our Listing will be completed on or before 31 March 2018. Any fair value loss on the Convertible Bond for the year ending 31 March 2018 could have an adverse impact on our profit for that year.

Save for the non-recurring Listing expenses and the potential impacts on our profit in relation to the above, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position of our Group since 30 November 2017, being the end of the period reported on in the Accountants' Report set out in Appendix I to this prospectus.

SUMMARY

STRATEGIES, FUTURE PLANS AND USE OF PROCEEDS

Our Group aims to strengthen our position within the online advertisement industry. Our Directors believe the following strategies will enable our Group to sustain a continuous growth of our business and maintain our competitive advantages in the online advertisement industry in Hong Kong. The net proceeds from the Share Offer based on the Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$1.00 to HK\$1.30 and assuming that the Offer Size Adjustment Option is not exercised, are estimated to be approximately HK\$31.4 million, after deducting the estimated underwriting commission and total Listing expenses, paid and payable by our Company from the gross proceeds of the Share Offer. Our Directors presently intend that the net proceeds will be applied as follows:

Strategies and intended usage	Approximate amount of net proceeds
<i>Build brand, develop client base and network of Members</i>	HK\$7.1 million, or 22.5%
<ul style="list-style-type: none">● Enhance brand image by hiring spokesperson(s) to promote our brand● Build brand awareness by placing advertisement● Develop client base by sponsoring events● Enhance membership development by organising events for our Members	
<i>Upgrade information technology systems</i>	HK\$5.6 million, or 17.9%
<ul style="list-style-type: none">● Enhance functionality of the Integrated Information Management System● Revamp user interface of mobile applications and websites● Upgrade information technology equipment of our existing and new staff	
<i>Strengthen talent pool and workforce and improve work environment</i>	HK\$8.1 million, or 25.7%
<ul style="list-style-type: none">● Expand workforce and provide staff development training programme● Improve work environment by renovating and leasing additional office space	
<i>Selectively pursue acquisitions</i>	HK\$7.5 million, or 23.9%
<ul style="list-style-type: none">● Conduct due diligence and background search on acquisition target(s)	

SUMMARY

Strategies and intended usage	Approximate amount of net proceeds
<ul style="list-style-type: none">Acquire digital media companies having a broad member base in territories which we operate or advertising companies with advertisement production capabilities	
<i>General working capital</i>	HK\$3.1 million, or 10.0%

For further details on future plans and use of proceeds, please refer to the paragraphs headed “Business – Business objectives and strategies” and “Future Plans and Use of Proceeds – Implementation plans” in this prospectus.

REASONS FOR THE LISTING

Our Directors are of the view that the Listing is beneficial to our future growth and will increase the long-term value to our Group for the following reasons:

- the Listing will facilitate the implementation of our business strategies as the net proceeds from the Share Offer will enable us to (a) capture more market share in the industry; (b) enhance our efficiency in the provision of our services and quality of our service by recruiting more skilled employees and labour;
- the Listing will enhance our corporate profile, credibility and brand awareness, which we believe would increase our clients’ and suppliers’ confidence in us;
- the Listing will enhance our market status amongst clients, suppliers and employees as we increase our level of competitiveness in competing for and carrying out our online advertising services; and
- the Listing will increase the ease for us to raise funds in the capital market for future business developments.

STATISTICS OF THE SHARE OFFER

The following table sets out certain offering related data, assuming that the Share Offer has been completed:

	Based on the minimum indicative Offer Price of HK\$1.00 per Offer Share	Based on the maximum indicative Offer Price of HK\$1.30 per Offer Share
Market capitalisation (<i>Note 1</i>)	HK\$200 million	HK\$260 million
Unaudited pro forma adjusted consolidated net tangible assets per Share (<i>Note 2</i>)	HK\$0.27	HK\$0.34

Notes:

- The number of Offer Shares and the calculation of the market capitalisation of the Shares are based on the enlarged issued capital of 200,000,000 Shares, being the aggregate number of Shares in issue as at the date of this prospectus and the number of Shares to be issued pursuant to the Share Offer and the Capitalisation Issue (but without taking into account any Shares which may be issued pursuant to the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme).
- The unaudited pro forma adjusted consolidated net tangible assets per Share is determined after the adjustments as described in the notes as set out in the section headed “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus.

SUMMARY

LEGAL PROCEEDINGS

During the Track Record Period, Client X has failed to settle our invoices in the aggregate sum of approximately HK\$428,000 after they have become due and we have made allowance for doubtful debt of such amount. For further details regarding the potential litigation with Client X, please refer to the paragraph headed “Business – Legal proceedings and compliance – Legal proceedings” in this prospectus. Save as disclosed concerning the potential litigation with Client X, our Directors confirm that during the Track Record Period and as at the Latest Practicable Date, our Group was not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim is known to the Directors to be pending or threatened by or against our Group, that would have a material adverse effect on its operation results or financial condition.

RISK FACTORS

You are advised to read carefully the section headed “Risk Factors” in this prospectus before making any investment decision in relation to the Share Offer. Some particular risk factors include: (i) our business is dependent on our Platforms and effective operations of mobile operating systems, social media platforms and networks, etc. that we do not control. Any significant interruptions to our Platforms could cause disruptions in our daily operations, results in a potential loss of our Members and their participation, and adversely affect the results of operations; (ii) if our clients who are intermediaries are unable to maintain stable relationship with their respective clients, we may be unable to maintain or expand our operations; (iii) if we fail to achieve the performance targets of the clients, we could lose clients; (iv) we generally do not enter into long-term agreements with our clients, if we fail to retain existing clients or attract new clients, our revenue and profitability could be significantly reduced; and (v) our clients may delay in settlement of our invoices, which may result in a material adverse impact on our business, financial conditions and results of operations.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set out below.

“Accountants’ Report”	the accountants’ report of our Group from the reporting accountants, the text of which is set out in Appendix I to this prospectus
“affiliate(s)”	any other person(s), directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Application Form(s)”	WHITE Application Form(s) and YELLOW Application Form(s) or where the context so requires, any of them that are used in connection with the Public Offer
“Application Lists”	the application lists used in the Public Offer
“Articles” or “Articles of Association”	the articles of association of our Company conditionally approved and adopted by resolutions of our Shareholders on 7 March 2018, which will become effective on the Listing Date, as amended or supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board” or “Board of Directors”	the board of Directors
“Brand Owner(s)”	a company(ies) or organisation(s) which places advertisements or deploys marketing strategies to promote its brands, products or services which, for the purposes of this prospectus only, refers to the company(ies) or organisation(s) we serve directly and not through advertising agencies
“business day(s)”	any day(s) (other than a Saturday, a Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands

DEFINITIONS

“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of our Company as referred to in the paragraph headed “Statutory and General Information – Further information about our Company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018” in Appendix IV to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China which, for the purpose of this prospectus, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan, unless otherwise specified
“CIC Report”	an industry expert report commissioned by our Company and prepared by CIC
“CIC”	China Insights Consultancy Limited, a market research and consulting company and an Independent Third Party
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Companies Law” or “Cayman Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

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“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Stream Ideas Group Limited (源想集團有限公司), a company incorporated in the Cayman Islands on 22 May 2017 as an exempted company with limited liability
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee
“Convertible Bond”	the convertible bond in the principal amount of HK\$15 million convertible into such number of Shares as representing 23.81% of the issued share capital of the Company as enlarged by the issue of Shares before Capitalisation Issue pursuant to the terms of the Pre-IPO Investment Agreement
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Couponmall”	Couponmall Company Limited (祺想香港有限公司), formerly known as JAG Concepts Company Limited (祺想香港有限公司), a company incorporated in Hong Kong with limited liability on 29 April 2014 and an Independent Third Party as at the Latest Practicable Date, for further details please refer to the paragraph headed “Business – Our suppliers – Our major suppliers – Couponmall” in this prospectus

DEFINITIONS

“Deed of Indemnity”	the deed of indemnity dated 7 March 2018 and executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for our subsidiaries), particulars of which are set out in the paragraph headed “Statutory and General Information – E. Other information – 1. Estate duty, tax and other indemnities” in Appendix IV to this prospectus
“Deed of Non-competition”	the deed of non-competition undertaking dated 7 March 2018 and executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for our subsidiaries), particulars of which are set out in the paragraph headed “Relationship with our Controlling Shareholders – Non-competition undertakings” in this prospectus
“Director(s)”	the director(s) of our Company
“electronic application instruction(s)”	instruction given by a CCASS Participant electronically via CCASS to HKSCC, being one of the methods to apply for the Public Offer Shares
“First Six-Month Period”	the period of the first six months from the Listing Date
“GEM”	GEM operated by the Stock Exchange
“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
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include CCASS Operational Procedures
“Giraffe Capital” or “Sole Sponsor”	Giraffe Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, acting as the sole sponsor of the Share Offer
“Group”, “our Group”, “us” or “we”	our Company and our subsidiaries or any of them, or where the context so requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, such subsidiaries or the business which have since been acquired or carried on by them or their predecessors for the time being

DEFINITIONS

“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKASs”	Hong Kong Accounting Standards
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK Monkey Securities”	HK Monkey Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 9 (asset management) regulated activities under the SFO, one of the Joint Lead Managers
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, our share registrar and transfer office in Hong Kong
“Independent Third Party(ies)”	person(s) or company(ies) which, to our Directors’ best knowledge, information and belief, having made all reasonable enquiries, is/are not a connected person(s) of our Company
“JAG Asia Holding (BVI)”	JAG Ideas (Asia) Company Limited (源想(亞洲)有限公司), a company incorporated in the BVI with limited liability on 20 December 2016 and an indirect wholly-owned subsidiary of our Company
“JAG Holding (BVI)”	JAG Ideas Holding Company Limited (源想控股有限公司), a company incorporated in the BVI with limited liability on 21 August 2015 and a direct wholly-owned subsidiary of our Company
“JAG Creative”	JAG Creative Ideas Company Limited (源想創意有限公司) (formerly JAG Ideas (Indonesia) Limited (源想(印尼)有限公司)), a company incorporated in Hong Kong with limited liability on 8 October 2015 and an indirect wholly-owned subsidiary of our Company
“JAG Hong Kong Holding (BVI)”	JAG Ideas (Hong Kong) Company Limited (源想(香港)有限公司), a company incorporated in the BVI with limited liability on 8 September 2015 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“JAG Hong Kong”	JAG Ideas Company Limited (源想有限公司), a company incorporated in Hong Kong with limited liability on 17 May 2010, an indirect wholly-owned subsidiary of our Company
“JAG Malaysia”	JAG Ideas (Malaysia) Sdn. Bhd., a company incorporated in Malaysia with limited liability on 8 February 2017, an indirect wholly-owned subsidiary of our Company
“JAG Points”	the points which we distribute to our Members to reward them to participate in our clients’ advertising campaign
“JAG SEA Holding”	JAG Ideas (SEA) Company Limited (源想(東南亞)有限公司), a company incorporated in Hong Kong with limited liability on 6 January 2017 and an indirect wholly-owned subsidiary of our Company
“JAG Singapore”	JAG Ideas (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on 6 March 2017, an indirect wholly-owned subsidiary of our Company
“JAG Taiwan Branch”	香港商源想有限公司台灣分公司 (JAG Ideas (Taiwan) Limited Taiwan Branch), a branch of JAG Taiwan registered in Taiwan on 8 January 2013
“JAG Taiwan Holding (BVI)”	JAG Ideas (Taiwan) Company Limited (源想(台灣)有限公司), a company incorporated in the BVI with limited liability on 9 February 2017 and an indirect wholly-owned subsidiary of our Company
“JAG Taiwan”	JAG Ideas (Taiwan) Limited (源想(台灣)有限公司), a company incorporated in Hong Kong with limited liability on 9 August 2012 and an indirect wholly-owned subsidiary of our Company
“JAG United”	JAG United Company Limited (源想投資有限公司), a company incorporated in the BVI with limited liability on 21 February 2017 and a Controlling Shareholder of our Company
“Joint Lead Managers”	Ping An Securities and HK Monkey Securities
“Latest Practicable Date”	6 March 2018, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus

DEFINITIONS

“Listing”	the listing of the Shares on GEM
“Listing Date”	the date on which dealings in the Shares first commence on GEM, which is expected to be Wednesday, 28 March 2018
“Listing Division”	the listing division of the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM and which, for the avoidance of doubt, excludes GEM
“Member(s)”	member(s) registered on our Platforms, namely, <i>jag-hk.com</i> , <i>jagtw.com</i> , <i>my.jagreward.com</i> , <i>sg.jagreward.com</i> and our mobile applications
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company, as amended from time to time
“Mission(s)”	means the task(s) on our Platforms as part of the advertising campaigns of our clients, the performance of such tasks by our Members are the required performance targets of our online advertising services
“Mr. Anakin Law”	Mr. Law Ka Kin (羅嘉健), a co-founder of our Group, an executive Director and a Controlling Shareholder
“Mr. Garlos Lee”	Mr. Lee Wing Leung Garlos (李永亮), a co-founder of our Group, an executive Director and a Controlling Shareholder
“Ms. Jenny Cheung”	Ms. Cheung Lee (張莉), a co-founder of our Group, an executive Director and a Controlling Shareholder
“MYR”	means Malaysian Ringgit, the lawful currency of Malaysia
“NT\$”	means New Taiwan dollar, the lawful currency of Taiwan

DEFINITIONS

“Offer Price”	the final Hong Kong dollar price per Offer Share (exclusive of brokerage fee, SFC transaction levy and Stock Exchange trading fee) which will not be more than HK\$1.30 per Offer Share and is expected to be not less than HK\$1.00 per Offer Share at which the Offer Shares are to be subscribed for pursuant to the Share Offer, as further described in the paragraph headed “Structure and Conditions of the Share Offer – Offer Price” in this prospectus
“Offer Shares”	the Public Offer Shares and the Placing Shares
“Offer Size Adjustment Option”	the option granted by our Company to the Placing Underwriters, exercisable by the Sole Bookrunner or its agent on behalf of the Placing Underwriters, at its sole and absolute discretion, whereby our Company may be required to allot and issue up to 7,500,000 additional Placing Shares representing up to 15% of the Offer Shares initially available under the Share Offer, at the Offer Price solely to cover over-allocation in the Placing, subject to the terms of the Placing Underwriting Agreement
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters on behalf of our Company for cash at the Offer Price, as further described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Placing Shares”	45,000,000 new Shares initially being offered by our Company, for subscription under the Placing subject to reallocation and Offer Size Adjustment Option as further described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Placing Underwriters”	the underwriters for the Placing Shares who are expected to enter into the Placing Underwriting Agreement
“Placing Underwriting Agreement”	the underwriting agreement relating to the Placing to be entered into by, among others, our Company, our Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Placing Underwriters, particulars of which are summarised in the section headed “Underwriting – Placing Underwriting Agreement” in this prospectus

DEFINITIONS

“Platform(s)”	our websites and domains, including but not limited to, <i>jag-hk.com</i> , <i>jagtw.com</i> , <i>my.jagreward.com</i> and <i>sg.jagreward.com</i> , our mobile applications and our Integrated Information Management System
“Pre-IPO Investment”	the investment made by VMI pursuant to the Pre-IPO Investment Agreement
“Pre-IPO Investment Agreement”	the subscription agreement for Convertible Bond of our Company between VMI, JAG United, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and our Company dated 19 July 2017
“Price Determination Agreement”	the agreement to be entered into between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date to fix and record the Offer Price
“Price Determination Date”	the date, expected to be on or about Thursday, 22 March 2018 or such later date as the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company may agree, on which the Offer Price is expected to be fixed for the purpose of the Share Offer, but in any event not later than Monday, 26 March 2018
“Public Offer”	the offer of Public Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the terms and subject to the conditions described in this prospectus and the Application Forms relating thereto, as further described in the paragraph headed “Structure and Conditions of the Share Offer – The Public Offer” in this prospectus
“Public Offer Shares”	the 5,000,000 new Shares initially being offered by our Company for subscription pursuant to the Public Offer at the Offer Price, subject to reallocation as described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Public Offer Underwriters”	the underwriters for the Public Offer as listed out in the paragraph headed “Underwriting – Public Offer Underwriters” in this prospectus

DEFINITIONS

“Public Offer Underwriting Agreement”	the underwriting agreement dated 15 March 2018 relating to the Public Offer entered into by, among others, our Company, our Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Public Offer Underwriters, as further described in the paragraph headed “Underwriting – Public Offer Underwriting Agreement” in this prospectus
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Securities”	any of the Shares in respect of which our Controlling Shareholder(s) is shown by this prospectus to be the beneficial owner
“Reorganisation”	the corporate reorganisation of our Group in preparation for the Listing as described in the paragraph headed “Our History, Reorganisation and Corporate Structure – Reorganisation” in this prospectus
“Rewards”	any rewards we make available for our Members to redeem, from time to time, with their JAG Points accumulated from their participation in Missions, including but not limited to coupons, IM Stickers, other consumer goods or donations to designated charities
“S\$”	Singapore dollar, the lawful currency of Singapore
“Second Six-Month Period”	during the period of six months from the expiry of First Six-Month Period
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Share Offer”	the Public Offer and the Placing
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 7 March 2018, a summary of principal terms of which is set out in the paragraph headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV to this prospectus

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“Sole Bookrunner” or “Ping An Securities”	Ping An Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the Sole Bookrunner and one of the Joint Lead Managers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“US\$” or “US dollar(s)”	United States dollar(s), the lawful currency of the U.S.
“VMI” or “Pre-IPO Investor”	VMI Mega Growth Fund SPC, a segregated portfolio company incorporated in the Cayman Islands with limited liability on 2 February 2016 and its principal business activity is investment holding and a substantial shareholder of our Company
“ WHITE Application Form(s)”	the application form(s) to be completed by the public who require the Public Offer Shares to be issued in the applicants’ own name

DEFINITIONS

“**YELLOW** Application Form(s)” the application form(s) to be completed by the public who require the Public Offer Shares to be deposited directly into CCASS

“%” per cent

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustment. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY

This glossary contains certain definitions and other terms used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry definitions.

“Active Member(s)”	the Members who logged into our Platforms in the past three calendar months
“CAGR”	compound annual growth rate
“GDP”	gross domestic product
“IM Sticker(s)”	virtual sticker(s) that could be used during chat sessions between users in instant messaging programme
“Integrated Information Management System”	our integrated information management system, the back end system for our Platforms
“internet”	an interconnected system of networks that connects computers around the world and is publicly accessible
“mobile application(s)”	a type of application software designed to run on a mobile device, such as smartphone or tablet computer
“performance target(s)”	the number of Members participating in our clients’ Mission and/or the level of participation of our Members in our clients’ Mission
“Social Media”	web-based communication tools that enable people to interact with each other by both sharing and consuming information
“sq.ft.”	square foot/feet

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as “aim”, “anticipate”, “believe”, “consider”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “predict”, “project”, “seek”, “should”, “will”, “would”, or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our business strategies, development activities, estimates and projections, expectations concerning future operations, profit margins, profitability, dividend policy, competition and the effects of regulation.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Although these forward-looking statements are made by our Directors after due and careful consideration, these statements reflect the current views of the management of our Group with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in “Risk Factors”. Should one or more of the risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed, estimated or expected. Accordingly, such statements are neither statements of historical fact nor guarantees or assurances of future performance. Hence, you should not place undue reliance on such forward-looking statements.

Important factors that could cause our actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive market and regulatory conditions and the following:

- our business strategies and plan of operations;
- our capital commitment plans and funding requirements;
- our operations and business prospects, including development plans for our business;
- our ability to materialise and manage our planned business expansion;
- our ability to attract clients and maintain their loyalty;
- our ability to retain our executive Directors and employees and recruit qualified and experienced new employees;
- our ability to maintain our competitiveness and operational efficiency;
- our prospective financial condition;

FORWARD-LOOKING STATEMENTS

- our ability to protect our brand, trademarks or other intellectual property rights;
- general economic market and business and financial condition in Hong Kong, Taiwan, Malaysia and Singapore;
- laws, regulations and rules for the online advertising industry in Hong Kong, Taiwan, Malaysia and Singapore;
- future trends, developments and condition of the online advertising industry in Hong Kong, Taiwan, Malaysia and Singapore;
- the trends of industry and technology;
- certain statements in the section headed “Financial Information” in this prospectus with respect to trends in prices, volumes and operations;
- margins, overall market trend, risk management and exchange rates; and
- other factors that are described in the section headed “Risk Factors” in this prospectus.

Any forward-looking statement made in this prospectus applies only as at the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

RISK FACTORS

Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the Share Offer. The occurrence of any of the following risks may have an adverse effect on the business, results of operations, financial conditions and prospects of our Group.

This prospectus contains certain forward-looking statements regarding our plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this prospectus. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR GROUP

Our business is dependent on our Platforms and effective operations of mobile operating systems, social media platforms and networks, etc. that we do not control. Any significant interruptions to our Platforms could cause disruptions in our daily operations, results in a potential loss of our Members and their participation, and adversely affect the results of operations

Our daily operations depend significantly on our Platforms, which involve, among others, (i) placing the advertising contents on our Platforms for our Members to watch and participate; (ii) matching the relevant advertisements or campaigns to our Members based on their demographics and behaviour such as consumption patterns of certain products and services or brand preferences; (iii) monitoring the effectiveness and performance of our clients' advertising campaigns and generating performance report throughout and after completion of our engagements; and (iv) allowing our Members to redeem Rewards by using their JAG Points through our Platforms. As such, any significant interruptions to our Platforms by hacking, cyber attack or due to telecommunication failures, power shortages, natural disasters or other events which may cause disruptions in our daily operations may reduce the attractiveness of our services, and result in a potential loss of our Members and their participation and consequently, our business and results of operations could be adversely affected. In addition, any measures to avoid information and technological system failures may not be effective or successful.

We are also dependent on the interoperability of our Platforms with popular mobile operating systems and social media platforms that we do not control and any changes or updates of such systems that degrade our Platforms' functionality could adversely affect the usage and user experience of our Members. In addition, it is important that our Platforms work well with a range of mobile technologies, systems, social media platforms, networks, etc., which we do not control. In the event that it is difficult for our Members to access and use our Platforms on their devices, or if our Members choose to use any device that does not offer access to our Platforms, the growth in numbers and the level of participation of our Members could be adversely affected.

RISK FACTORS

Our Platforms are dependent on the continued provision of service by an international network service provider

We host our Platforms through an international network service provider, an Independent Third Party. Any significant interruptions to the operations of the international network service provider by, including but not limited to, hacking, cyber attack or due to telecommunication failures, power shortages, natural disasters or other unforeseeable events may cause disruptions in our daily operations.

Under the terms of the international network service provider agreement, the international network service provider may terminate the agreement by providing our Group with at least 30 days' advance notice. We cannot guarantee that we could find another network service provider to replace the existing network service provider or migrate our Platforms to another network service provider prior to the termination of such network service, which may cause disruption in our daily operations and consequently, our business and results of operations could be adversely affected. For further details regarding the material terms of the international network service provider agreement, please refer to the paragraph headed "Business – Our Platforms" in this prospectus.

If our clients who are intermediaries are unable to maintain stable relationships with their respective clients, we may be unable to maintain or expand our operations

Our major clients are advertising agencies. We cannot assure that such agencies will be able to maintain a stable and strong relationship with their current respective clients. In the event that our major advertising agencies clients are unable to maintain business relationships with their respective clients, our ability to secure online advertising business may therefore be materially and adversely impacted. We may lose business opportunities and market share if such clients decide to engage alternative online advertising service providers, thereby affecting our business, financial performance and the sustainability of our business in the long run.

If we fail to achieve the performance targets of the clients, we could lose clients and our revenue could decline

We offer our online advertising services to clients depending on their actual marketing needs and objectives of the clients. In general, the performance targets of the clients will be set out in the relevant quotation with clients for reference purpose before the commencement of a project and may be revised throughout the project, and our online advertising services may be fine-tuned with further instructions provided by the clients. While the performance targets are usually set out solely for reference purpose, most of our clients assess our performance mainly based on our effectiveness in completing the performance targets. As a result, we are expected to provide effective online advertising services that can facilitate our clients to achieve their marketing objectives (being the completion of Missions by a certain number of our Members within a given time frame). If we are not able to complete the required performance targets of our online advertising services, our relationships with our clients, reputation and revenue will be adversely affected. For details regarding the performance targets, please refer to the paragraph headed "Business – Our services" in this prospectus.

RISK FACTORS

Changes of overall marketing plan or objectives of our client could affect our financial performance

Changes of overall marketing plan or objectives of our clients may result in termination of our services or delay in their payments, which could have an adverse effect in our cash flows and results of operations. We cannot guarantee that we could recover all costs incurred for providing our online advertising services to our clients whose engagements were postponed or suspended, which could adversely affect our financial performance.

We generally do not enter into long-term agreements with our clients, if we fail to retain existing clients or attract new clients, our revenue and profitability could be significantly reduced

Our success depends on our ability to maintain our relationships with existing clients and to develop new relationships with potential clients. Our quotations with our clients generally do not include long-term obligations requiring them to use our services, and our quotations with our clients are generally on project basis. As a result, we may have limited visibility as to our future revenue streams. We cannot assure you that our clients will continue to use our online advertising services or that we will be able to replace, in a timely or effective manner, departing clients with potential clients that can deliver comparable level of revenue. If we fail to retain our existing clients or increase advertisers' utilisation of our services, or to provide attractive online advertising services and pricing structures to attract new clients, the demand for our services will not grow and may even decrease, which could materially and adversely affect our ability to maintain or increase our revenue and profitability.

Our clients may delay in settlement of our invoices, which may result in a material adverse impact on our business, financial conditions and results of operations

As at 31 March 2016 and 2017 and 30 November 2017, our trade receivables amounted to approximately HK\$5.9 million, HK\$8.7 million and HK\$10.3 million, respectively, representing approximately 53.2%, 50.6% and 33.7% of our current assets, respectively. Our average trade receivable turnover days for each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were 91 days, 101 days and 119 days, respectively. For further details regarding our trade receivables, please refer to the paragraph headed "Financial Information – Certain items of consolidated statements of financial position – Trade and other receivables" in this prospectus.

Our business operations are subject to the risk of payment deferral by our clients. Our major clients include advertising agencies and their settlement day will generally be affected by the timing that the ultimate client pay for their services or their internal settlement policies. Any delay affecting the ultimate client's payment to the advertising agencies would affect the timing of the settlement of our invoices and our financial conditions.

RISK FACTORS

Our efforts in strengthening our trade receivable collection and management may be in vain and, we cannot assure you that we will be able to fully recover the outstanding amounts due from our clients, if at all, or that our clients will settle the amounts in a timely manner. If settlements by our clients are not made in full or in a timely manner, our business, financial conditions and results of operations will be adversely affected.

During the Track Record Period, Client X had failed to settle our invoices in an aggregate sum of approximately HK\$428,000 after they have become due. On 30 June 2017, a demand letter was issued to Client X, demanding Client X to settle our invoices in full before 7 July 2017, and on 13 September 2017, a statutory demand was issued to Client X on behalf of JAG Hong Kong. As at the Latest Practicable Date, Client X had not settled such invoices in full. For further details regarding the potential litigation with Client X, please refer to the paragraph headed “Business – Legal proceedings and compliance – Legal proceedings” in this prospectus.

We have recorded negative operating cashflows for the eight months ended 30 November 2017

Our Group recorded net cash used in operating activities of approximately HK\$2.6 million for the eight months ended 30 November 2017 primarily due to the decrease in profit before taxation for the eight months ended 30 November 2017 as a result of the Listing expenses of approximately HK\$9.3 million. Further information is set forth in the section headed “Financial Information – Liquidity and capital resources – Cash flow – Cash flows from operating activities”. In the event that we are unable to generate sufficient cashflow for our operations or otherwise unable to obtain sufficient funds to finance our business, our liquidity and financial condition will be materially and adversely affected. We cannot give assurances that we will have sufficient cash from other sources to fund our operations.

Our business could be materially affected by our ability to reward our Members by providing the attractive Rewards and sufficient Rewards for redemption

We have various types of Rewards including coupons, IM Stickers and other consumer goods available for our Members to redeem. There is no assurance that there will be stable supplies of existing Rewards we distribute to our Members for their redemption in the future.

In the event that a Reward supplier requests us to stop distributing their coupons or products to our Members, our management may cease distributing their coupons or products to our Members, causing write-offs of our inventories.

Moreover, our Group would have to identify and purchase from alternative Reward supplier to provide similar Rewards with comparable attractiveness to our Members. If we fail to obtain Rewards that are attractive to our Members, they may stop participating in Missions for our clients’ advertising campaigns.

RISK FACTORS

By participating in Missions, our Members can accumulate JAG Points for redemption of Rewards on our Platforms. If a large number of Members seek to redeem their JAG Points within a short period of time, in particular for redemption of certain kind of Rewards, we cannot guarantee that we will have sufficient inventory to fulfil all redemption by our Members and we may not be able to purchase such Rewards in a short period of time or at a reasonable price. Any interruption or delay for providing the Members such redeemed Rewards may lead to an adverse impact on our reputation, business and results of operations.

Our financial performance may fluctuate due to the inaccurate estimates of the provision in relation with JAG Points distributed to Members

We make provision in relation to JAG Points distributed to Members based on a number of assumptions including historical redemption pattern (such as the types of Rewards our Members redeemed), the purchase costs of Rewards, the conversion ratios of JAG Points into Rewards and estimated future redemption pattern. As at 31 March 2016 and 2017 and 30 November 2017, the provision amounted to approximately HK\$6.3 million, HK\$6.1 million and HK\$7.0 million, respectively. For further details regarding the provision, please refer to the paragraph headed “Financial Information – Certain items of consolidated statements of financial position – Trade and other payables – JAG Points provision” in this prospectus.

Assumptions and judgement are required in determining the provision of JAG Points, which are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under current circumstances. It is possible that the historical experience that is used in estimation is not indicative of estimated future redemption pattern and future purchase costs of Rewards. The redemption pattern is changing as a result of change in Members’ preference on Rewards while the future purchase costs of Rewards can be affected by changes in economic conditions. Actual results may differ from these estimates. Where the actual costs of JAG Points are materially different from the JAG Points provision initially recorded, our financial position and results of operations could be adversely affected.

If we fail to retain our existing Members or attract new Members, or if our Members reduce their level of participation, our business and results of operations may be materially and adversely affected

The size of our network of Members and the level of participation of our Members are critical to our business. In order to achieve a sustainable revenue growth, we must attract new Members, retain our existing Members and maximize the network effect of our Platforms. For further details regarding our network of Members, please refer to the paragraph headed “Business – Our Members” in this prospectus.

Any negative media reports regarding our business, our Platforms or any failure in properly managing the complaints from our Members might affect our reputation and our brand which in turn will affect the confidence and the level of participation of our Members.

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If we fail to provide sufficient Rewards or attractive contents to keep our Members' level of participation in our clients' advertising campaigns, our Platforms may quickly lose its popularity and competitiveness, as a consequence, our business will suffer.

Additionally, if our Members reduce their level of participation in our clients' advertising campaigns due to any unforeseeable reasons such as change of behaviour of our Members or the entry of new competitors, we might not be able to continue to attract our Members and accordingly, the popularity of our Platforms and our results of operations will be materially and adversely affected.

We could be liable for our Members' personal information being compromised which may materially and adversely affect our business and reputation

We collect, store and process personal information and other data from our Members through our Platforms. We seek to protect our Members' information and accounts by employing data security measures such as passwords and firewalls.

For instance, new Members are required to provide their names, phone numbers and email addresses for our verification. Similarly, we also collect our Members' personal information such as their addresses for delivery of the Rewards and collect other personal information when we ask our Members questions for the custom filter. In addition, our Integrated Information Management System continuously detects abnormal activities of our Members on our Platforms by monitoring their locations and their redemption activities.

We operate our business in Hong Kong, Taiwan, Malaysia and Singapore and the laws regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information on the internet and databases, the scope of which is changing, subject to different interpretations and may be inconsistent between different territories or conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations, or any compromise of security through hacking or cyber attack that results in any unauthorized release or transfer of personal information or other data, may result in litigation or public statements against us by relevant authorities or others and could cause our Members to lose trust in us, which could have an adverse effect on our business and reputation.

If our expansion plan in Malaysia and Singapore turns out to be unsuccessful, our business, growth, financial position and results of operations could be adversely affected

As at Latest Practicable Date, we have commenced operations in Malaysia and Singapore. The Malaysia and Singapore markets may have different business environment, competitive conditions and clients' preferences from Hong Kong and Taiwan markets where we are established. Our brand name is not considered to be well known in Malaysia and Singapore and may not be well accepted by our potential clients there. As a result, our expansion plan may not turn out to be successful.

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We may need to invest a huge amount of time and resources to build our brand awareness in Malaysia and Singapore. Business there may take longer than expected to grow. Any inability to successfully replicate our business model or execute our expansion plan in Malaysia and Singapore market could adversely affect our business, growth, financial position and results of operations.

If we fail to keep up with the rapidly changing technologies or successfully develop and introduce new online advertising services, our competitive position and ability to generate revenues and growth could be affected

The internet is a fast changing and evolving platform. Our success will depend on our ability to adapt to rapidly changing technologies, to enhance quality of existing online advertising services and to develop and introduce a variety of new online advertising services or products to address our clients' changing demands. The introduction of new online advertising services are subject to risks and uncertainties. Unexpected technical, operational or other problems could delay or prevent the introduction of our new online advertising services. Moreover, there can be no assurance that any of our new features and online advertising services will achieve widespread market acceptance.

If we fail to keep pace with changing technologies and to introduce successful and well-accepted online advertising services for our existing clients and potential clients, we could lose our clients and our competitive position and ability to generate revenues and growth could be adversely affected.

Registration of multiple accounts by the same individual may adversely affect the effectiveness of our Platform, which could damage our reputation and operating results

Registration of multiple accounts by the same individual may adversely affect the effectiveness of our Platform, as duplicate participation in a Mission by the same individual will negatively affect our clients' advertisement effectiveness. This will also occupy participation quota of a Mission, which hinder participation of other Members. We cannot guarantee our Member verification procedure would effectively detect the registration of multiple accounts by the same individual. For details regarding our verification features, please refer to the paragraph headed "Business – Our Platforms – Our Integrated Information Management System – Features of our Integrated Information Management System" in this prospectus. If our measures fail to identify the multiple accounts registered by the same individual, the effectiveness of our Platform may be adversely affected, which will render our clients and Members to lose confidence in our Platform, and in turn adversely affect our reputation, business and operating results.

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If we fail to attract, recruit or retain our key personnel including our executive Directors, senior management and key employees, our ongoing operations and growth could be affected

Our success depends to a large extent on the efforts of our key personnel including our executive Directors, namely, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and Mr. Leung Wai Lun, and senior management, namely, Ms. Leung Shuk Yi Shirley and Ms. Choi Sin Yi. There is no assurance that these key personnel will not voluntarily terminate their employment with our Group. The loss of any of our key personnel could be detrimental to our ongoing operations. Our success also depends on our ability to attract and retain qualified personnel in order to manage our existing operations as well as our future growth. We may not be able to successfully attract, recruit or retain key personnel and this could adversely impact our growth.

Our business operation is subject to the risk of infringement of third party intellectual property rights

As all the original advertising contents are provided by our clients, there is no assurance that our business operations do not or will not inadvertently infringe the copyright or other intellectual property rights of third parties or become a party to such dispute. The advertising contents provided by our clients to us may be subject to third party's copyright or other legal protections, and we may possibly infringe the intellectual property rights of third parties. The exact determination of the scope of copyright or other intellectual property rights can be very complex. In the event of any intellectual property rights disputes between our clients and the owners of the relevant intellectual property rights, we may become a party to such disputes. Intellectual property disputes may last for a significant period of time and require considerable resources.

If the outcome of such dispute is adverse to us, we could be ordered to pay substantial license fees, royalties and/or damages. Any infringement of third party copyrights or other intellectual property rights or any lawsuits relating hereto could have an adverse effect on our results of operations and reputation.

Unauthorised use of our intellectual properties, including our trademarks and domain names, by third parties may adversely affect our business

Our success depends to a certain extent on our ability to maintain an image for our brand name, trademarks and domain names as well as our ability to defend ourselves against potential infringement claims by any third party. We use our best endeavours to protect our intellectual property rights. There is no assurance that our measures are adequate or that we will always be able to identify cases of infringement such as unauthorised use of our trademarks and domain names by any other third parties. We may face considerable difficulties, time consuming and costly litigation in order to enforce our intellectual property rights. Accordingly, any case of such infringements may result in a decrease in our revenue, an erosion of our brand name and reputation, thereby adversely affecting our results of operations.

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Our financial performance may fluctuate due to the composition of online advertising services required by our clients and the level of participation by our Members

Our financial performance may fluctuate depending on the types of online advertising services required by our clients. Different online advertising services have different profit margins, for further details regarding our gross profit margins for each types of online advertising services, please refer to the paragraph headed “Financial Information – Management’s discussion and analysis of financial condition and results of operations of our Group – Gross profit and gross profit margin” in this prospectus. In addition, different online advertising services require different levels of time and effort of our Members to complete the Missions. The level of participation is subject to factors out of our control such as the attractiveness of such Missions perceived by our Members. For Missions that require more time and effort, we may require a longer time frame for our Members to complete their Missions or we may not be able to fulfil the required performance targets for our clients, and our financial performance may be affected accordingly.

Our business may be affected by seasonality

Revenue fluctuations are common in the online advertising industry and are primarily the result of fluctuations in advertising expenditures. Based on our past experience and in general, January to February, is a relatively low season as our clients usually avoid new product launches around Chinese New Year. Investors are therefore advised to exercise caution when making investment decisions with regard to our Shares, due to the seasonality factor of our business.

We may not be able to obtain additional capital

We believe that our current cash and cash equivalents and cash flow generated from operations will be sufficient to meet our anticipated cash needs for, including working capital and capital expenditures for the foreseeable future. However, we may require additional capital due to business and economic conditions, to take advantage of business opportunities, to expand our operations or as a result of other future developments. If our current sources of liquidity are insufficient to satisfy our cash requirements, we may seek to sell additional equity, debt securities or obtain a credit facility. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financial covenants that would restrict our operations, while the sale of additional equity securities or convertible debt securities would result in dilution to shareholders.

Our ability to obtain additional capital on acceptable terms is subject to a variety of risks and uncertainties, including:

- investors’ perception of, and demand for, securities of companies in our industry;
- conditions of the capital markets in which we may seek to raise funds;
- our future results of operations, financial conditions and cash flows; and
- economic, political and other conditions in the territories where we operate.

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Acquisitions of new business or assets may involve risks

Our business strategies include expansions, should opportunities arise for the strategic growth, through acquisitions of digital media companies having a broad member base to further enhance our network of Members, as well as advertising companies with advertisement production capabilities.

We may not be able to identify suitable acquisition opportunity. Even if we identify appropriate acquisition opportunity, we may not be able to complete the acquisition due to various reasons such as failure to agree on the commercial terms which are acceptable to us. Additionally, acquisition of new business or assets involves risks. For example, the acquisition targets may not be as profitable as anticipated. We may incur unanticipated costs and expenses or be exposed to contingent liabilities in connection with the acquisition. The integration of the newly acquired business or assets into our existing business may require substantial resources and management attention, and may ultimately be unsuccessful. If we fail to integrate the newly acquired business or assets into our existing business, this will affect the efficiency of our operation and in turn our growth prospects and results of operations could be adversely affected. We cannot assure you that we will be able to achieve the financial returns as we expect at the time such acquisition is made. Any failure in the potential acquisition may have an adverse effect on our business, financial position and results of operations.

Fluctuations in foreign currency exchange rates may adversely affect our revenues

We are exposed to foreign currency risk since we have operations in multiple regions, including Taiwan, Malaysia and Singapore. In particular, a substantial portion of our revenue were derived from our business operations in Taiwan during the Track Record Period. Approximately 41.4%, 50.3% and 42.8% of our revenue were denominated in NT\$ for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, respectively. Any significant changes in foreign currency exchange rates, in particular, a revaluation of NT\$ against HK\$, may adversely affect our business and operating results.

The fair value measurement of the Convertible Bond is subject to uncertainties and risks and the change in fair value of the Convertible Bond may materially and adversely affect our results of operations

For the eight months ended 30 November 2017, we had recorded a loss of approximately HK\$46,000 on the change in fair value of the Convertible Bond which is designated as financial liabilities at fair value through profit or loss. Further fair value loss is expected in the year ending 31 March 2018. During the Track Record Period, the Convertible Bond was not traded in an active market and its fair value is determined by using valuation techniques. We have used the discounted cash flow method to determine the underlying equity value of the Group and adopted binomial option pricing model to determine the fair value of the Convertible Bond. The valuation methodologies may involve a significant degree of management judgement and are inherently uncertain, and also involves assumptions on factors such as discount rate and terminal growth rate. Change in valuation techniques, judgements and assumptions may result in adjustment to the fair value of Convertible Bond, which in turn may materially and adversely affect our results of

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operations. For discussion of accounting judgements and other information of the fair value measurement, please refer to the paragraph headed “Accountants’ Report – Notes to the historical financial information – 3. Accounting judgements and estimates” in Appendix I to this prospectus.

International scope of our operations exposes us to a variety of different local laws, regulations, taxes, local customs and cultural standards which we may fail to comply with

Apart from Hong Kong, we also operate in Taiwan, Malaysia and Singapore. The international scope of our operations exposes us to several types of complexities that increase the risks associated with our business, including but not limited to:

- exposure to international and local economic and political conditions;
- the potential for unexpected changes in laws and regulations, political or economic conditions;
- increase in taxation;
- restrictions or requirements relating to foreign investment; and
- the advertisement content placed on our Platforms may offend the local customs or culture.

If we fail to manage these risks adequately, this could have an adverse effect on our reputation, business, financial condition and results of operations.

Changes in laws and regulations governing the online advertising industry may materially and adversely affect our business prospects and results of operations. For further details of the relevant laws and regulations in relation to our operations, please refer to the section headed “Regulatory Overview” in this prospectus.

RISKS RELATING TO OUR INDUSTRY

Changes in advertising trends and economic, political and social conditions

The revenue of our Group is derived from the provision of online advertising services. Advertising revenue is cyclical and dependent upon general economic conditions. In general, any variances in advertising revenue have corresponded with general economic condition as a whole. The ability of our Group to generate significant advertising revenue is dependent on, among others, the level of spending by the existing clients and potential clients, which is affected by a number of factors, including the general economic conditions, changes in consumer behaviour and changes in the retail environment. If there is a downturn in the economy of the territories where we operate, our results of operations and financial position may be significantly and adversely affected.

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Moreover, any change of political and social environment may affect the stability of the economy, thereby affecting the demand for advertising services. Any political and social instability, if significant and prolonged, could also have an adverse effect on our business, financial conditions, results of operations and prospects.

Further, natural disasters, epidemics and other acts of God which are beyond our control may adversely affect local economies, infrastructure and livelihoods. The territories where we operate are under the threat of flood, fire, or epidemics which could interrupt our operations or the operations of our suppliers and clients and have an adverse effect on our business, financial conditions, results of operations and prospects.

We are in a highly competitive industry and may not be able to compete successfully which could reduce our market share and adversely affect our financial performance

The online advertising industries in the territories where we operate are rapidly evolving. Competition can be increasingly intensive and is expected to increase significantly in the future. Increased competition may result in price reductions for online advertising services, reduced margins and loss of our market share.

Our Group competes with other competitors in the territories where we operate. We compete on factors, including but not limited to:

- brand recognition;
- quality of services such as responses to clients;
- effectiveness of sales and marketing efforts;
- creativity in the formulation of advertising campaigns;
- price; and
- hiring and retention of talented employees.

Our Group's existing competitors may in the future achieve greater market acceptance, recognition and gain a greater market share. It is also possible that potential competitors may emerge and acquire a significant market share. If existing or potential competitors develop or offer services that provide significant performance, price, creativity or other advantages over those offered by us, our business, results of operations and financial conditions would be adversely affected. Our Group also competes with traditional forms of media, such as newspapers, magazines, radio and television broadcast, for advertisers and advertising revenues.

Our existing and potential competitors may enjoy competitive advantages over us, such as longer operating history, greater brand recognition, larger client base, better access to advertising space on popular websites, mobile applications, mobile sites, significantly more financial, technical and marketing resources. We may not be able to compete successfully. If we fail to compete successfully, we could lose clients. We cannot assure that our strategies

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will remain competitive or that they will continue to be successful in the future. Increasing competition could result in pricing pressure and loss of our market share, either of which could have an adverse effect on our financial conditions and results of operations.

Our revenue growth depends on the continuous growth of internet usage and infrastructure. If use of the internet does not continue to grow, or if the internet infrastructure does not effectively support its growth, our revenue and growth could be adversely affected

Our business and financial results depend heavily on the continuous growth in the use of internet, whether through computers or other mobile devices. Internet usage may be inhibited for a number of reasons, many of which are beyond our control, including but not limited to:

- security concerns;
- unavailability of inexpensive and high speed services;
- inconsistent quality of internet services; and
- inadequate network infrastructure.

If internet infrastructure is unable to support the growing use of the internet, the performance, usability and reliability of the internet may be hindered and may decline. In addition, websites, mobile applications and mobile sites may experience interruptions in their service as a result of sabotage and other delays occurring throughout the internet network infrastructure. The internet could lose its viability as a commercial medium due to delays in the development or adoption of new technology required to accommodate increased levels of internet activity. If use of the internet does not continue to grow, or if the internet infrastructure does not effectively support its growth, our revenue and growth could be adversely affected.

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for our Shares, and the liquidity, market price and volume of our Shares may be volatile

Prior to the completion of the Capitalisation Issue and the Share Offer, there has been no public market for our Shares. An active trading market for our Shares may not develop after the Share Offer and this may adversely affect the market price and liquidity of our Shares.

The determination of the indicative Offer Price range stated in this prospectus was a result of negotiations between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company. As such, the Offer Price may not be an indicative trading price of our Shares on the Stock Exchange. Future sales by our Group or its existing Shareholders of substantial amounts of our Shares after the Share Offer could adversely affect the prevailing market prices from time to time.

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In view of the aforesaid, we could not assure you that an active trading market for our Shares will develop, or, if it does develop, that it will sustain after the Listing Date, or that the market price of our Shares will not fall below the Offer Price.

Volatility in the trading volume and price of our Shares may be caused by factors beyond our control and may be unrelated or disproportionate to our operating results. Factors affecting the volatility of the trading volume and price of our Shares include:

- investors' perception of our Group and our business plans;
- fluctuations in our operating results, such as revenue, earnings and cash flows;
- announcements of new investments, strategic alliances and/or acquisitions by our Group;
- fluctuations in market prices for services of our Group or any of our Group's comparable companies;
- changes in pricing policy adopted by us and our competitors;
- changes in our senior management personnel; and
- general economic factors.

We could not assure you that such factors will not occur and it is difficult to quantify their impact on our Group and the trading volume and price of our Shares. Any of these factors may result in substantial or sudden change in the volume and trading price of our Shares.

Stock markets and the shares of some listed companies in Hong Kong have experienced price and volume fluctuations in recent years, some of which may have been unrelated or disproportionate to the operating performance of such companies.

The market price of the Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the commencement of trading

The Offer Price will be determined on the Price Determination Date. However, the Offer Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be several business days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Offer Shares during that period. Accordingly, holders of the Offer Shares are subject to the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

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Future sale or perceived sale of a substantial number of our Shares in the public market could adversely affect the prevailing market price of our Shares

There is no assurance that our Controlling Shareholders or Pre-IPO Investor will not dispose of their Shares following the expiration of their respective lock-up periods after the Share Offer. We cannot predict the effect, if any, of any future sale of our Shares by any of our Controlling Shareholders or Pre-IPO Investor, or that the availability of our Shares for sale by any of our Controlling Shareholders or Pre-IPO Investor may have on the market price of our Shares. Sale of a substantial number of our Shares by any of our Controlling Shareholders or Pre-IPO Investor in the public market, or the market perception that such sale may occur, could adversely affect the prevailing market price of our Shares.

Investors for our Shares will experience dilution if we issue additional Shares or other securities in the future

Additional funds may be required in the future to finance the expansion or new developments of our business and operations. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to the existing Shareholders, the percentage ownership of the existing Shareholders in our Company may be diluted or such new securities may confer rights and privileges that take priority over those conferred by the Offer Shares.

Also, if we fail to utilise the additional funds to generate the expected earnings, this could adversely affect our financial results and in turn exerts pressure to the market price of the Shares. Even if additional funds are raised by means of debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

Issue of new shares pursuant to any options granted under the Share Option Scheme may dilute the Shareholders' equity interests

We have conditionally adopted the Share Option Scheme. Following any issue of new Shares upon exercise of any options which may be granted under the Share Option Scheme, there will be an increase in the number of issued Shares. As such, there may be a dilution or reduction of shareholding of the Shareholders which results in a dilution or reduction of the earnings per Share or net asset value per Share. In addition, the fair value of the options to be granted to the eligible participants under the Share Option Scheme will be charged to our consolidated income statements over the vesting periods, if any, of the options. The determination of the fair value of the options will take place on the date of granting of the options. Accordingly, this may adversely affect our financial results and profitability.

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Shareholders and investors could face difficulties in protecting their interests because our Company was incorporated under the laws of the Cayman Islands and these laws could provide different protections to minority Shareholders than the laws of Hong Kong

Our corporate affairs are governed by the Memorandum and Articles of Association and by the Companies Law and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority Shareholders could have different protections than they would have under the laws of Hong Kong.

RISKS RELATING TO THE STATEMENTS MADE IN THIS PROSPECTUS AND FROM OTHER SOURCES

Statistics and facts in this prospectus have not been independently verified

This prospectus includes certain statistics and facts that have been extracted from government official sources and publications or other sources. We believe that the sources of these statistics and facts are appropriate for such statistics and facts and have taken reasonable care in extracting and reproducing such statistics and facts.

We have no reason to believe that such statistics and facts are false or misleading or that there is omission of any material information that would render such statistics and facts false or misleading. None of our Group, our Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of our or their respective directors, advisers, officers, employees, agents, affiliates and/or representatives or any other persons or parties involved in the Share Offer has independently verified these statistics and facts from these sources and therefore, we make no representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this prospectus could be inaccurate or there is a risk that they are not comparable to statistics produced for other economies and should not be relied upon. Furthermore, we cannot assure that the facts and other statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or other statistics.

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Forward-looking statements in this prospectus could prove inaccurate

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors. Such forward-looking statements are based on numerous assumptions as to our present and future business strategies and the development of the environment in which we operate. Our actual financial results, performance or achievements could differ materially from those discussed in this prospectus. Investors should be cautious against placing undue reliance on any forward-looking statements as these statements involve known and unknown risks, uncertainties and other factors which could cause our actual financial results, performance or achievements to be materially different from our anticipated financial results, performance or achievements expressed or implied by these statements. We are not obliged to update or revise any forward-looking statements in this prospectus, whether by reason of new information, future events or otherwise.

You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles, media coverage and/or research analyst reports regarding us and the Share Offer

There could be press articles, media coverage and/or research analyst reports regarding us and the Share Offer, which could include certain financial information, financial projections, industry comparisons, and/or other information about us and the Share Offer that do not appear in this prospectus. We do not accept any responsibility for any such press articles, media coverage or research analyst report or the accuracy or completeness or reliability of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. We have not authorised the disclosure of any such information in the press, media or research analyst report. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim it and accordingly, you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

Pursuant to Rule 11.07(2) of the GEM Listing Rules, we must appoint a company secretary who satisfies Rule 5.14 of the GEM Listing Rules which, according to Rule 5.14 of the GEM Listing Rules, shall be an individual who, by virtue of his academic or professional qualifications or relevant experience is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 5.14 of the GEM Listing Rules sets out the academic and professional qualifications considered to be acceptable by the Stock Exchange:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 5.14 of the GEM Listing Rules sets out the factors that the Stock Exchange considers when assessing an individual's "relevant experience":

- (a) length of employment with the issuer and other issuers and the roles he played;
- (b) familiarity with the GEM Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 5.15 of the GEM Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Leung Shuk Yi Shirley ("**Ms. Shirley Leung**"), our financial controller, as one of the joint company secretaries. Prior to joining our Company, Ms. Shirley Leung has worked as a finance manager, financial analyst and/or accountant at different companies in Hong Kong, including Johnson & Johnson (Hong Kong) Limited from October 2010 to January 2017, PepsiCo, Inc. from July 2010 to October 2010, Pearson Education Asia Limited from August 2009 to December 2009, Johnson & Johnson (Hong Kong) Limited from June 1994 to January 2009 and ARC International Limited from May 1993 to June 1994. Please refer to the paragraph headed "Our Directors, Senior Management and Employees – Senior management (other than the executive Directors)" in this prospectus for further details of Ms. Shirley Leung's experiences.

Ms. Shirley Leung graduated with a diploma degree in computer programming and systems with honours from the DeVry Institute of Technology in Toronto, Canada in October 1986 and a master degree in business administration from the University of South Australia in October 2009. Ms. Shirley Leung is a chartered professional accountant (formerly known

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as certified general accountant) of Chartered Professional Accountants of British Columbia (formerly known as Certified General Accountants Associate of Canada) since September 1999 and a fellow of The Association of Chartered Certified Accountants since July 2007.

As Ms. Shirley Leung is currently not a member of the Hong Kong Institute of Chartered Secretaries, a solicitor or barrister (as defined in the Legal Practitioners Ordinance), nor a certified public accountant (as defined in the Professional Accountants Ordinance), she does not possess the requisite qualification as stipulated in Rule 5.14 of the GEM Listing Rules. In addition, she did not have any past working experience in a Hong Kong listed company and therefore she may not be considered as possessing the “relevant experience” within the meaning of Rule 5.14 of the GEM Listing Rules. As such, Ms. Shirley Leung may not meet all the requirements under Rule 5.14 of the GEM Listing Rules.

Although Ms. Shirley Leung may not meet all the requirements under Rule 5.14 of the GEM Listing Rules, in light of (i) Ms. Shirley Leung’s qualification as a chartered professional accountant (formerly known as certified general accountant) of Chartered Professional Accountants of British Columbia (formerly known as Certified General Accountants Associate of Canada) since September 1999 and a fellow of The Association of Chartered Certified Accountants since July 2007; and (ii) Ms. Shirley Leung having attended the training for Directors and senior management conducted by the legal adviser of our Company as to the Hong Kong law on 18 August 2017 in relation to, amongst others, the GEM Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code regarding corporate governance for listed companies in Hong Kong, our Directors are of the view that Ms. Shirley Leung is capable to act as one of the joint company secretaries.

Given the important role of a company secretary in the corporate governance of a listed company, particularly in assisting the listed company as well as its directors in complying with the GEM Listing Rules and other relevant laws and regulations, we have made the following arrangements:

- (a) our Company has appointed Ms. Ngai Kit Fong (“**Ms. Eva Ngai**”), who possesses the requisite qualification and experience as required under Rule 5.14 of the GEM Listing Rules, to act as the other joint company secretary of our Company to ensure that Ms. Shirley Leung would be able to acquire the necessary experience to satisfy the requirement of Rule 5.14 of the GEM Listing Rules. Ms. Eva Ngai has over 25 years of experience in the company secretarial field and is a fellow of both The Hong Kong Institute of Chartered Secretaries (the “**HKICS**”) and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a holder of the Practitioner’s Endorsement of the HKICS. Please refer to the paragraph headed “Our Directors, Senior Management and Employees – Joint company secretaries” in this prospectus for further details of Ms. Eva Ngai’s qualifications and experience;
- (b) both Ms. Shirley Leung and Ms. Eva Ngai, as joint company secretaries, will jointly discharge the duties and responsibilities with reference to their respective qualifications and experiences; and

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- (c) our Company will also take steps in ensuring each of Ms. Shirley Leung and Ms. Eva Ngai will attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the GEM Listing Rules and other relevant rules and regulations in Hong Kong including trainings on the GEM Listing Rules, corporate governance, information disclosure, investors relation or the functions and duties of company secretary of a Hong Kong listed company under Rule 5.15 of the GEM Listing Rules.

Ms. Shirley Leung will also be advised by professional parties (including legal advisers) engaged by our Company if and when necessary.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rule 5.14 and Rule 11.07(2) of the GEM Listing Rules for an initial period of three years from the Listing Date, during which Ms. Shirley Leung is to work closely with Ms. Eva Ngai, who will provide assistance to Ms. Shirley Leung in the discharge of her duty as joint company secretary. Such waiver will be revoked immediately if and when Ms. Eva Ngai ceases to provide such assistance. It is anticipated that Ms. Shirley Leung will gain experience with the assistance of Ms. Eva Ngai. Before the end of the period of three years from the Listing Date, our Company will conduct a further evaluation of the experience of Ms. Shirley Leung and the need for on-going assistance to Ms. Shirley Leung, and our Company would then endeavour to demonstrate to the Stock Exchange's satisfaction that Ms. Shirley Leung having had the benefit of Ms. Eva Ngai's assistance would then have acquired further "relevant experience" within the meaning of Rule 5.14 of the GEM Listing Rules so that a further waiver would not be necessary.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purposes of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief:

- the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive;
- there are no other matters the omission of which would make any statement herein or this prospectus misleading; and
- all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other person or party involved in the Share Offer. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus. Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for Public Offer Shares" in this prospectus and in the relevant Application Forms.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer, which forms part of the Share Offer. For applicants under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

The Listing is sponsored by the Sole Sponsor. The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement. The Placing Underwriting Agreement relating to the Placing is expected to be entered into on or about the Price Determination Date. The Placing will be fully underwritten by the Placing Underwriters under the terms of the Placing Underwriting Agreement to be entered into. If, for any reason, our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Monday, 26 March 2018, the Share Offer will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

RESTRICTIONS ON OFFER OF THE OFFER SHARES

Each person acquiring the Public Offer Shares under the Public Offer will be required to, or by his/her acquisition of the Offer Shares be deemed to, confirm that he/she is aware of the restrictions on the offers of the Offer Shares described in this prospectus and the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or the Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation nor is it calculated to invite or solicit offers in any jurisdiction or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or as an exemption therefrom.

APPLICATION FOR LISTING ON GEM

We have applied to the Listing Division for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Capitalisation Issue and the Share Offer as mentioned in this prospectus (including any new Shares which may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme).

Under section 44B(1) of the Companies (Winding Up and Miscellaneous) Ordinance, if the permission for our Shares to be listed on GEM pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the Share Offer or such longer period not exceeding six weeks as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Listing Division, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of listing of our Shares on GEM and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

No part of our Shares or loan capital is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of our Shares or loan capital on any other stock exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus on GEM and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights and interests.

All necessary arrangements have been made for our Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALINGS AND SETTLEMENT

Dealings in our Shares are expected to commence at 9:00 a.m. on Wednesday, 28 March 2018. Shares will be traded in board lots of 2,000 Shares each and are freely transferable. The GEM stock code for our Shares is 8401.

Our Company will not issue any temporary document of title.

HONG KONG BRANCH SHARE REGISTRAR AND STAMP DUTY

All of our Shares will be registered on our Company's branch register of members to be maintained in Hong Kong by our Hong Kong Branch Share Registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Our Company's principal register of members will be maintained by the principal share registrar and transfer office, Maples Fund Services (Cayman) Limited, at PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Only Shares registered on our Company's Hong Kong branch register of members maintained in Hong Kong may be traded on GEM. Dealings in our Shares registered in the branch register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

Unless determined otherwise by our Company, dividends payable in HK dollars in respect of our Shares will be paid to the Shareholders listed on our Company's Hong Kong branch register of members maintained in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder or if joint Shareholders, to the first-named therein in accordance with the Articles.

PROFESSIONAL TAX ADVICE RECOMMENDED

If investors are unsure about the taxation implications of the subscription for, purchase, holding or disposal of, dealings in, or exercise of any rights in relation to, the Offer Shares, they should consult an expert. None of our Company, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of our or their respective directors, advisers, officers, employees, agents, affiliates and/or representatives or any other persons or parties involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, the Offer Shares.

PROCEDURE FOR APPLICATION FOR THE PUBLIC OFFER SHARES

The procedure for application for the Public Offer Shares is set out in "How to Apply for Public Offer Shares" and on the relevant Application Forms.

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer, including conditions of the Share Offer, are set out in "Structure and Conditions of the Share Offer".

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Any discrepancies in any table or chart between the totals and the sums of the amounts listed therein are due to rounding.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

EXCHANGE RATE CONVERSION

For the purpose of illustration only and unless otherwise specified in this prospectus, the translation of (i) US\$ into HK\$ have been made at the rate of US\$1.00 to HK\$7.75; (ii) NT\$ into HK\$ have been made at the rate of NT\$1.00 to HK\$0.26; (iii) MYR into HK\$ have been made at the rate of MYR1.00 to HK\$1.76; and (iv) S\$ into HK\$ have been made at the rate of S\$1.00 to HK\$5.56. No representation is made that each of the US\$, NT\$, MYR and S\$ amounts could have been, or could be, converted into HK\$ of such rates or any other rates.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Ms. Jenny Cheung (張莉)	G/F, Block 32 I Life 222 Shek Wu Tong Yuen Long New Territories Hong Kong	Chinese
Mr. Anakin Law (羅嘉健)	Room 405 Nga Lam House Tsui Lam Estate Tseung Kwan O New Territories Hong Kong	Chinese
Mr. Garlos Lee (李永亮)	G/F, Block 7 Hong Lok Villa 338 Wai Tau Tsuen Tai Po New Territories Hong Kong	Canadian
Mr. Leung Wai Lun (梁偉倫)	Flat F, 21/F, Block A Grandeur Gardens 3 King Fung Path Tuen Mun New Territories Hong Kong	Chinese
Non-executive Director		
Mr. Lin Hung Yuan (林宏遠)	12E, Tower 3 The Harbourside 1 Austin Road West Union Square Kowloon Hong Kong	Taiwanese

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Name	Residential Address	Nationality
Independent non-executive Directors		
Mr. Kwan Chi Hong (關志康)	Unit E, 1/F Notting Hill 1 Tung Shan Terrace Happy Valley Hong Kong	Chinese
Mr. Fenn David (范德偉)	Flat B, 8/F, Tower 2 No. 1 Po Shan Road Mid-levels Hong Kong	Chinese
Mr. Ho Ho Tung Armen (何浩東)	Flat C, 9/F, Tower 8 Larvotto 8 Ap Lei Chau Praya Road Ap Lei Chau Hong Kong	Chinese

For further details regarding the biographies of our Directors, please refer to the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management” in this prospectus.

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor	Giraffe Capital Limited <i>(a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO)</i> 22nd Floor China Hong Kong Tower 8-12 Hennessy Road Wan Chai Hong Kong
Sole Bookrunner	Ping An Securities Limited Unit 02, 2/F, China Merchants Building 152-155 Connaught Road Central Hong Kong
Joint Lead Managers	Ping An Securities Limited Unit 02, 2/F, China Merchants Building 152-155 Connaught Road Central Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

HK Monkey Securities Limited

Unit 2307, Tower 1
Lippo Centre
89 Queensway, Admiralty
Hong Kong

Legal advisers to our Company

As to Hong Kong law

Locke Lord

21st Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

As to certain legal aspects of Hong Kong law

Mr. Bruce K.W. Lau, barrister-at-law

Room 1406, China Insurance Group Building
141 Des Voeux Road
Central
Hong Kong

As to Cayman Islands law

Maples and Calder (Hong Kong) LLP

53rd Floor
The Center
99 Queen's Road Central
Hong Kong

As to Taiwan law

LCS & Partners

5th Floor
No. 8, Section 5, Sinyi Road
Taipei City
Taiwan

As to Malaysia law

Teh & Lee Advocates & Solicitors

Unit A-3-3 & A-3-4
Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Malaysia

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

	<p><i>As to Singapore law</i> Rajah & Tann Singapore LLP #25-01 9 Battery Road Singapore 049910</p>
Legal advisers to the Sole Sponsor and the Underwriters	<p><i>As to Hong Kong law</i> Watson Farley & Williams Suites 4610-4619 Jardine House 1 Connaught Place Hong Kong</p> <p><i>As to Taiwan law</i> Chien Yeh Law Offices 62F, Taipei 101 Tower 7 Xin Yi Road, Section 5 Taipei 11049 Taiwan</p>
Auditor and reporting accountants	<p>KPMG <i>Certified Public Accountants</i> 8th Floor, Prince's Building 10 Chater Road Central Hong Kong</p>
Industry consultant	<p>China Insights Consultancy Limited 10/F, Tomorrow Square 399 West Nanjing Road Huangpu District Shanghai China</p>
Receiving bank	<p>Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Kowloon Hong Kong</p>
Compliance adviser	<p>Giraffe Capital Limited 22nd Floor China Hong Kong Tower 8-12 Hennessy Road Wan Chai Hong Kong</p>

CORPORATE INFORMATION

Registered office	Maples Corporate Services Limited PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Head office and principal place of business in Hong Kong	Unit 402A, 4/F Benson Tower 74 Hung To Road Kwun Tong Hong Kong
Company's website	<i>www.stream-ideas.com</i> <i>(Note: contents on this website does not form part of this prospectus)</i>
Joint company secretaries	Ms. Leung Shuk Yi Shirley (梁淑儀), ACCA and CPA Unit 402A, 4/F Benson Tower 74 Hung To Road Kwun Tong Hong Kong Ms. Ngai Kit Fong (倪潔芳), FCIS, FCS (PE) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives <i>(for the purpose of GEM Listing Rules)</i>	Ms. Jenny Cheung (張莉) Mr. Anakin Law (羅嘉健)
Compliance officer	Mr. Garlos Lee (李永亮)
Audit committee	Mr. Ho Ho Tung Armen (何浩東) (<i>Chairman</i>) Mr. Fenn David (范德偉) Mr. Kwan Chi Hong (關志康)
Remuneration committee	Mr. Fenn David (范德偉) (<i>Chairman</i>) Mr. Ho Ho Tung Armen (何浩東) Mr. Anakin Law (羅嘉健)
Nomination committee	Mr. Kwan Chi Hong (關志康) (<i>Chairman</i>) Mr. Ho Ho Tung Armen (何浩東) Ms. Jenny Cheung (張莉)

CORPORATE INFORMATION

Principal share registrar and transfer office in the Cayman Islands	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman, KY1-1102 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited China Insurance Group Building 141 Des Voeux Road Central Hong Kong E.Sun Commercial Bank, Ltd. No. 145, Section 1, Jhongshan North Road Jhongshan District Taipei City Taiwan

INDUSTRY OVERVIEW

The information presented in this section includes certain facts, statistics and data derived from the CIC Report, which was commissioned by us and from various official government publications and other publicly available publications, unless otherwise indicated. We believe that these sources are appropriate for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved except CIC in the Share Offer and no representation is given as to its accuracy, completeness or fairness. The information and statistics may not be consistent with other information and statistics compiled within or outside of Hong Kong. As a result, excessive reliance on the information contained in this section shall be avoided.

SOURCE OF INFORMATION

We commissioned CIC, a market research and consulting company and an Independent Third Party, to conduct an analysis of, and to report on online advertising industry in Hong Kong, Taiwan, Malaysia and Singapore. The fee payable to CIC for preparing the CIC Report is HK\$420,000, which we consider the payment of the commission fee does not affect the fairness of conclusions drawn in the CIC Report. CIC is an independent professional market research company founded in Hong Kong. It provides professional industry consulting across multiple industries.

Our Directors are of the view that the information set forth in this section is reliable and not misleading as the information was extracted from the CIC Report. The information and data collected by CIC have been analysed, assessed and validated using CIC's in-house analysis models and techniques. The primary research was conducted via interviews with key industry experts and leading industry participants. The secondary research involved analysis of market data obtained from several publicly available data sources. The methodology used by CIC is based on information gathered from multiple levels and allows such information to be cross-referenced for reliability and accuracy.

The CIC Report contains a variety of market projections which were produced with the following key assumptions: (i) economic and industrial development in Hong Kong, Taiwan, Singapore, and Malaysia is likely to maintain a steady growth trend throughout the next decade; (ii) related key industry drivers are likely to continue contributing to the growth of these four regions' online advertising industry during the forecast period and these drivers include an increase in the number of internet users, rapid growth of mobile data usage and continuing improvements to internet infrastructure; and, (iii) there is no significant force majeure or set of industry regulations in which the market may be affected either dramatically or fundamentally. The reliability of the CIC Report may be affected by the accuracy of the foregoing assumptions.

The CIC Report mainly focuses on the Hong Kong and Taiwan market, being the main territories in which we operate. Our Directors confirm that after taking reasonable enquiries, there is no material adverse change in the market information since the date of the relevant data contained in the CIC Report which may qualify, contradict or have an impact on the information in this section.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report.

INDUSTRY OVERVIEW

TYPES OF ONLINE ADVERTISING SERVICES

Unlike traditional advertising service, online advertising service provides advertisers with an advertising tool to target and interact with specific audience groups so as to deliver marketing information in a more effective and customised manner. The major characteristics of individuals that are targeted by advertisers include age group and gender. For the major industries of our clients, namely, for beauty and personal care sectors, advertisers generally target women between 25 to 44 years old; for financial and food and beverage sectors, advertisers generally target men and women between 18 to 44 years old. The types of services offered by online advertising service providers can be divided into five categories, including display advertising, social media advertising, video advertising, search engine advertising, and others.

Display advertising refers to the service of posting advertisements on websites and mobile applications. Typical formats include skyscrapers, wallpaper, interstitials or pop-ups, with these usually linking up to the advertiser's landing-page.

Social media advertising refers to the service of creating, publishing, sharing or forwarding relevant content on social media platforms. Typical formats include images, text, and videos on social media platforms.

Video advertising refers to the service of designing and producing videos for promotion purposes. Typical formats include video advertisements that appear before, during, or after streamed videos (i.e. pre-roll, mid-roll, post-roll video advertisements).

Search engine advertising refers to the service of providing keyword purchasing strategies and the purchasing of keywords on search engines. Advertisements are displayed on a search result page above primary search results.

Other advertising services include online monitoring, corporate website and mobile site development, mobile application development, email, and instant message marketing, etc.

As confirmed by CIC, key market players that are considered as comparables to our Group do not necessarily have to provide online advertising services with focus group similar to the business model of the Group because the underlying criteria to choose comparable companies is their respective scope of business which can facilitate their clients to deliver their marketing information to target and interact with specific audience groups in a more effective manner. Comparable companies can achieve this by means of multiple ways, including but not limited to, placing digital advertisement of clients, in terms of videos, images or texts, at an online platform, either self-owned or third-party owned, where the target audience groups cluster, so that their clients can deliver the advertising information to the target audience and interact with such audience in a more effective manner. Therefore, CIC compared our Group with those key market players which have significant business in providing online advertising services, and considered them as comparables and included in the ranking tables in this section.

OVERVIEW OF THE ONLINE ADVERTISING INDUSTRY IN HONG KONG

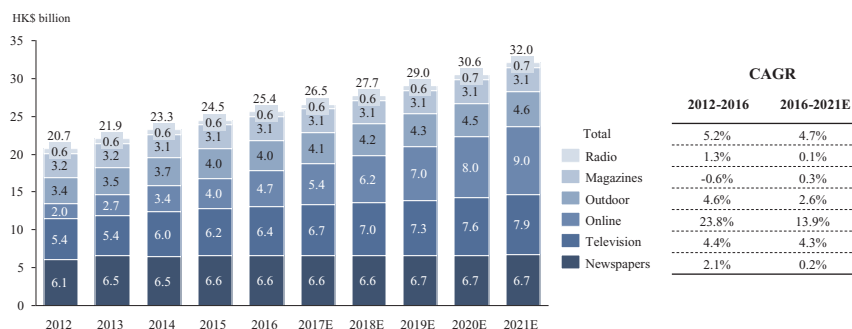
Market size and forecast of Hong Kong's advertising industry in terms of expenditures by channels

Advertising expenditures in Hong Kong increased from approximately HK\$20.7 billion in 2012 to HK\$25.4 billion in 2016, representing a CAGR of approximately 5.2% between 2012 and 2016. Hong Kong is famous for its leading economic position in the Asia Pacific region and is viewed as a global financial center and trade hub. An increasing number of leading multinational companies have either chosen Hong Kong as the location for their headquarters or have set up regional branches in Hong Kong. This trend has helped drive increasing demand within Hong Kong's advertising industry.

In addition, due to high income levels in Hong Kong, most brands of consumer goods continue to pay a great deal of attention to the Hong Kong market and steadily invest in advertising activities in the region, which also serves to further stimulate growth within the advertising industry and other related areas. It is forecasted that total advertising expenditure in Hong Kong will reach approximately HK\$32.0 billion as of 2021, representing a CAGR of approximately 4.7% between 2016 and 2021.

INDUSTRY OVERVIEW

Market size and forecast of advertising industry by channels (excluding content production), Hong Kong, 2012-2021E

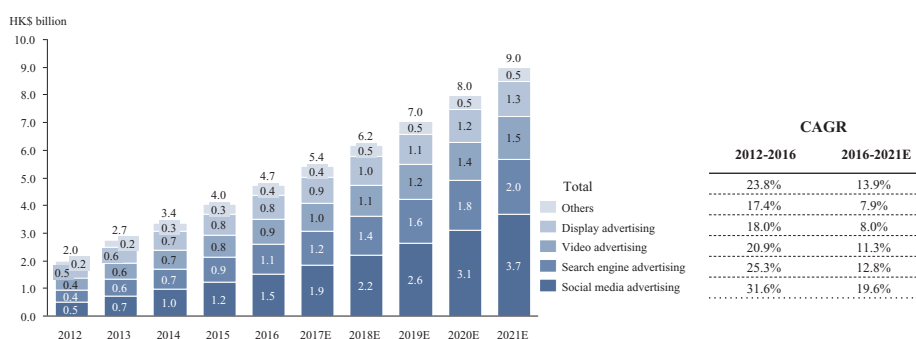


Source: CIC

In terms of total expenditures, the market size of Hong Kong's online advertising industry increased significantly from approximately HK\$2.0 billion in 2012 to HK\$4.7 billion in 2016, representing a CAGR of approximately 23.8%.

Compared with traditional media platforms, online platforms provide a technological means to better interact with clients, enabling advertisers to purchase the most effective media space available online, and ultimately obtaining the attention of as many people as possible and directly reaching their target clients. Hence, it is expected that the online advertising industry will continue expanding in the years ahead. It is forecasted that total expenditures for the online advertising industry in Hong Kong will reach approximately HK\$9.0 billion by 2021, with a CAGR of approximately 13.9% between 2016 and 2021.

Market size and forecast of online advertising industry by service type (excluding content production), Hong Kong, 2012-2021E



Source: CIC

MAJOR MARKET DRIVERS, OPPORTUNITIES AND CHALLENGES

Market drivers of the online advertising industry in Hong Kong

Increasing demand for online advertising services

The increasingly fierce competition and sophistication of consumers will make more corporations understand the importance of marketing and branding, which will drive up their spendings on advertising services. To enhance their competitive strengths, corporations have placed a greater importance on enhancing connections with their target customers. Moreover, since online advertising can assist corporations to reach their target customers in a relatively more efficient manner compared with traditional channels, an increasing number of corporations are shifting and reallocating their resources towards online advertising services.

INDUSTRY OVERVIEW

Increase in internet penetration and mobile device users

The penetration rate of internet in Hong Kong increased from 72.9% in 2012 to 87.5% in 2016. Meanwhile, the number of registered broadband internet access accounts expanded from approximately 2.3 million units to approximately 2.6 million units, with a CAGR of approximately 3.1%. As internet plays an increasingly important role in serving people's needs for information exchange and communications, the robust growth of the internet economy in Hong Kong has led to an upsurge in the demand for online advertising services.

Opportunities in the online advertising industry in Hong Kong

Large advertising agencies begin to engage external advertising service providers for specialized advertising services

Large advertising agencies are now increasingly seeking out external specialised advertising service providers which provide a particular advertising service and assist in the accomplishment of projects over a relatively short time period. By engaging specialized advertising service providers, advertising agencies can meet their clients' needs in a more efficient manner while minimizing their own operational costs. Therefore, specialized online advertising service providers are expected to have more opportunities for cooperating with large advertising agencies within the competitive advertising service segment.

Challenges in the online advertising industry in Hong Kong

Lack of effective measures to assess the effectiveness of online advertising services

In pursuit of increasing efficiency and effectiveness of advertising, and being more sophisticated on the distribution of advertising budget, the advertisers in Hong Kong have started to heavily focus on the online segment due to its broader target audience coverage and relatively lower cost. However, the problems of Ad blocking, invalid traffic and low viewership on online advertisements, are placing challenges on evaluating the efficiency of the advertising campaigns. These problems have resulted in extra expenditure on tracking and other data analytics works, which further affect the incremental cost for advertising agencies and advertisers.

Online information clutter

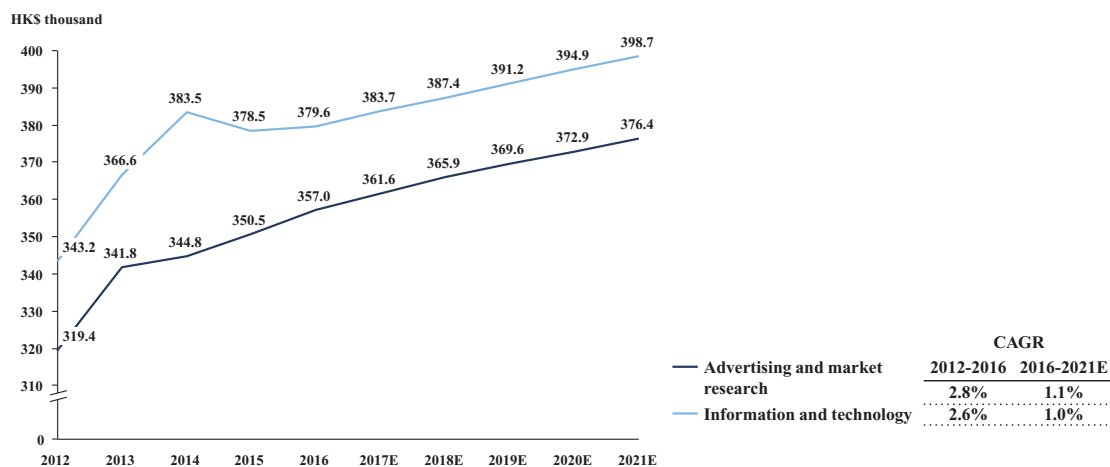
Due to the fast speed of information spread through internet, the amount of information sent to consumers via online media is exploding, which makes it difficult for target audience to digest vast information and capture the most effective information. This ineffective information communication will increase the costs of engaging with enough number of target audience for advertising service providers, and thereby creating a considerable challenge for the sustainable development of advertising service industry in Hong Kong.

Lack of information technology expertise

Advertisers in Hong Kong have experienced the increase in volume, variety and velocity of data in their business and are eager to exploit the value of data to increase sales through customer insight and predictive analytics. At the same time, consumers in Hong Kong, especially the younger generations, are embracing faster, more pictorial and more spontaneous ways to interact with brands through online feedback. As a result, these trends put pressure on the need of information technology through the advertising practices. It is crucial for the advertising industry in Hong Kong to capture this demand for information technology talents with specialized capability in big data, conversion rate optimisation, and other advertising analytics knowledge.

INDUSTRY OVERVIEW

Average annual salary of online advertising industry, Hong Kong, 2012-2021E



Source: CIC

It is expected that the average annual salary of (i) advertising and market research industry will increase to reach approximately HK\$376,400 by 2021, representing a CAGR of 1.1% between 2016 and 2021, and (ii) information and technology industry will increase to reach approximately HK\$398,700 by 2021, representing a CAGR of 1.0% between 2016 and 2021, respectively.

COMPETITIVE LANDSCAPE IN HONG KONG

The online advertising industry in Hong Kong is highly fragmented. Besides large international online advertising companies, a large number of small and medium sized companies exist in the Hong Kong market. In 2016, our Group had approximately 0.3% of the market share in the online advertising industry in Hong Kong.

Profile of key market players in the online advertising industry in Hong Kong in 2016

Ranking	Company ¹	Year of establishment	Business scope	Listing Status	Revenue ² (HK\$ million)	Estimated market share
1	Company A	2007	Provision of digital advertising, creative production, market research, integrated campaign services, etc.	Listed	130	2.8%
2	Company B	2008	Provision of social media intelligence, digital marketing analysis, content management services, etc.	Private	90	1.9%
3	Company C	2008	Provision of technology-based integrated digital marketing service	Private	85	1.8%
4	Company D	1995	Provision of integrated digital marketing solutions services	Private	60	1.3%
5	Company E	2013	Provision of social commerce, social intelligence, viral marketing, data management services, etc.	Private	45	1.0%
					Top five	8.8%
					Others	91.2%
					Total	100%

Notes:

- Advertising agencies, online advertising service providers, and online monitoring service providers are the main types of market players in the online advertising industry. The key market players listed above are online advertising service providers.

INDUSTRY OVERVIEW

2. The disclosed revenue of each company is derived from their online advertising service segment only, excluding other business segments such as advertisement production, in the relevant region.

ENTRY BARRIERS TO ONLINE ADVERTISING INDUSTRY IN HONG KONG

Strong user base

Maintaining a sufficient number of users creates a high barrier for new online advertising service providers who wish to enter the market, especially for any entrants wishing to develop a self-owned platform. To make advertising services more attractive to clients, market participants are required to establish a large user base and to be able to increase the number of active users covered by the online service offerings. Given the fact that a sufficient number of users requires years to accumulate, it creates another entry barrier for new market participants.

Industry know-hows and expertise

Industry knowledge is essential for online advertising service providers. Existing market participants with in-depth industry knowledge are able to arrange the most effective working plan for each project while focusing on a broad range of industries, and manage multiple projects in an efficient and effective manner. In addition, with years of experience, these market participants have already completed a large number of successful projects, which is likely to further attract potential clients seeking out their services. Since industry knowledge requires a great amount of time and effort to accumulate, it remains a barrier for new market participants who wish to enter the market.

Established cooperation relationship with clients

Online advertising service providers rely on upstream clients, including advertising agencies and Brand Owners. Established cooperation with these clients is essential to ensure a stable and continuous stream of advertising service requests. Thus, new entrants must commit a great deal of time in developing cooperative partnerships with their potential clients.

OVERVIEW OF THE ONLINE ADVERTISING INDUSTRY IN TAIWAN

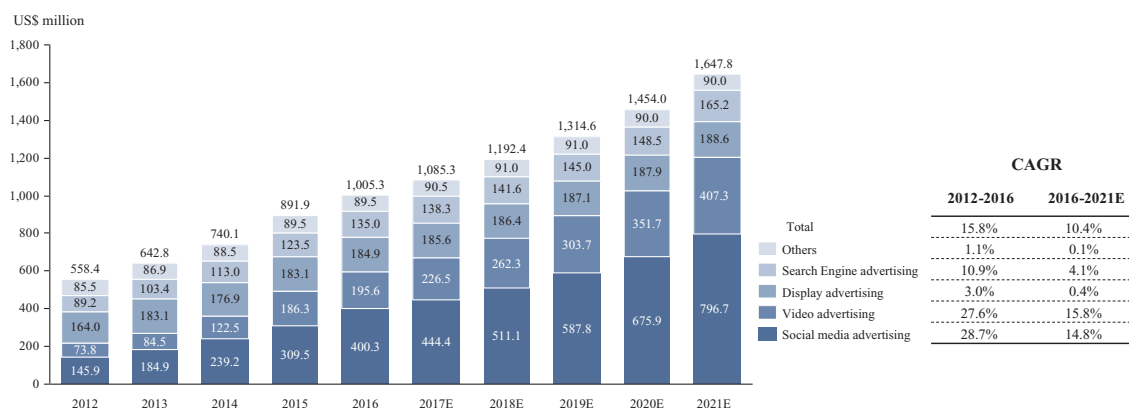
Market size and forecast of Taiwan's online advertising industry in terms of expenditure

Between 2012 and 2016, total expenditure of the online advertising industry in Taiwan grew at a CAGR of approximately 15.8% from US\$558.4 million to US\$1,005.3 million. As internet plays an increasingly important role in serving people for communication and information purposes, the steady growth of the internet economy in Taiwan has led to a surge in demand for online advertising services.

Advertisers are required to reallocate internal resources or transform business models in order to better fulfill the changing demands of their clients and utilise online technology for their brands. Between 2016 and 2021, the online advertising industry is expected to grow at a CAGR of approximately 10.4% to reach US\$1,647.8 million due to the increasing marketing budgets for online advertising services from advertisers and mobile internet users in Taiwan.

INDUSTRY OVERVIEW

Market size and forecast of online advertising industry by service type (excluding content production), Taiwan, 2012-2021E



Source: CIC

MAJOR MARKET DRIVERS, OPPORTUNITIES AND CHALLENGES

Market drivers of the online advertising industry in Taiwan

Advertisers are increasing the budget on online advertising to enhance brand value and drive sales

Online advertising industry in Taiwan allows advertisers to differentiate and customise marketing strategies more creatively and interactively. At the same time, advertising service providers enhance the performance of advertising campaigns and enable advertisers to achieve outstanding results by leveraging advanced tools such as online marketing data analytics. Hence, it is expected that advertisers will increase their budget on online advertising services.

Steady growth of internet users in Taiwan

Taiwan has a well-built internet infrastructure within the Asia region and provides a favorable environment for the development of the online advertising industry through the internet. It is expected that as the market matures, internet penetration in Taiwan will maintain a steady growth in the next few years. Increasing internet penetration would create more opportunities for brand engagements between advertisers and potential consumers. It is expected that the online advertising industry will benefit from the steady growth of the penetration rate of internet in Taiwan.

Opportunities in the online advertising industry in Taiwan

Advertisers to reconsider their online marketing strategy

With the popularization of social media, brands in Taiwan are proactively engaging with internet users through online marketing. Advertisers and media agencies are redesigning online marketing strategies by implementing well-matched advertising formats and precise campaign contexts into their marketing presentations in order to capture the right target market while creating a positive word-of-mouth effect.

INDUSTRY OVERVIEW

Mobile internet is becoming the trendiest scenario for online marketing

Consumers and internet users in Taiwan are relying heavily on mobile devices to log in to social media and social networking services on daily basis. At the same time, by leveraging the unique characteristics of mobile internet, Taiwan's advertisers and advertising agencies could implement real-time and ubiquitous marketing solutions to capture the attention of their evolving target market.

Challenges in the online advertising industry in Taiwan

Partly declining budgets on overall marketing

The overall economic condition in Taiwan is experiencing a sluggish recovery period from stagnation. As a result, the overall marketing investment from advertisers, especially on traditional marketing channels, is shrinking. Advertisers were forced to cautiously manage their marketing budget based on return on investment and traceable records from target consumers.

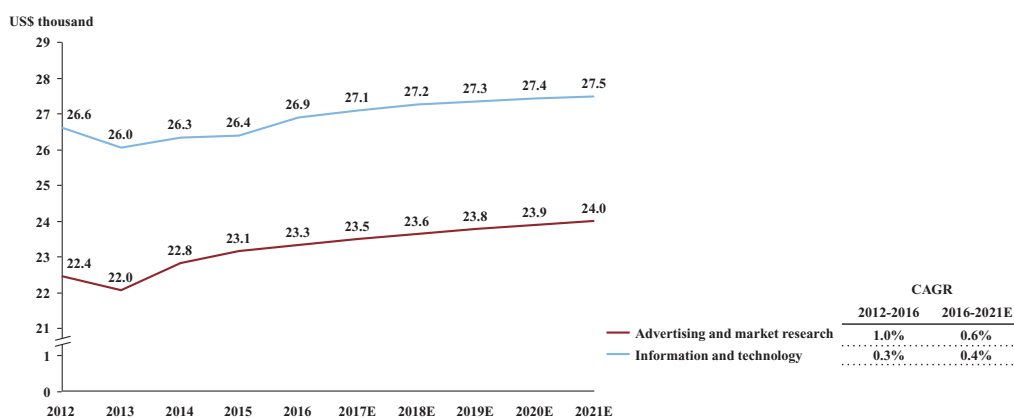
Fierce market competition

Due to the continuing decline of marketing investment from advertisers in Taiwan, leading participants in the marketing industry have begun to offer comprehensive marketing services. Online marketing companies that demonstrate excellent market intelligence and consumer insights, as well as offer full services across various formats and channels are likely to withstand fierce competition.

Lack of industrial talents

Under the current conditions of Taiwan's marketing industry, a tech-savvy approach is not the essential concern for the advertisers. Instead, the critical problem facing the marketing is attracting, training and retaining talent with appropriate skills. Indeed, if a given marketing solution provider is to develop and sustain a successful business, it is crucial that a highly skilled talent pool is developed and maintained.

Average annual salary of online advertising industry, Taiwan, 2012-2021E



Source: CIC

It is expected that the average annual salary of (i) advertising and market research industry and (ii) information and technology industry will increase to reach approximately US\$24,000 by 2021, representing a CAGR of 0.6% between 2016 and 2021, and increase to reach approximately US\$27,500 by 2021, representing a CAGR of 0.4% between 2016 and 2021, respectively.

INDUSTRY OVERVIEW

COMPETITIVE LANDSCAPE IN TAIWAN

The online advertising industry in Taiwan is highly fragmented. Besides large international online advertising companies, a large number of small and medium sized companies exist in the Taiwan market. In 2016, our Group had approximately 0.1% of market share in online advertising industry in Taiwan.

Profile of key market players in the online advertising industry in Taiwan in 2016

Ranking	Company ¹	Year of establishment	Business scope	Listing Status	Revenue ² (US\$ million)	Estimated market share
1	Company F	2012	Provision of media planning and buying, digital platform development, and marketing consulting services, etc.	Private	3.3	0.3%
2	Company G	2000	Provision of brand strategy, integrated marketing communication, media plan and design services, etc.	Private	2.0	0.2%
3	Company H	1994	Provision of brand marketing, event marketing, interactive marketing, and PR communication services, etc.	Private	1.5	0.1%
4	JAG Taiwan Branch	2013	Provision of social viral service, engager service and mass blogging service, etc.	Private	1.5	0.1%
5	Company I	2000	Provision of web design, digital integration, media strategy and mobile solution services, etc.	Private	1.3	0.1%
					Top five	0.8%
					Others	99.2%
					Total	100%

Notes:

- Advertising agencies, online advertising service providers, and online monitoring service providers are the main types of market players in the online advertising industry. The key market players listed above are online advertising service providers.
- The disclosed revenue of each company is derived from their online advertising service segment only, excluding other business segments such as advertisement production, in the relevant region.

ENTRY BARRIERS TO ONLINE ADVERTISING INDUSTRY IN TAIWAN

Client loyalty and long-term business relationship

Establishing a business relationship with advertisers requires substantial business development costs and operational costs. Advertisers in Taiwan are inclined to choose the online advertising service providers that they are most familiar with. The proven track record of cooperation with the clients in the same industry would help market leaders in maintaining clients as they could provide more cohesive proposal based on mutual understanding. Therefore, new market participants in the online advertising industry in Taiwan generally find it difficult to acquire new advertisers.

Experienced talent team

Corresponding to the development of online advertising, the demand for high-quality talent has risen rapidly. Due to the interactive and real-time nature, the online advertising industry in Taiwan is facing a shortage of online advertising talents with experience and

INDUSTRY OVERVIEW

multi-layered skillsets. It would be difficult for new entrants to acquire a talent team in a short time while establishing systematic training of professional talents would be costly and time-consuming.

OVERVIEW OF THE ONLINE ADVERTISING INDUSTRY IN MALAYSIA

Market size and forecast of advertising industry by channels in terms of expenditure, Malaysia

Between 2012 and 2014, Malaysia's advertising industry in terms of expenditure grew from approximately US\$1,925 million to US\$2,142 million. From 2014 to 2016, advertising industry in terms of expenditure dropped to approximately US\$2,105 million at a negative CAGR of 0.9% due to the weakened global economy in 2015 and 2016.

Online media in Malaysia has adopted traditional media to interact with audiences through an online channel. This has resulted in a growing audience of internet users in Malaysia. In the coming years, mobile multimedia and streaming services are anticipated to become some of the best channels for online advertising. Therefore, between 2016 and 2021, the market size of online advertising industry in terms of expenditure in Malaysia is expected to grow at a CAGR of approximately 20.2% from US\$401 million to US\$1,006 million. Driven by steady economic growth in Malaysia and propelling online advertising expenditure, it is expected that the advertising industry in terms of expenditure in Malaysia will reach approximately US\$2,501 million by 2021.

COMPETITIVE LANDSCAPE IN MALAYSIA

The online advertising market in Malaysia is relatively fragmented. It is a growing industry concentrated with a small number of media and marketing platforms. There are relatively fewer media and marketing platforms with a large and engaged user base from which the potential clients could choose. Our market share in Malaysia in 2016 was not available as our business in Malaysia commenced in 2017.

Profile of key market players in the online advertising industry in Malaysia in 2016

Ranking	Company ¹	Year of establishment	Business scope	Listing status	Revenue ² (US\$ million)	Estimated market share
1	Company K	1999	Provision of online marketing, mobile marketing, self-service advertising platform and engagement based advertising solution services, etc.	Listed	8.0	2.0%
2	Company L	1999	Provision of internet marketing solutions, online consultancy and web development services, etc.	Private	5.0	1.2%
3	Company M	1999	Provision of online marketing, social media marketing and email marketing services, etc.	Private	3.5	0.9%
4	Company N	2011	Provision of digital marketing, performance marketing and social media marketing services, etc.	Private	1.0	0.2%
5	Company O	2015	Provision of online advertising and search engine optimization services, etc.	Private	0.8	0.2%
					Top five	4.5%
					Others	95.5%
					Total	100%

INDUSTRY OVERVIEW

Notes:

1. Advertising agencies, online advertising service providers, and online monitoring service providers are the main types of market players in the online advertising industry. The key market players listed above are the online advertising service providers.
2. The disclosed revenue of each company is derived from their online advertising service segment only, excluding other business segments such as advertisement production, in the relevant region.

Opportunities

Malaysia has a strong online penetration rate with around 20 million users in 2016. Social media also has great potential in Malaysia as an increasing number of consumers discover and find inspiration to purchase products from brands on social media platforms. Meanwhile, a large portion of Malaysian users refer to a brand's social media presence before making a purchase decision. Social media network is a strong opportunity to engage the Malaysia market.

Challenges

Online safety would possibly hinder the development of Malaysia's online advertising market. In the event where brands find themselves listed on illegitimate websites, brand safety becomes a crucial factor to consider. Malaysia's online environment is the riskiest in the region when it comes to brand safety, in particular for display advertisements. It would be difficult for the advisers to increasingly adopt online advertising service without intellectual property regulation and protection.

Entry Barriers

Talented team

A new entrant will need to form a sophisticated execution team to deal with various request and problems from clients and users of local market in Malaysia. It would be difficult for new entrants to train and acquire such talented problem solving team.

Established cooperation relationship with clients

Established cooperation with these large clients is essential to ensure a stable and continuous stream of advertising service requests. The renowned advertisers in Malaysia have strict standards on advertising service providers, and are inclined to enter into partnership with the advertising service provider which has a proven track record. New entrants will need to commit a great deal of time in developing partnerships with clients.

OVERVIEW OF THE ONLINE ADVERTISING INDUSTRY IN SINGAPORE

Market size and forecast of advertising industry by channels in terms of expenditure, Singapore

Between 2012 and 2016, Singapore's advertising industry in terms of expenditure, increased from approximately US\$1,742 million to US\$1,899 million. Traditional media continues to be the dominant channel partly due to market concentration as a result of limited geographical space and the number of advertising service providers.

Although internet penetration in Singapore was approximately 82.8% in 2016, only approximately 14.2% of total advertising expenditure was allocated towards the online advertising. Between 2016 and 2021, advertising industry in Singapore, in terms of expenditure, is forecasted to grow at a CAGR of approximately 2.3%. The growing e-commerce industry and increasing smartphone usage will encourage advertisers and advertising agencies to increasingly utilize the online advertising channels. From 2016 to 2021, the online advertising industry in Singapore, in terms of expenditure, is expected to grow at a CAGR of approximately 11.2% and reach US\$458 million by 2021.

INDUSTRY OVERVIEW

COMPETITIVE LANDSCAPE IN SINGAPORE

The online advertising market in Singapore is a growing industry concentrated with a small number of media and marketing platforms. There are relatively fewer media and marketing platforms with a large and engaged user base from which the potential clients could choose. Our market share in Singapore in 2016 was not available as our business in Singapore commenced in 2017.

Profile of key market players in the online advertising industry in Singapore in 2016

Ranking	Company ¹	Year of establishment	Business scope	Listing status	Revenue ² (US\$ million)	Estimated market share
1	Company P	2008	Provision of online marketing, web analytics and social media marketing services, etc.	Private	5.0	1.9%
2	Company Q	2005	Provision of digital marketing, search engine marketing and social media advertising services, etc.	Private	4.5	1.7%
3	Company R	2009	Provision of social media marketing, online video marketing and search marketing services, etc.	Private	3.5	1.3%
4	Company S	2006	Provision of search engine marketing, online display advertising and mobile advertising services, etc.	Private	3.0	1.1%
5	Company T	2009	Provision of social media marketing, web design and email marketing services, etc.	Private	2.0	0.7%
					Top five	6.7%
					Others	93.3%
					Total	100%

Notes:

- Advertising agencies, online advertising service providers, and online monitoring service providers are the main types of market players in the online advertising industry. The key market players listed above are the online advertising service providers.
- The disclosed revenue of each company is derived from their online advertising service segment only, excluding other business segments such as advertisement production, in the relevant region.

Opportunities

Advertisers will adopt advertising services that can help them maximise effectiveness of advertising. Advertisers in Singapore are now more fully embracing the opportunities afforded by online advertising especially in mobile and video. Advertisers and their agencies will need to constantly innovate on how they communicate brand messages effectively. As advertisers strive to maximise the effectiveness of their overall media spending, continued attention is being paid to online advertising service.

Challenges

Marketers considered the production of high-quality content and project execution as their biggest factors to success. This challenge can be attributed to a limited pool of professional content production experts.

INDUSTRY OVERVIEW

Entry barriers

Solid industry knowledge

The online advertising market in Singapore is relatively mature and the competition among the providers is fierce. The market participants with in-depth industry knowledge are able to convince clients to engage their services. Since industry knowledge requires a great amount of time and effort to accumulate, it remains a barrier for new market participants wishing to enter the market.

Established cooperation relationship with clients

Established cooperation with these large clients is essential to ensure a stable and continuous stream of advertising service engagements. Larger clients are inclined to engage the services of advertising service providers with proven track records.

REGULATORY OVERVIEW

Our online advertising services are primarily conducted in Hong Kong, Taiwan, Malaysia and Singapore. Therefore, our business operations are subject to various laws, rules, regulations and policies to the extent applicable in each of the jurisdictions in which we operate. This section sets out a summary of certain aspects of Hong Kong, Taiwan, Malaysia and Singapore laws and regulations that are relevant to our business operations.

Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our business operations.

HONG KONG LAWS AND REGULATIONS

Save for business registration certificate under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), our Group is not required to obtain any industry-specific qualification, licence or permit for carrying out of our online advertising services in Hong Kong. Set out below is a summary of the major laws and regulations of Hong Kong which are material to our business operations in Hong Kong:

Regulations relating to online advertising practice

While Hong Kong does not have a comprehensive piece of legislation to regulate practice in the online advertising industry, there are a number of ordinances and regulations governing the online advertising services and promotion of products and services, relevant breach of which may constitute a criminal offence. A number of such criminal offences are not only applicable to those who publish the advertisements but are also applicable to persons who are in possession of those materials with an intention of publication, or those who cause the advertisement to be published.

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) (“TDO”)

The TDO prohibits false trade description, false, misleading or incomplete information, false statements, etc., in respect of goods and services offered in the course of trade.

Section 7 of the TDO provides that no person shall in the course of trade or business apply a false trade description to any goods or supply or offer to supply any goods with false trade descriptions applied thereto.

Section 7A of the TDO provides that a trader who applies a false trade description to a service supplied or offered to be supplied to a consumer or supplies or offers to supply to a consumer a service to which a false trade description is applied, commits an offence.

Sections 13E, 13F, 13G, 13H and 13I of the TDO provide that a trader who engages in relation to a consumer in a commercial practice that is a misleading omission or aggressive, or that constitutes bait advertising, a bait and switch or wrongly accepting payment for a product commits an offence.

REGULATORY OVERVIEW

A person who commits an offence under sections 7, 7A, 13E, 13F, 13G, 13H or 13I of the TDO shall be subject, on conviction on indictment, to a fine of HK\$500,000 and to imprisonment for 5 years, and on summary conviction, to a fine of HK\$100,000 and to imprisonment for 2 years.

By virtue of section 2(5) of the TDO, a reference to a trader includes any person acting in the name of, or on behalf of, a trader. Therefore, our Group, being an online advertising service provider for our clients, who may be regarded as traders in their respective business, may be held liable for the above offences.

Restricted product advertising

Section 3 of the Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong) makes it an offence for any person to publish or cause the publication of any advertisements which are likely to lead to the use of any medicine or surgical appliance or treatment for certain diseases or conditions or for certain purposes. Any person who contravenes such provision shall be guilty of an offence and shall be liable upon a first conviction to a fine of HK\$50,000 and to imprisonment for six months and upon a second or subsequent conviction for an offence under the same section to a fine of HK\$100,000 and to imprisonment for one year.

Section 13B of the Smoking (Public Health) Ordinance (Chapter 371 of the Laws of Hong Kong) prohibits any person from placing or causing to be placed a tobacco advertisement on the internet. Any person who contravenes such provision commits an offence and is liable on summary conviction to a fine of HK\$50,000 and, in the case of a continuing offence, to a further penalty of HK\$1,500 for each day during which the offence continues.

By virtue of section 21(1) of the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong), any person who publishes or possesses for the purpose of publication any obscene article, whether or not he knows that it is an obscene article, commits an offence and is liable to a fine of HK\$1,000,000 and to imprisonment for three years.

As the above offences apply to a person who causes the publication of or possesses for the purpose of publication of the relevant advertisements or articles, our Group, being an online advertising service provider, may be held liable for the above offences.

Regulations relating to collection of Members' personal information

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO")

The PDPO covers any data relating directly or indirectly to a living individual (data subject), from which it is practicable to ascertain the identity of the individual and which are in a form in which access to or processing of the data is practicable. It applies to a data user, i.e. any person who, either alone or jointly or in common with other persons, controls the collection, holding, processing or use of personal data.

REGULATORY OVERVIEW

During the course of our business, our Group collects personal data from our clients and analyses demographic information of target audience. In doing so, our Group must comply with the data protection principles under the PDPO, which are:

Principle 1 – Purpose and manner of collection. This provides for the lawful and fair collection of personal data and sets out the information a data user must give to a data subject when collecting personal data from that subject.

Principle 2 – Accuracy and duration of retention. This provides that personal data should be accurate, up-to-date and kept no longer than necessary.

Principle 3 – Use of personal data. This provides that unless the data subject gives consent otherwise personal data should be used for the purposes for which they were collected or a directly related purpose, unless voluntary and explicit consent with a new purpose is obtained from a new data subject.

Principle 4 – Security of personal data. This requires appropriate security measures to be applied to personal data (including data in a form in which access to or processing of the data is not practicable).

Principle 5 – Information to be generally available. This provides for openness by data users about the kinds of personal data they hold and the main purposes for which personal data are used.

Principle 6 – Access to personal data. This provides for data subjects to have rights of access to and correction of their personal data.

Regulations relating to intellectual property rights

Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) (“Copyright Ordinance”)

The Copyright Ordinance provides comprehensive protection for recognised categories of literary, dramatic, musical and artistic works, as well as works made available to the public on the internet. In the course of designing advertising materials for our clients, certain copyrights may subsist in the works our Group creates, including artistic works (such as drawings) or literary works (such as text) that qualify for copyright protection without registration.

Under the Copyright Ordinance, a person may incur civil liability for “secondary infringement” if that person possesses, sells, distributes or deals with a copy of a work which is, and which he knows or has reason to believe to be, an infringing copy of the work for the purposes of or in the course of any trade or business without the consent of the copyright owner. However, the person will only be liable if, at the time he committed the act, he knew or had reason to believe that he was dealing with infringing copies of the work. Our Directors confirm that they do not have any actual knowledge nor have any reason to believe that any advertising material submitted by the clients to our Group for publication during the Track Record Period is an infringing copy of any work within the meaning of the Copyright Ordinance.

REGULATORY OVERVIEW

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) (“TMO”)

The TMO section 18 provides the infringement of registered trademark. In general, a person infringes a registered trademark if he uses in the course of trade or business a trademark which is identical or similar to the trademark in relation to goods or services which are identical or similar to those for which it is registered. Section 19 of the TMO provides certain exemptions to section 18 in relation to the infringement of registered trademark, including but not limited to, a registered trademark is not infringed by the use of the trademark where it is necessary to indicate the intended purpose of goods or services (for example, as accessories or spare parts), provided the use is in accordance with honest practices in industrial or commercial matters. In addition, section 21 of the TMO provides that nothing in section 18 (infringement of registered trademark) shall be construed as preventing the use by any person of a registered trademark for the purpose of identifying goods or services as those of the owner of the registered trademark or a licensee, but any such use which is otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the registered trademark.

Regulations relating to mandatory provident fund scheme

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (“MPFSO”) provides an employment-based retirement protection system, the Mandatory Provident Fund Scheme (“MPF Scheme”), which is a defined contribution retirement scheme administered by independent trustees.

Under the MPFSO, employers are required to enroll their regular employees (except for certain exempt persons) aged between 18 and 64 and employed for 60 days or more in a MPF Scheme within the first 60 days of employment. Pursuant to the MPF Scheme, an employer and its employee are both required to contribute 5% of the employee’s monthly relevant income as mandatory contribution for and in respect of the employee, subject to the minimum and maximum relevant income levels for contribution purposes. The minimum level of relevant income for contribution purposes is currently HK\$7,100 per month or HK\$85,200 per year and the maximum level of relevant income for contribution purposes is currently HK\$30,000 per month or HK\$360,000 per year.

TAIWAN LAWS AND REGULATIONS

Set out below is a summary of the major laws and regulations of Taiwan which are material to our business operations in Taiwan:

Regulations relating to certificate for business operation

The Company Act

The Company Act (公司法) was last amended on 1 July 2015, governing the corporate juristic persons for the purpose of profit making.

REGULATORY OVERVIEW

According to Articles 4 and 371 of this Act, the term “foreign company” denotes a company, for the purpose of profit making, organized and incorporated in accordance with the laws of a foreign country, and authorized by the government of Taiwan to transact business within the territory of Taiwan. A foreign company may not transact business within the territory of Taiwan without obtaining a certificate of recognition from the government of Taiwan and completing the procedure for branch office registration.

Regulations relating to online advertising practice

The Consumer Protection Act

The Consumer Protection Act (消費者保護法) was last amended on 17 June 2015, and is enacted for the purposes of protecting the interests, facilitating the safety, and improving the quality of life of the consumers.

According to Article 23 of this Act, where any advertising medium knows or should have known that the contents of the advertisements are inconsistent with the facts, such advertising medium shall be jointly and severally liable with the enterprise to consumers for their reliance upon such advertisements. Also, the aforementioned damage liability cannot be restricted or waived by any agreement in advance.

The Act Governing Food Safety and Sanitation

The Act Governing Food Safety and Sanitation (食品安全衛生管理法) was last amended on 24 January 2018, which is enacted to govern the sanitation, safety and quality of food, and to protect the health of citizens.

According to Articles 29 and 46 of this Act, media businesses being commissioned to publish or broadcast an advertisement shall keep the name, identity number or reference number of business registration, residence (place of business or operations), and telephone number of the person (or legal person or name of organization) who commissions the advertising services for six months from the date of such advertisement, and shall not evade, impede or refuse any request by the competent authority for such particulars. Media businesses which violate the Articles set forth above shall be fined between NT\$60,000 to NT\$300,000, and may be consecutively fined.

The Health Food Control Act

The Health Food Control Act (健康食品管理法) was last amended on 24 January 2018 and is enacted to enhance the management and supervision of matters relating to health food, protect the health of Taiwan citizens and safeguard the rights and interests of consumers.

According to Articles 14, 15 and 24 of this Act, no media business shall publish or broadcast health food advertisements which did not obtain permit licenses. Also, no health food advertisement shall misrepresent or exaggerate, and the health claims shall not extend beyond the approved scope and shall be limited to the content registered with the central competent authority. Once the media business is notified of the foregoing violation by the competent authority, it shall immediately cease and desist from publishing or broadcasting

REGULATORY OVERVIEW

such advertisements on the next day of the notice. Media businesses which violate the foregoing shall be fined between NT\$120,000 to NT\$600,000 and such fine may be consecutively imposed.

In addition, media businesses being commissioned to publish or broadcast a health food advertisement shall keep the name, identity number or reference number of business registration, residence (place of business or operations), and telephone number of the person (or legal person or name of organization) who commissions the advertising services for six months from the date the advertisement is published or broadcasted and shall neither evade, impede or refuse to provide the above information for inspection upon being so requested by the competent authority, otherwise the media businesses shall be fined between NT\$60,000 to NT\$300,000, and may be consecutively fined.

Regulations relating to the collection of Members' personal information

The Personal Information Protection Act

The Personal Information Protection Act (個人資料保護法) was last amended on 30 December 2015, which governs both the government and non-government agencies for their collection, processing and use of personal information.

According to Articles 8, 19 and 20 of this Act, a non-government agency shall not collect or process personal information unless there is a specific purpose and shall comply with one of the following conditions: (a) it is in accordance with law; (b) there is a contractual or quasi-contractual relationship between the parties, and proper security measures have been adopted; (c) the party has made public such information by himself/herself or when the information has been publicised legally; (d) it is necessary for public interests on statistics or the purpose of academic research conducted by a research institution. The information may not lead to the identification of a specific person after its processing by the provider, or from the disclosure by the collector; (e) consent has been given by the party; (f) it is necessary to promote public interests; (g) the personal information is obtained from publicly available resources, except that the information is limited by the party on the processing or use and the interests of the party should be protected; and (h) the rights and interests of the party are not harmed. When collecting personal information by a government agency or a non-government agency, the following items shall be told precisely to the party: (a) the name of the government agency or the non-government agency; (b) purpose of collection; (c) classification of the personal information; (d) time period, area, target and way of the use of personal information; (e) rights of the party and ways to exercise them as prescribed in Article 3; and (f) the influence on his/her rights and interests while the party chooses not to provide his/her personal information. Also, a non-government agency shall use the personal information within the scope of the specific purpose of collection, and when a non-government agency uses the personal information for the purpose of marketing and has been turned down by the party, the agency should stop its action.

Non-government agencies, including companies, which violate the preceding Articles may be subject to civil liabilities in no less than NT\$500 but no more than NT\$20,000 for each case of damages per person in the cases where the victims in the two preceding

REGULATORY OVERVIEW

paragraphs may not or cannot provide evidence for actual damage amount, and with regard to damages caused to multi parties by the same cause and fact, the total amount of compensation should not exceed NT\$200 million, criminal charges of imprisonment for not more than five years plus a fine of not more than NT\$1,000,000, and administrative penalty in no less than NT\$50,000 but no more than NT\$500,000.

Regulations relating to intellectual property rights

The Trademark Act

The Trademark Act (商標法) is enacted for protection of the rights of trademark, certification mark, collective membership mark, collective trademark and the interests of consumers, maintenance of fair competition, and promotion of development of the industry and commerce.

According to Articles 68 and 70 of this Act, using a trademark which is identical with or similar to the registered trademark and used in relation to goods or services identical with or similar to those for which the registered one is designated, and hence there exists a likelihood of confusion on relevant consumers and/or knowingly using a trademark which is identical with or similar to another person's well-known registered trademark, and hence there exists a likelihood of dilution of the distinctiveness or reputation of the said well-known trademark in the course of trade and without consent of the proprietor of a registered trademark, constitute or will be deemed infringement of the right of such trademark. Companies which infringe others' trademark rights will face civil liabilities and criminal charges of imprisonment for a period not exceeding three years and/or a fine not exceeding NT\$200,000. However, according to Article 36, a registered trademark shall not entitle the proprietor to prohibit a third party from (a) indicating his/her own name, or the term, shape, quality, nature, characteristic, intended purpose, place of origin, or any other description in relation to his/her own goods or services, in accordance with honest practices in industrial or commercial matters and not using it as a trademark; and (b) using where it is necessary for the goods or services to be functional.

The Fair Trade Act

The Fair Trade Act (公平交易法) was last amended on 14 June 2017, which is enacted for the purposes of maintaining trading order, protecting consumers' interests, ensuring free and fair competition, and promoting economic stability and prosperity.

According to Article 21 of this Act, no enterprise shall make or use false or misleading representations or symbols on the matter that is relevant to goods and is sufficient to affect trading decisions on goods or in advertisements, or in any other way make it known to the public. Where any advertising agency makes or designs any advertisement that it knows or should have known to be misleading or where any advertising medium communicates or publishes any advertisement that it knows or should have known to be likely to mislead the public, it shall be jointly and severally liable with the principal of such advertisement for the damages arising therefrom. Companies which violate the preceding Article may be subject to not only civil liabilities but also administrative penalty for not less than NT\$50,000 and not more than NT\$25,000,000, and each time may successively assess

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thereupon an administrative penalty of not less than NT\$100,000 and not more than NT\$50,000,000 until its ceasing therefrom, rectifying its conduct or taking the necessary corrective action.

According to Article 22 of this Act, no enterprise shall have any of the following acts with respect to the goods or services it supplies: (a) using in the same or similar manner in the same or similar category of merchandise, the personal name, business or corporate name, or trademark of another, or container, packaging, or appearance of another's goods, or any other symbol that represents such person's goods, commonly known to the public, so as to cause confusion with such person's goods; or selling, transporting, exporting, or importing goods bearing such representation; or (b) using in the same or similar manner in the same or similar category of services, the personal name, business or corporate name, or service mark of another, or any other symbol that represents such person's business or services, commonly known to the public, so as to cause confusion with the facilities or activities of the business or service of such person. Companies which violate the preceding Article may be subject to civil liabilities. However, Article 22 of the Fair Trade Act shall not apply to the enterprise which is using in an ordinary manner the generic name customarily associated with the goods or services, or the representation customarily used in the trade of the same category of goods or services; or selling, transporting, exporting or importing goods or services bearing such name or representation.

Regulations relating to labour

The National Health Insurance Act

The National Health Insurance Act (全民健康保險法) was last amended on 29 November 2017, enacted to promote the health of Taiwan citizens, to administer national health insurance and to provide health services.

According to Articles 10 and 15 of this Act, privately owned enterprises shall apply for the group insurance for their employees, and shall subscribe to the Bureau of National Health Insurance for coverage. Pursuant to Article 84 of this Act, if an employer fails to carry out subscription to the insurance for its employees, it shall be punished with an amount equivalent to two to four times of the payable premiums in addition to the unpaid premium.

The Labour Insurance Act

The Labour Insurance Act (勞工保險條例) was last amended on 1 July 2015, enacted for the purposes of protecting workers' livelihood and promoting social security.

According to Article 6 of this Act, the workers who are older than 15 years old and younger than 65 years old shall all be insured under the labour insurance programme as insured persons, with their employers to which they belong reckoned as the insured units. Pursuant to Article 72 of this Act, an insured unit failing to enroll its employees for labour insurance programme in accordance with the regulations of this Act shall be imposed a fine four times the total of premiums for the period from the date of employment to the date of

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the actual enrolment or the date of termination of employment. The loss thus incurred by the employees shall be compensated by the insured unit in accordance with the payment standard defined in this Act.

The Labour Pension Act

The Labour Pension Act (勞工退休金條例) was last amended on 16 November 2016, enacted to protect workers' livelihood after retirement, strengthen the relations between workers and employers, and promote social and economic developments.

According to Articles 6, 7 and 14 of this Act, in general, employers shall on a monthly basis contribute labour pension to individual accounts of labour pension at the Bureau for the employees holding Taiwan citizenship. The amount of labour pension borne by the employer shall not be less than 6% of the worker's monthly wage. Pursuant to Article 53 of this Act, when an employer violates the above and fails to contribute within the time limit or fails to contribute the full amount of labour pension, the employer is required to pay late payment charge at 3% of the amount of contribution compounded on a daily basis for the period from the date following the date of expiration of the time limit until the date preceding the settlement date; however, the amount of such charge shall not exceed the amount of contribution.

Regulations relating to tax

The Income Tax Act

The Income Tax Act (所得稅法) governs the levy of income tax from both individuals and profit-seeking enterprises.

According to Article 3 of this Act, a profit-seeking enterprise operating within the territory of Taiwan, profit-seeking enterprise income tax shall be levied in accordance with this Act. According to Article 5 of this Act amended on 4 June 2014, the minimum taxable amount and rates for profit-seeking enterprise income tax are as follows: (a) if the total taxable income of a profit-seeking enterprise is NT\$120,000 or less, the profit-seeking enterprise is exempted from income tax; (b) if the total taxable income of a profit-seeking enterprise is more than NT\$120,000, the income tax rate shall be 17%, provided that the income tax payable shall not exceed one half of the portion of taxable income more than NT\$120,000. Article 5 of this Act was later amended on 7 February 2018, effective as of the fiscal year of 2018, and the minimum taxable amount and rates for profit-seeking enterprise income tax are changed as follows: (a) if the total taxable income of a profit-seeking enterprise is NT\$120,000 or less, the profit-seeking enterprise is exempted from income tax; (b) if the total taxable income of a profit-seeking enterprise is more than NT\$120,000, the income tax rate shall be 20%, provided that the income tax payable shall not exceed one half of the portion of taxable income more than NT\$120,000; (c) if the total taxable income of a profit-seeking enterprise is more than NT\$120,000 but equal or less than NT\$500,000, the income tax rate for 2018 shall be 18% and the income tax rate for 2019 shall be 19%, provided that the income tax payable shall not exceed one half of the portion of taxable income more than NT\$120,000.

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The Value-added and Non-value-added Business Tax Act

The Value-added and Non-value-added Business Tax Act (加值型及非加值型營業稅法) was last amended on 14 June 2017, governing the levy of tax on the sale of goods or services within the territory of Taiwan and on the import of goods.

According to Article 1 of this Act, value-added or non-value-added business tax shall be levied, in accordance with this Act, on the sale of goods or services within the territory of Taiwan and on the import of goods. The business tax rate applicable to the Group shall be 5%.

The Income Basic Tax Act

The Income Basic Tax Act (基本稅額條例) was last amended on 10 May 2017, enacted to uphold tax equity, to ensure tax revenue, and to establish the basic requirements of profit-seeking enterprises and individuals in regard to their obligations to fulfill their income tax burden. According to Article 4 of this Act, if the amount of regular income tax for a profit-seeking enterprise is less than the amount of basic tax, the amount of income tax payable shall also include the balance of the amount of basic tax and regular income tax, in addition to the amount as calculated in accordance with the Income Basic Tax Act. If the basic income of a profit-seeking enterprise at each year is more than NT\$500,000, the amount of basic tax of that year is 12% multiplied by the difference between basic income and NT\$500,000.

Regulations relating to foreign exchange

The Foreign Exchange Regulation Act

The Foreign Exchange Regulation Act (管理外匯條例) was last amended on 29 April 2009, prescribed for maintaining the equilibrium of balance of payments, stabilising the financial market and instituting management of foreign exchange.

According to Article 61 of this Act, foreign exchange receipts, disbursements or transactions involving NT\$500,000 or more or its equivalent in foreign currency shall be declared as required. The declaration rules shall be determined by the Central Bank of Taiwan. In the event a particular declaration was found untruthful, the Central Bank may make inquiries and the inquired party shall be obliged to give explanations. Pursuant to Article 20 of this Act, violation of the Article involving intentional omission of declaration or making untruthful declaration shall be subjected to a fine of more than NT\$30,000 and less than NT\$600,000; the same provision applies to failure to provide explanation within a specific time period or providing false explanation.

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MALAYSIAN LAWS AND REGULATIONS

Set out below is a summary of the major laws and regulations of Malaysia which are material to our business operations in Malaysia:

Regulations relating to licence for business operation

Local Government Act 1976 (“LGA 1976”)

The LGA 1976 provides that every local authority shall have the powers to, amongst others, grant licence or permit for any trade, occupation or premises. It further provides that every local authority may from time to time make, amend and revoke any by-laws in respect of all such matters as are necessary or desirable for the maintenance of the health, safety and well-being of citizens or for the good order of the local authority. The LGA 1976 provides that every person who is guilty of any offence against the LGA 1976 or any by-laws, rules or regulations is punishable by a fine not exceeding MYR2,000 or by imprisonment of a term not exceeding one year or to both; and in the case of continuing offence a sum not exceeding MYR200 for each day during which such offence is continued after conviction.

Regulations relating to online advertising practice

Communications and Multimedia Act 1998 (“CMA 1998”) and Communications and Multimedia (Licensing) (Exemption) Order 2000 (“Exemption Order 2000”)

The CMA 1998 came into operation on 15 October 1998 with the objectives, amongst other, to promote national policy objectives for the communications and multimedia industry and to establish a licensing and regulatory framework in support of national policy objectives for the communications and multimedia industry. It applies to any person beyond the geographical limits of Malaysia and her territorial waters if such person is a licensee under the CMA 1998 or provides relevant facilities or services under CMA 1998 in a place within Malaysia.

Section 205(1) of the CMA 1998 provides that subject to such exemption as may be determined by the government, no person may provide a content applications service unless (i) the person holds a valid individual licence granted under Part IX of the CMA 1998 to provide the content applications service; or (ii) the content applications service is subject to a valid class licence under Part IX of the CMA 1998.

Section 205(3) of the CMA 1998 provides that a person who contravenes the licensing requirement under Section 205(1) of the CMA 1998 shall commit an offence and shall, on conviction, be liable to a fine not exceeding MYR500,000 or to imprisonment for a term not exceeding five years or to both and shall also be liable to a further fine of MYR1,000 for every day or part of a day during which the offence is continued after conviction.

Despite the requirement under Section 205(1) of the CMA 1998 that a person who provides content applications service must possess a valid licence, Section 6 of the Exemption Order 2000 provides an exemption to Section 205(1) of the CMA 1998 that a

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person who provides any internet content applications services is exempted from holding an individual licence or registering under a class licence under the CMA 1998. The Exemption Order 2000 defines “internet content applications services” as a content applications service which is delivered by means of the internet.

It is notable that there are no specific laws governing the usage of domain names in Malaysia for the time being but the usage of a domain name in the internet would generally be governed by the CMA 1998 and would be under the purview of the Malaysian Communications and Multimedia Commission.

The CMA 1998 has two main provisions to enable enforcement action to be taken against complaints relating to offensive contents in the internet, namely Section 211 (prohibition against the provision of offensive content) and Section 233 (prohibition against improper use of network facilities or services).

A person who contravenes the said provisions commits an offence and shall, on conviction, be liable to a fine not exceeding MYR50,000 or to imprisonment for a term not exceeding one consistency year or to both and shall also be liable to a further fine of MYR1,000 for every day or part of a day during which the offence is continued after conviction.

Regulations relating to collection of Members’ personal information

Personal Data Protection Act 2010 (“PDPA 2010”)

The PDPA 2010 governs the processing of personal data in commercial transactions and to provide for matters connected therewith and incidental thereto. Under the PDPA 2010, personal data is defined as any information in respect of commercial transactions, which (a) is being processed wholly or partly; (b) is recorded with the intention that it should wholly or partly be processed; or (c) is recorded as part of a relevant filing system or with the intention that it should form part of a relevant filing system, that relates directly or indirectly to a data subject, who is identified or identifiable from that information or other information in the possession of a data user, including any sensitive personal data and expression of opinion about the data subject.

Section 5(1) of the PDPA 2010 provides that the processing of personal data by a data user shall be in compliance with the personal data protection principles, namely (a) the general principle of obtaining consent to the processing of the personal data; (b) the notice and choice principle; (c) the disclosure principle; (d) the security principle; (e) the retention principle; (f) the data integrity principle; and (g) the access principle. Subject to the exemption provided under the PDPA 2010, a data user who contravenes Section 5(1) of the PDPA 2010 shall commit an offence and shall, on conviction, be liable to a fine not exceeding MYR300,000 or to imprisonment for a term not exceeding two years or to both.

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Regulations relating to intellectual property rights

Trade Marks Act 1976 (“TMA 1976”)

The TMA 1976 provides protection for registered trademarks and service marks in Malaysia. In order to be registrable, the trademark must be capable of being distinguished from the goods or services of others. Valid registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall be given or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the register of trade mark. Only the proprietor of a registered trade mark may claim for trade mark infringement under the TMA 1976.

The proprietor of a trade mark which is entitled to protection under the Paris Convention or the Agreement under Trade-Related Aspects of Intellectual Property Right 1994 as a well-known trade mark is entitled to restrain by injunction the use in Malaysia in the course of trade and without the proprietor’s consent of the trade mark which, or the essential part of which, is identical with or nearly resembles the proprietor’s mark, in respect of the same goods or services, where the use is likely to deceive or cause confusion. A trade mark, once registered with the Malaysian Intellectual Property Corporation (MyIPO) is valid for ten years and may be renewed every ten years. Every person who makes false entries in the register of trade mark shall be guilty of an offence and is liable, on conviction, to a fine not exceeding MYR5,000 or to a term of imprisonment not exceeding five years or to both.

Regulations relating to labour

Employees Provident Fund Act 1991 (“EPFA 1991”)

The Employees Provident Fund (“EPF”) in Malaysia is a social security institution formed in accordance with the EPFA 1991 providing for the retirement benefits for employees through management of their savings in an efficient and reliable manner. Under the EPFA 1991, both the employer and employee are required to make contributions into the employee’s individual account in the EPF. The amount is calculated based on the monthly wage of the employee and the contribution rate is based on the wage or salary received by the employee.

If the employer fails to pay to the EPF any contributions within the prescribed period, the company and the directors are liable to pay in respect of or on behalf of any employee shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding MYR10,000 or to both.

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Regulations relating to tax

Income Tax Act 1967 (“ITA 1967”)

The ITA 1967 imposes income tax for each year of assessment upon the income accruing in or derived from Malaysia or received in Malaysia from outside Malaysia. A company will be a tax resident in Malaysia if its management and control is exercised in Malaysia. The management and control of the company is considered to be exercised where the directors meet to conduct its businesses and affairs, for instance, the place where the directors’ meetings concerning the management and control of the company are held.

As at the Latest Practicable Date, resident companies are subject to a tax rate of 24%¹ with effect from year of assessment 2016. In cases of resident companies with a paid up capital of MYR2,500,000 or less, they are taxed at the rate of 18% for the first MYR500,000 (effective from year of assessment 2017) and 24%¹ for any sum in excess of MYR500,000.

Malaysian withholding tax

The ITA 1967 provides that where a person is liable to make payment to a non-resident person, he shall deduct withholding tax at the prescribed rate from such payment and (whether such tax has been deducted or not) pay that tax to the Director General of Inland Revenue within one month after such payment has been paid or credited to the non-resident.

The ITA 1967 further provides that interest, royalties, payment for technical and management services and payment for services under a contract and other classes of income are subject to withholding tax when paid to non-resident. As at the Latest Practicable Date, the prevailing withholding tax rate of the income of the non-resident which consists of royalties, payment for technical, management services and services under contracts shall be at the rate of 10% whilst the income of the non-resident which consists of interest shall be at the rate of 15%. Additionally, it should also be noted that a reduced withholding tax rate may be provided under the double tax agreements with certain treaty partners.

However, it should be noted that save and except for the restriction imposed under Section 131 of the Companies Act 2016 whereby a company may only make a distribution to the shareholders out of profits of the company if the company is solvent, and the restriction on the repatriation of income or proceeds from a Malaysian company under the foreign exchange administration notices issued by the Central Bank of Malaysia whereby the repatriation of income or proceeds from Malaysian company shall be made in foreign currency. As at the Latest Practicable Date, Malaysia did not impose restrictions or withholding tax on the dividend payments from Malaysian companies.

Note 1: A revised tax rate was announced by the Malaysian Government in the 2017 Malaysian Budget whereby the Malaysian Government proposed for a reduction of tax rate based on the percentage of increase of the resident companies’ chargeable income which results the tax rate of the resident companies shall range from 20% to 24% (effective from year of assessment 2017).

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Goods and Services Tax Act 2014 (“GST Act 2014”)

The GST Act 2014 came into effect from 1 April 2015 which introduces goods and services tax (“GST”) chargeable on all taxable supplies of goods and services made in the course or furtherance of a business in Malaysia and importation of goods into Malaysia by a taxable person. The GST Act 2014 provides that a taxable person is a person who makes taxable supplies in Malaysia with annual turnover exceeding MYR500,000 and to be registered with the Royal Malaysian Customs. As at the Latest Practicable Date, the GST rate is 6% chargeable on all taxable supplies of goods and services except supply granted relief, zero rated supply and exempt supply.

Regulations relating to foreign exchange

Foreign Exchange Administration Notices issued by the Central Bank of Malaysia

The Central Bank of Malaysia or Bank Negara Malaysia (“**Bank**”) established under the now repealed Central Bank of Malaysia Act 1958 but continued to exist under the Central Bank of Malaysia Act 2009, assumes the primary function of, amongst others, to formulate and conduct monetary policy in Malaysia and to provide oversight over money and foreign exchange markets. By the power vested by the Financial Services Act 2013, the Bank issued foreign exchange administration notices to regulate the remittance of funds from and into Malaysia. As at the Latest Practicable Date, a non-resident is allowed to repatriate funds from Malaysia, including any income earned or proceeds from divestment of ringgit asset, provided that the repatriation is made in foreign currency.

SINGAPORE LAWS AND REGULATIONS

Save for the incorporation of JAG Singapore as a private company with limited liability under the Companies Act (Chapter 50 of Singapore), our Group is not required to obtain any industry-specific qualification, licence or permit for carrying out of online advertising services in Singapore.

Set out below is a summary of the major laws and regulations of Singapore which our business operations in Singapore are subject to:

Regulations relating to online advertising practice

The Info-communications Media Development Authority Act 2016 (No. 22 of 2016 of Singapore) (the “IMDA Act”)

The Info-communications Media Development Authority (“**IMDA**”) was officially formed on 1 October 2016, with the restructuring of the Media Development Authority and the Infocomm Development Authority, which were established in 2003 and 1999, respectively. Through the IMDA Act and the various guidelines or codes issued by the IMDA from time to time, the IMDA regulates various media outlets and broadcasting forums, including film, television, radio, publications, music, games, animation and interactive digital media. The content of the advertisements aired by such medium must nonetheless comply with the IMDA Act, the codes of practices and other statutes or

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regulations governing certain specific industries or services. For example, the Medicines (Advertisement and Sale) Act (Chapter 177 of Singapore) and the Undesirable Publications Act (Chapter 338 of Singapore) govern advertisements relating to certain diseases and medical services, and the control of obscene and indecent materials, respectively.

Broadcasting (Class Licence) Notification (“Broadcasting Notification”)

The IMDA’s regulatory framework for the internet is embodied in the Broadcasting Notification, which contains the regulatory requirements for information providers on the internet.

Under this framework, Internet Content Providers (“ICP”), being providers of information on the internet, are required to comply with the IMDA’s Internet Code of Practice, which *inter alia*, sets out what is regarded as offensive content (i.e. pornography, violence and materials which are objectionable on the grounds of public interest, public morality, public order, public security, national harmony, or is otherwise prohibited by applicable Singapore laws). As ICPs come under the IMDA’s automatic licensing framework, there is no need for ICPs to obtain a licence from the IMDA before conducting their activities.

Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53 of Singapore) (“CPTDA”)

The CPTDA regulates the accuracy and content of the trade description of goods. Under the CPTDA, it is an offence to apply false trade descriptions to goods in the course of trade of business, as well as the supply of goods to which a false trade description has been applied. A false trade description means a trade description which by reason of anything contained therein or omitted therefrom is false or likely to mislead in a material respect as regards the goods or in connection which it is used. A false indication that any goods comply with a standard specified or approved by a particular person shall also be deemed to be false trade description, if there is no such person or no standard as specified, recognised or implied. The CPTDA may also impose requirements on information to be included relating to the description of advertisements of specified goods. A breach of the CPTDA may result in criminal penalties, such as imprisonment for up to 2 years and/or fines of up to S\$10,000 or both.

Consumer Protection (Fair Trading) Act (Chapter 52A of Singapore) (“CPFTA”)

The CPFTA prohibits “unfair practices”, which mean, for a supplier in relation to a consumer transaction:

- deceiving or misleading consumers;
- making false claims;
- taking advantage of vulnerable consumers who are not in a position to protect their own interest or reasonably understand the character, nature, language or effect of a transaction; or

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- performing certain clearly prohibited actions stated in Schedule 2 of the CPFTA, which include acts such as using small print to conceal a material fact from consumers.

A consumer who has entered a consumer transaction involving an unfair practice may commence an action against the supplier under the CPFTA for a claim of up to S\$30,000. Singapore courts may order restitution of any money, property or other consideration given or furnished by the consumer, award the consumer damages in the amount of any loss or damage suffered by the consumer as a result of the unfair practice, make an order of specific performance against the supplier or make an order varying the contract between the supplier and the consumer. In addition, where there are reasonable grounds for believing that a supplier has engaged, is engaging in or likely to engage in an unfair practice, a specified body may invite the supplier to enter into a voluntary compliance agreement.

The Singapore Code of Advertising Practice (“SCAP”)

The SCAP regulates local advertising activities and is administered by the Advertising Standards Authority of Singapore (“ASAS”). The SCAP has been endorsed by organisations representing advertisers, advertising agencies and media, and applies to all advertisements for any goods, services, and facilities appearing in any form, or any media.

The SCAP prescribes general principles applicable to all advertisements, and specific guidelines related to slimming products and services. These general principles include:

- decency – advertisements should not contain anything that is offensive to the standards of decency prevailing among those who are likely to be exposed to them;
- truthful presentation – advertisements should not mislead in any way by inaccuracy, ambiguity, exaggeration, omission or otherwise; and
- claims – advertisements should not misuse research results or quotations from technical and scientific publications.

The ASAS may require an advertiser to amend or withdraw any advertisement that contravenes the SCAP or withhold such advertisement until it has been modified. The ASAS may also publicise details of the outcome of investigations it undertakes, naming those advertisers who have violated the SCAP. The ASAS is further empowered to request media owners to support the decisions of the ASAS, and to ask its members generally (including advertisers, advertising agencies, government agencies, media owners and other supporting organisations) to sanction parties which violate the SCAP by, among others, the withdrawal of facilities, rights or services from parties concerned subject to legal constraints.

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Guidelines on Interaction Marketing Communication & Social Media (“IMCSM Guidelines”)

The IMCSM Guidelines were published by ASAS in 2016 and apply to advertising and marketing communication that use social media to promote goods and services to influence consumer behaviour. These guidelines were developed in consultation with social media agencies, public agencies, multinational companies and members of the public, and are to be read with the SCAP. Amongst others, the IMCSM Guidelines set the following requirements for advertising companies:

- disclosures of commercial relationships and disclaimers should be made prominent, easy to read and appropriate for the form that the communication takes;
- paid reviews, testimonials and endorsements have to be clearly indicated;
- reviews that are disguised as being from impartial sources are not permitted;
- digital marketing directed at children should be appropriate for such children, and information collected about children should only be disclosed upon the consent of their legal guardians or when authorised by law; and
- advertising companies should not boost the user engagement of their content through fraudulent means, such as by purchasing bulk “likes” or by using programmes that generate higher page views.

Advertising companies who fail to comply with the IMCSM Guidelines will be instructed by ASAS to amend their marketing communication, failing which to withdraw them altogether, to avoid misleading consumers. Any breach of the IMCSM Guidelines may also potentially lead to sanctions applied by media owners through the withholding of advertising space or time by media owners, as well as the withdrawal of trading privileges from advertising agencies.

Regulations relating to collection of Members’ personal information

Personal Data Protection Act 2012 (No. 26 of 2012 of Singapore) (“PDPA”)

The PDPA governs the collection, use and disclosure of personal data by organisations in a manner that recognises both the right of individuals to protect their personal data and the need of organisations to collect, use or disclose the same for purposes that a reasonable person would consider appropriate in the circumstances. Under the PDPA, personal data is defined as data, whether true or not, about an individual (whether living or deceased) who can be identified (a) from that data; or (b) from that data and other information to which the organisation has, or is likely to have access. Generally, the PDPA imposes the following obligations on organisations collecting, using or disclosing personal data of individuals (“**relevant persons**”): obligations of obtaining consent, giving notification and access and correction rights to the relevant persons, purpose limitation in respect of use of, and

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retention limitation and transfer limitation in respect of personal data collected, ensuring accuracy and protection of data collected and openness in making information available on its privacy policies and procedures relating to protection of personal data.

Regulations relating to intellectual property rights

Trade Marks Act (Chapter 332 of Singapore) (“Trade Marks Act”)

Trade mark registration in Singapore is governed by the Trade Marks Act. Under the Trade Marks Act, a sign consisting of letters, words, names, signatures, numerals, brand, labels, devices, tickets, shapes, colours, aspect of packaging or any combination of the foregoing may be registered with the Singapore Registry of Trade Marks if it fulfils certain registrability criteria. Such criteria includes, among others (a) the mark being capable of being represented graphically and which is capable of distinguishing the goods and services of the proprietor from that of another trader, (b) the mark being distinctive and not one which is deemed unregistrable (for example, it is customary in the bona fide and established practices of the trade or contrary to public policy), and (c) the mark not being one which conflicts with a prior mark on the Singapore Registry of Trade Marks.

An accepted application triggers a two-month publication period during which a third party may file an opposition. If no opposition is filed during this period, the trademark is registered, which gives the holder the exclusive right to use the registered trademark in relation to the goods or services for which the trademark is registered, subject to any conditions, amendments, modifications or limitations entered in the Singapore Registry of Trade Marks, and to initiate legal action to recover damages and/or restrain unlawful third party infringement of the trademark. Singapore follows the 11th edition of the International Classification of Goods and Services, pursuant to which a trader can register a trade mark in 34 different classes of goods and 11 classes of services, as necessary. The initial period of protection of a trade mark registration is 10 years and it may be renewed for successive periods of 10 years upon payment of applicable fees.

A person who infringes a registered trade mark may be able to rely on certain permitted exceptions under Section 28 of the Trade Marks Act. For example, Section 28(b)(i) of the Trade Marks Act provides that a person does not infringe a registered trade mark when he uses a sign to indicate, *inter alia*, the kind, quality, quantity, intended purpose, value, geographical origin or other characteristic of goods or services; and Section 28(c) of the Trade Marks Act provides that a person does not infringe a registered trade mark when he uses the trade mark to indicate the intended purpose of goods (in particular as accessories or spare parts) or services. In both cases, such use has to be in accordance with honest practices in industrial or commercial matters.

Regulations relating to tax

The Goods and Services Tax in Singapore is a broad-based consumption tax levied on the import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

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The prevailing corporate tax rate in Singapore is 17% with effect from year of assessment 2010. Companies will be granted a corporate income tax rebate of 50% of the tax payable for the years of assessment from 2016 to 2017, subject to a cap of S\$20,000 per year of assessment. Further and as announced by the Minister of Finance in the Singapore Budget 2018, in relation to year of assessment 2018, companies will be granted a corporate income tax rebate at a rate of 40% of the tax payable, subject to a cap of S\$15,000. The corporate income tax rebate will be extended to the year of assessment 2019 at a rate of 20% of the tax payable, subject to a cap of S\$10,000.

Dividend Distribution

Singapore adopts the one-tier corporate taxation system. Under this system, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt dividends. Such dividends are tax-exempt from Singapore income tax in the hands of the shareholders, regardless of legal form or tax residence status.

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Exchange Controls

As at the date of this prospectus, there are no exchange control restrictions in Singapore.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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Our Group's history can be traced back to May 2010 when Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee set up JAG Hong Kong for the provision of online advertising services in Hong Kong using their personal financial resources. Our brand "JAG" is derived from the first letter of the English name of each of our co-founders, namely, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee. Please see the section headed "Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors" in this prospectus for further details regarding the background of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee.

Since our establishment in May 2010, we have grown and expanded rapidly over the years. In January 2013, we expanded our business operations with a branch in Taiwan. Additionally, in February and March 2017, we established our subsidiaries in Malaysia and Singapore, respectively.

Over the years, we have grown from an online advertising service provider in Hong Kong to an online advertising service provider with business operations in Hong Kong, Taiwan and Malaysia with further expansion to Singapore, serving local and international brands across various business sectors, directly or through advertising agencies.

Our Business Development

The following table illustrates the key milestones of our business development since inception:

Year	Milestone
May 2010	Our Group was established with the incorporation of JAG Hong Kong.
December 2010	We launched our social viral service.
April 2011	We launched our engager service.
January 2013	The establishment of JAG Taiwan Branch. We launched our first mobile application.
June 2013	We launched our mass blogging service.
July 2013	We reached 100,000 Members in total.
April 2014	We reached 200,000 Members in total.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Year	Milestone
April 2016	We extended our social viral service on instant messenger platforms. We reached 400,000 Members in total.
February 2017	The incorporation of JAG Malaysia. In March 2017, JAG Malaysia commenced its business operations.
March 2017	The incorporation of JAG Singapore.
July 2017	We reached 500,000 Members in total.
September 2017	We were awarded as a “Technology Fast 20” company in Hong Kong by Deloitte Touche Tohmatsu.

CORPORATE DEVELOPMENT

Our corporate history

Our Company was incorporated on 22 May 2017 in the Cayman Islands as an exempted company with limited liability. At the time of incorporation, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. On the day of incorporation, the initial subscribing shareholder, JAG United, subscribed for 10,000 Shares at par.

As part of the Reorganisation, on 15 June 2017, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred 16,500 shares, 16,500 shares and 16,500 shares in JAG Holding (BVI) respectively, representing all the issued shares in JAG Holding (BVI), to our Company, in consideration of and exchange for which our Company allotted and issued 30,000 Shares, 30,000 Shares and 30,000 Shares, credited as fully paid to JAG United at the direction of each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee respectively.

On 19 July 2017, VMI entered into the Pre-IPO Investment Agreement with JAG United, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and our Company pursuant to which our Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15 million convertible into such number of Shares as representing 23.81% of the issued share capital of our Company as enlarged by the issue of the conversion Shares before the completion of the Listing on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement. On 27 July 2017, completion of the Pre-IPO Investment took place and the principal amount of the Convertible Bond was irrevocably settled on the same day.

Pursuant to the Pre-IPO Investment Agreement, the entire Convertible Bond was converted into 31,250 Shares on 28 February 2018, therefore, our Company was owned as to 76.19% by JAG United and as to 23.81% by VMI.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 7 March 2018, the authorised share capital of our Company was increased to HK\$100,000,000 divided into 10,000,000,000 Shares. As part of the Reorganisation, our Company became the holding company of our Group.

As at the Latest Practicable Date, we currently have 10 subsidiaries, namely, JAG Holding (BVI), JAG Hong Kong Holding (BVI), JAG Hong Kong, JAG Taiwan Holding (BVI), JAG Taiwan, JAG Asia Holding (BVI), JAG SEA Holding, JAG Singapore, JAG Malaysia and JAG Creative. The following sets forth the corporate development of each member of our Group, all of which are private companies since their respective dates of incorporation. As part of the Reorganisation, our Company becomes the holding company of our Group, for further details regarding the Reorganisation, please refer to the paragraph headed “Our History, Reorganisation and Corporate Structure – Reorganisation” in this prospectus.

JAG Holding (BVI)

JAG Holding (BVI) was incorporated on 21 August 2015 in the BVI as a limited liability company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. Upon its incorporation, 16,500 shares, 16,500 shares and 16,500 shares in JAG Holding (BVI) were allotted and issued at par value to and fully paid by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, respectively.

As part of the Reorganisation, on 15 June 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred their 16,500 shares, 16,500 shares and 16,500 shares in JAG Holding (BVI) respectively, representing all the issued shares in JAG Holding (BVI), to our Company, in consideration of and exchange for which our Company allotted and issued 30,000 Shares, 30,000 Shares and 30,000 Shares, credited as fully paid to JAG United at the direction of each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee respectively. As a result of the transfers, JAG Holding (BVI) became a direct wholly-owned subsidiary of our Company.

The principal business activity of JAG Holding (BVI) is investment holding.

JAG Hong Kong Holding (BVI)

JAG Hong Kong Holding (BVI) was incorporated on 8 September 2015 in the BVI as a limited liability company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. Upon its incorporation, 50,000 shares in JAG Hong Kong Holding (BVI) were allotted and issued at par value to and fully paid by JAG Holding (BVI). As a result of the above allotment, JAG Hong Kong Holding (BVI) became a direct wholly-owned subsidiary of JAG Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Hong Kong Holding (BVI) became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Hong Kong Holding (BVI) is investment holding.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

JAG Hong Kong

JAG Hong Kong was incorporated on 17 May 2010 in Hong Kong as a limited liability company with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. Upon its incorporation, 3,000 shares, 3,000 shares and 3,000 shares in JAG Hong Kong were allotted and issued at par value to and fully paid by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, respectively.

On 23 November 2015, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred their 3,000 shares, 3,000 shares and 3,000 shares in JAG Hong Kong, respectively, representing all the issued shares in JAG Hong Kong, to JAG Hong Kong Holding (BVI) at par value, such share transfers have been properly and legally settled and completed on 23 November 2015. As a result of the above transfers, JAG Hong Kong became a direct wholly-owned subsidiary of JAG Hong Kong Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Hong Kong became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Hong Kong is to provide online advertising services in Hong Kong.

JAG Taiwan Holding (BVI)

JAG Taiwan Holding (BVI) was incorporated on 9 February 2017 in the BVI as a limited liability company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. Subsequent to its incorporation, 50,000 shares in JAG Taiwan Holding (BVI) were allotted and issued at par value to and fully paid by JAG Holding (BVI). As a result of the above allotment, JAG Taiwan Holding (BVI) became a direct wholly-owned subsidiary of JAG Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Taiwan Holding (BVI) became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Taiwan Holding (BVI) is investment holding.

JAG Taiwan

JAG Taiwan was incorporated on 9 August 2012 in Hong Kong as a limited liability company with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. Upon its incorporation, 3,000 shares, 3,000 shares and 3,000 shares in JAG Taiwan were allotted and issued at par value to and fully paid by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, respectively.

On 8 January 2013, JAG Taiwan registered its branch office in Taiwan.

As part of the Reorganisation, on 27 March 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred their 3,000 shares, 3,000 shares and 3,000 shares in JAG Taiwan, respectively, representing all the issued shares in JAG Taiwan, to JAG Taiwan

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Holding (BVI) at par value, such share transfer has been properly and legally settled and completed on 27 March 2017. As a result of the above transfers, JAG Taiwan became a direct wholly-owned subsidiary of JAG Taiwan Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Taiwan became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Taiwan is to provide online advertising services in Taiwan.

JAG Asia Holding (BVI)

JAG Asia Holding (BVI) was incorporated on 20 December 2016 in the BVI as a limited liability company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. Subsequent to its incorporation, 1,000 shares in JAG Asia Holding (BVI) were allotted and issued at par value to and fully paid by JAG Holding (BVI). As a result of the above allotment, JAG Asia Holding (BVI) became a direct wholly-owned subsidiary of JAG Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Asia Holding (BVI) became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Asia Holding (BVI) is investment holding.

JAG SEA Holding

JAG SEA Holding was incorporated on 6 January 2017 in Hong Kong as a limited liability company. Upon its incorporation, 10,000 shares in JAG SEA Holding were allotted and issued to and fully paid by JAG Asia Holding (BVI). As a result of the above allotment, JAG SEA Holding became a direct wholly-owned subsidiary of JAG Asia Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG SEA Holding became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG SEA Holding is investment holding.

JAG Malaysia

JAG Malaysia was incorporated on 8 February 2017 in Malaysia as a limited liability company with a total issued and paid up capital of MYR50,000. On the same day, 49,500 shares and 500 shares in JAG Malaysia were allotted and issued to and fully paid by JAG SEA Holding and JAG Asia Holding (BVI) respectively. As a result of the above allotments, JAG Malaysia became a wholly-owned subsidiary of JAG Asia Holding (BVI).

As a result of the Reorganisation, on 15 June 2017, JAG Malaysia became an indirect wholly-owned subsidiary of our Company.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The principal business activity of JAG Malaysia is to provide online advertising services in Malaysia.

JAG Singapore

JAG Singapore was incorporated on 6 March 2017 in Singapore as a limited liability company with an issued and paid up share capital of S\$100 divided into 100 shares. Upon its incorporation, 100 shares in JAG Singapore were allotted and issued to and fully paid by JAG SEA Holding. As a result of the above allotment, JAG Singapore became a direct wholly-owned subsidiary of JAG SEA Holding.

As a result of the Reorganisation, on 15 June 2017, JAG Singapore became an indirect wholly-owned subsidiary of our Company.

The principal business activity of JAG Singapore is to provide online advertising services in Singapore.

JAG Creative

JAG Creative was incorporated on 8 October 2015 in Hong Kong as a limited liability company. Upon its incorporation, 3,300 shares, 3,300 shares and 3,300 shares in JAG Creative were allotted and issued to and fully paid by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, respectively.

As part of the Reorganisation, on 30 March 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred their 3,300 shares, 3,300 shares and 3,300 shares in JAG Creative, respectively, representing all the issued shares in JAG Creative, to JAG Asia Holding (BVI), such share transfers have been properly and legally settled and completed on 30 March 2017. As a result of the above transfers, JAG Creative became a direct wholly-owned subsidiary of JAG Asia Holding (BVI).

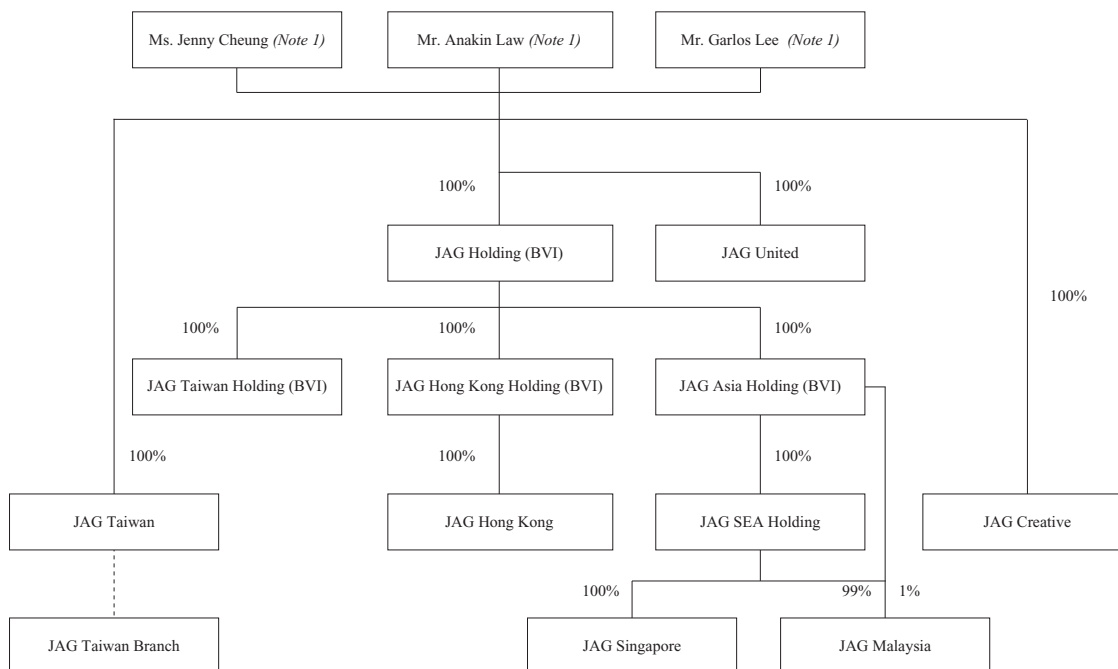
As a result of the Reorganisation, on 15 June 2017, JAG Creative became an indirect wholly-owned subsidiary of our Company.

As at the Latest Practicable Date, JAG Creative has not commenced any business.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

REORGANISATION

The following chart sets out our shareholding and corporate structure immediately prior to the Reorganisation:



Note 1: Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee each held (a) 16,500 shares (representing one-third of the issued share capital) in JAG Holding (BVI); (b) 16,000 shares (representing one-third of the issued share capital) in JAG United; (c) 3,300 shares (representing one-third of the issued share capital) in JAG Creative and (d) 3,000 shares (representing one-third of the issued share capital) in JAG Taiwan.

The Reorganisation involves the following steps:

1. Transfer of shares in JAG Taiwan from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee to JAG Taiwan Holding (BVI)

On 27 March 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee as vendors agreed to sell and JAG Taiwan Holding (BVI) as purchaser agreed to purchase from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee all of their 3,000 shares, 3,000 shares and 3,000 shares, respectively, in JAG Taiwan, representing all the issued shares in JAG Taiwan at the consideration of HK\$9,000 in total.

Following these transfers on 27 March 2017, JAG Taiwan becomes a wholly-owned subsidiary of JAG Taiwan Holding (BVI). Such share transfers have been properly and legally settled and completed on 27 March 2017.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

2. *Transfer of shares in JAG Creative from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee to JAG Asia Holding (BVI)*

On 30 March 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee as vendors agreed to sell and JAG Asia Holding (BVI) as purchaser agreed to purchase from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee all of their 3,300 shares, 3,300 shares and 3,300 shares respectively in JAG Creative, representing all the issued shares in JAG Creative at the consideration of HK\$9,900 in total.

Following these transfers on 30 March 2017, JAG Creative becomes a wholly-owned subsidiary of JAG Asia Holding (BVI). Such share transfers have been properly and legally settled and completed on 30 March 2017.

3. *Incorporation of our Company*

On 22 May 2017, our Company was incorporated under the laws of the Cayman Islands with limited liability, which has an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each. On the same day, 10,000 Shares with a par value of HK\$0.01 each were issued and allotted as fully paid to JAG United at par value.

4. *Transfer of shares in JAG Holding (BVI) from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee to our Company*

As part of the Reorganisation, on 15 June 2017, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred their 16,500 shares, 16,500 shares and 16,500 shares in JAG Holding (BVI) respectively, representing all the issued shares in JAG Holding (BVI), to our Company, in consideration of and exchange for which our Company allotted and issued 30,000 Shares, 30,000 Shares and 30,000 Shares in our Company, credited as fully paid to JAG United at the direction of each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee respectively.

Following these transfers on 15 June 2017, JAG Holding (BVI) became a wholly-owned subsidiary of our Company. Such share transfers have been properly and legally settled and completed on 15 June 2017.

5. *Pre-IPO Investment*

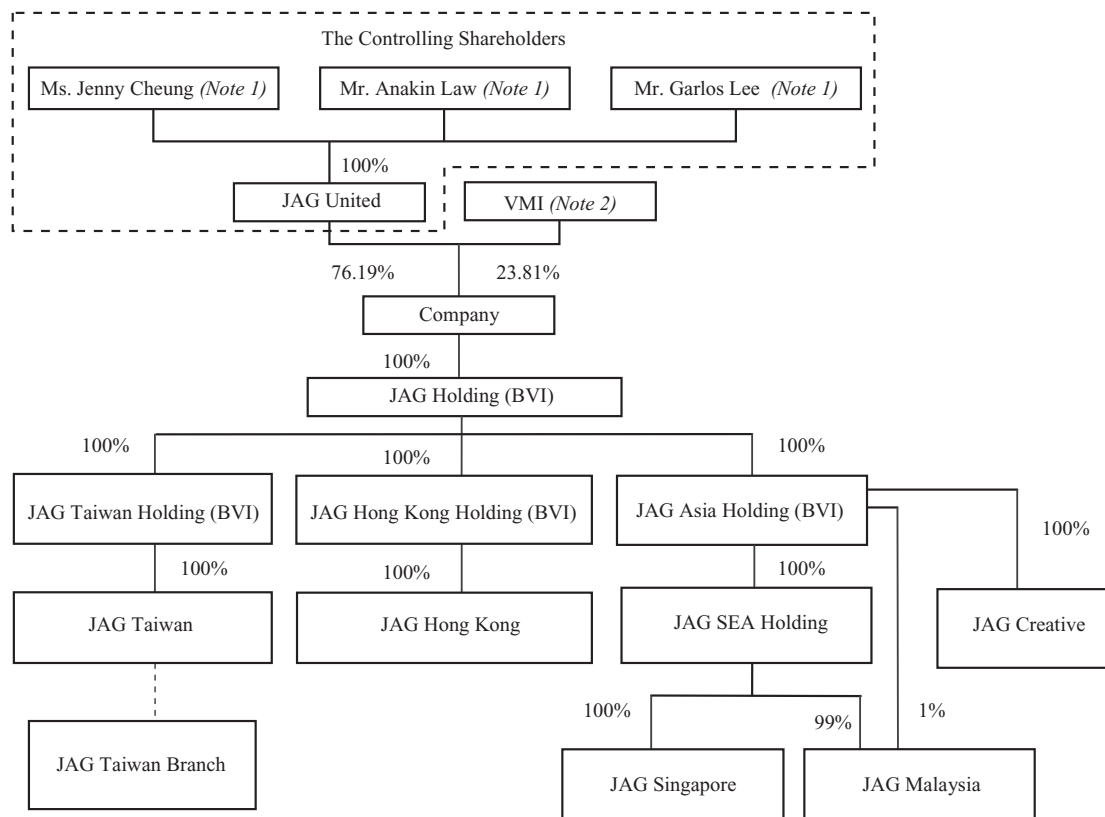
On 19 July 2017, VMI entered into the Pre-IPO Investment Agreement with JAG United, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and our Company pursuant to which our Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15 million convertible into such number of Shares as representing 23.81% of the issued share capital of our Company as enlarged by the issue of the conversion Shares before the completion of the Listing on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement. On 27 July 2017, completion of the Pre-IPO Investment took place and the principal amount of the Convertible Bond was irrevocably settled on the same day.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

6. Conversion of the Convertible Bond

Pursuant to the Pre-IPO Investment Agreement, the entire Convertible Bond was converted into 31,250 Shares on 28 February 2018, therefore, our Company was owned as to 76.19% by JAG United and as to 23.81% by VMI.

The following chart sets out our shareholding and corporate structure as at the Latest Practicable Date, immediately before the Share Offer and the Capitalisation Issue:



Note 1: Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee each holds 16,000 shares (representing one-third of the issued share capital) in JAG United.

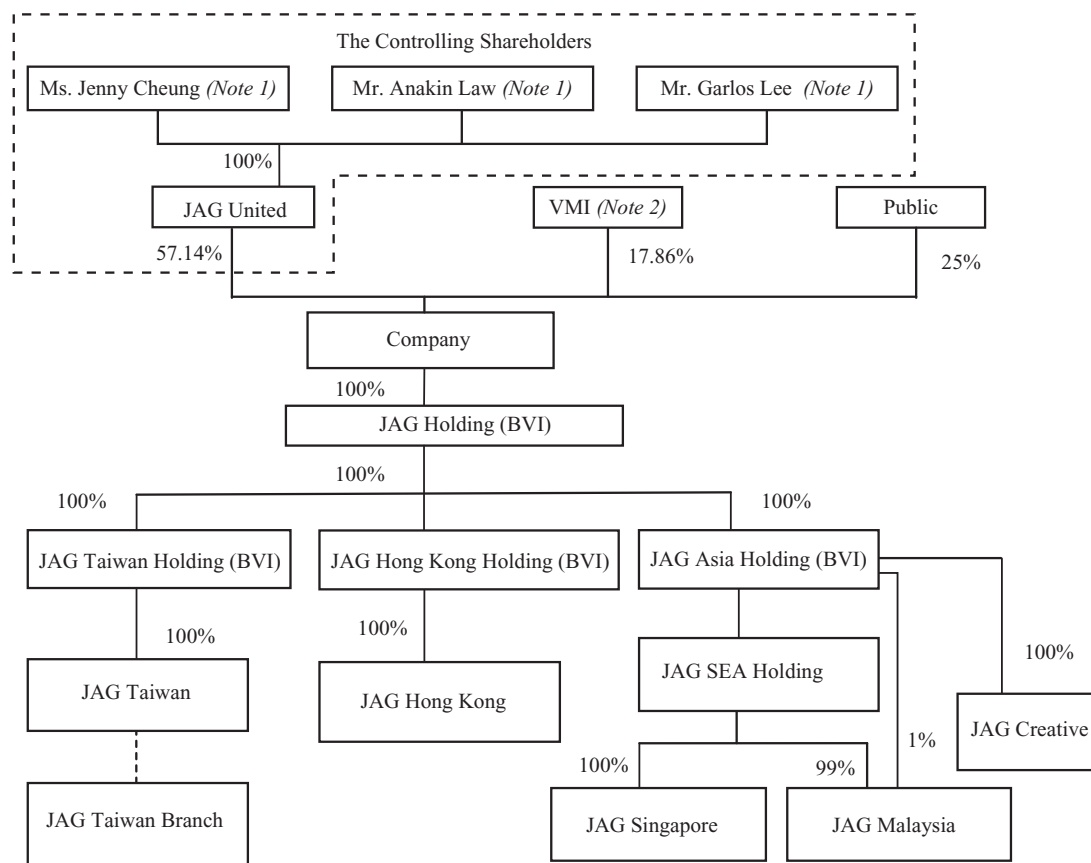
Note 2: For further details of VMI's background, please refer to paragraph headed "Our History, Reorganisation and Corporate Structure -- Pre-IPO Investment" in this prospectus.

7. Increase in authorised share capital of our Company

On 7 March 2018, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following chart sets out our shareholding and corporate structure immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued under the Offer Size Adjustment Option and upon the exercise of the options that may be granted under the Share Option Scheme):



Note 1: Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee each holds 16,000 shares (representing one-third of the issued share capital) in JAG United.

Note 2: For further details of VMI’s background, please refer to paragraph headed “Our History, Reorganisation and Corporate Structure – Pre-IPO Investment” in this prospectus.

PRE-IPO INVESTMENT

On 19 July 2017, VMI entered into the Pre-IPO Investment Agreement with JAG United, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and our Company, pursuant to which our Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15.0 million convertible into such number of Shares as representing 23.81% of the issued share capital of our Company as enlarged by the issue of the conversion Shares before the completion of the Listing on a fully diluted basis.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Parties involved

Our Company (as issuer)
VMI (as investor)
JAG United (as guarantor)
Ms. Jenny Cheung (as Controlling Shareholder)
Mr. Anakin Law (as Controlling Shareholder)
Mr. Garlos Lee (as Controlling Shareholder)

Background of the investor

VMI is a segregated portfolio company incorporated in the Cayman Islands with limited liability on 2 December 2016. VMI Capital Group Limited is the investment manager of VMI and all management shares in issue of VMI are owned by VMI Capital Group Limited. The principal business activity of VMI is investment holding.

Mr. Lin Hung Yuan beneficially owns 100% of VMI Capital Group Limited which holds 100% of the voting rights of VMI. Mr. Lin Hung Yuan was appointed as a non-executive Director of our Company, for further details of his background, roles and responsibilities, please refer to the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management – Non-executive Director” in this prospectus. Mr. Lin Hung Yuan was introduced to the Group by the Sole Sponsor as Mr. Lin Hung Yuan is an acquaintance of the Sole Sponsor, which they knew each other at a business occasion. Mr. Lin Hung Yuan decided to invest in the Group through the Pre-IPO Investment because he was attracted by the online advertising industry and the Group’s potential growth and prospects. Mr. Lin Hung Yuan confirms that the funding to his investment in VMI came from his personal savings.

Key terms of the Pre-IPO Investment

Summaries of key terms of the Pre-IPO Investment are set out below:

Date of the agreement

19 July 2017

Date of issue of the Convertible Bond

20 July 2017

Principal amount of the Convertible Bond

HK\$15.0 million

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Interest

Interest of the Convertible Bond shall be:

- (a) at 18% per annum in the event of:
 - (i) any failure of our Company to comply with certain condition of the Convertible Bond or any material breach of the certain representations, warranties or undertakings under the Pre-IPO Investment Agreement; or
 - (ii) if our Company withdraws or allows the lapse of the listing application for the Listing, or the Stock Exchange returns the Listing application and our Company fails to take all necessary actions within 2 months;
- (b) at 8% per annum in the event that the Listing is rejected by the Stock Exchange or if the Listing does not take place on or before 31 December 2018; or
- (c) interest free in the event of any conversion of the Convertible Bond.

Interest payment date

Interest shall accrue from the first day of the period during which it accrues to the date of redemption

Maturity date

31 December 2018

Conversion period

The period commencing from the issue date up to 31 December 2018

Automatic conversion

In the event that our Company has passed, not received rejection, not received a decision to delay the Listing or any adverse result from the Listing hearing with the Stock Exchange, then the Convertible Bond shall be converted into Shares within 7 days from such event

Shareholding in our Company upon conversion of the Convertible Bond

31,250 Shares (representing 23.81% of all the issued shares in our Company immediately before the Share Offer and the Capitalisation Issue, and 17.86% of all the issued shares in our Company immediately after the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be issued upon any exercise of the Offer Size Adjustment Option))

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Consideration and payment date

HK\$15.0 million, which was received and irrevocably settled on 27 July 2017

Lock-up undertaking

VMI irrevocably and unconditionally undertook to our Company that it shall not sell or transfer or otherwise dispose of, or create any encumbrances on, its legal or beneficial interests or any other right, title, benefit or interests of whatsoever nature in respect of any part of the conversion Shares (if converted) or Convertible Bond, enter into any agreement or commitment to give or create any of the foregoing during the First Six-Month Period.

Events of default period

VMI is only entitled to exercise its right under events of default in the following period:

- (a) in the case where no application for the Listing is submitted to the Stock Exchange, any time after the issue date of the Convertible Bond; or
- (b) in the case where an application for the Listing is submitted to the Stock Exchange, any time after (i) the Listing application has been lapsed or returned and our Company did not re-file its Listing application within 2 months; or (ii) the Listing application is withdrawn or rejected or the Listing does not take place by 31 December 2018.

Events of default conditions

The occurrence of:

- (a) a default in the performance or observance by our Company of any of the obligations of our Company or any breach by our Company of any warranty or undertaking under the Convertible Bond instrument or the Pre-IPO Investment Agreement;
- (b) it shall become unlawful for our Company to perform all or any of its obligations under the Convertible Bond instrument or the Pre-IPO Investment Agreement, or the Convertible Bond shall for any reason cease to be in full force or effect or shall be declared to be void or illegal or be repudiated;
- (c) any Group company become:
 - (i) bound to repay prematurely any other obligation for borrowed money by reason of a default; or

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (ii) fail to make any payment in respect thereof on a due date for such payment, become bound to make payment under any guarantee given by it by reason of a default by the principal debtor or any present or future security on or over any asset of our Company becomes enforceable;
- (d) any Group company becomes insolvent, is unable to, or shall admit inability to pay its debts as they fall due; stops payment to creditors generally or ceases or threatens to cease to carry on the business of the Group Company or any substantial part thereof; disposes or threatens to dispose of all or a substantial part of their assets; proposes or takes any action for readjustment, rescheduling, deferral or a moratorium of all or part of their debts; proposes or enters into any composition, arrangements with or any assignment for the benefit of their creditors generally;
- (e) a petition is presented or a proceeding is commenced by any person for the winding-up, liquidation, dissolution or bankruptcy of any Group company;
- (f) any decree or order is made by any competent court adjudging any Group company insolvent or bankrupt or any order is made or a proceeding is commenced for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of our Company in respect of all or a substantial part of their assets;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or threatened against any Group company;
- (h) if any holder of any encumbrance takes possession of a material part of the property, assets or undertaking of any Group company; or any of the foregoing occurs in respect of a material part of the property, assets or undertaking of any Group company;
- (i) any event occurs which has an analogous effect to any of the events of default;
- (j) any failure by our Company to deliver any Shares as required to be delivered following conversion of the Convertible Bond;
- (k) the Convertible Bond cease to be in full force and effect or become unenforceable; or
- (l) any variation is made to the Memorandum or the bye-laws of our Company.

Basis of determination of the consideration

The consideration was determined based on arm's length negotiation after taking into consideration of the management accounts of the subsidiaries of the Group for the year ended 31 March 2017 and future prospects of our Group.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Investment cost per Share

HK\$0.42 per Share taking into account the effect of the Capitalisation Issue and the Share Offer but before the exercise of the Offer Size Adjustment Option

Discount to the Offer Price

63.5% (based on the mid-point of the indicative Offer Price range of HK\$1.15)

Put option period

The Pre-IPO Investor is only entitled to exercise its right under events of default in the following period:

- (a) in the case where no application for the Listing is submitted to the Stock Exchange, any time after the issue date of the Convertible Bond; or
- (b) in the case where an application for the Listing is submitted to the Stock Exchange, any time after the date when (i) the Listing application has been lapsed or returned and our Company did not re-file its Listing application within 2 months; or (ii) the Listing application is withdrawn or rejected or the Listing does not take place by 31 December 2018

Put Option conditions

The occurrence of:

- (a) for the reason(s) attributable to the Group and/or the Directors, if our Company withdraws or allows the lapse of the listing application for the Listing, or the Stock Exchange returns the listing application for the Listing and our Company fails to take all necessary actions within 2 months to achieve the Listing, the VMI shall have the right to require (i) our Company to repurchase all the conversion Shares (if converted) held by the VMI; and/or (ii) JAG United to purchase all the conversion Shares (if converted) or Convertible Bond held by the VMI, at the Put Option Exercise Price equivalent to HK\$15.0 million plus interest equivalent to 18% annual internal rate of return thereon.
- (b) the Listing is rejected by the Stock Exchange or has not completed by 31 December 2018, the VMI shall have the right to require (i) our Company to repurchase all the conversion Shares (if converted) held by the VMI; and/or (ii) the JAG United to purchase all the Conversion Shares (if converted) or Convertible Bond held by the VMI, at the Put Option Exercise Price equivalent to HK\$15.0 million plus a sum equivalent to 8% annual internal rate of return thereon.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Special rights

Management of our Company

VMI shall be entitled to nominate one Director as non-executive Director.

Unless it is notified by the Director nominated by the VMI to any other Directors that he will not attend, the quorum for any Board meeting shall comprise two Directors, one of whom shall be the Director nominated by VMI. Such special rights will automatically terminate upon the Listing.

Mr. Lin Hung Yuan, the non-executive Director nominated by VMI, will continue to hold such office and be subject to retirement under the Articles.

Access to information

Prior to the Listing or the maturity date of the Convertible Bond (whichever is the earlier), our Company shall give and shall procure that the VMI and any persons authorised by it will be given all such information relating to each Group company and such access to the premises and all books, title deeds, records, accounts and other documentation of each Group companies as the VMI may request.

Protection of bondholder

So long as the Convertible Bond is outstanding, unless (i) with prior written approval of VMI; or (ii) the transaction is conducted as contemplated in the Pre-IPO Investment Agreement and/or Convertible Bond instrument or (iii) the transaction is conducted in the ordinary course of business of the Group, our Group shall, including but not limited to, (a) not make any redemption of shares, share premium account or capital redemption reserve; (b) not amend its memorandum or articles of association; (c) not permit the registration of any person as a Shareholder other than as permitted by the Pre-IPO Investment Agreement; (d) not create or, where appropriate, issue any additional fixed or floating charge, debenture, lien or other mortgage, encumbrance or security over the whole or any part of its undertaking, business, property or assets (tangible or intangible); (e) not incur any additional indebtedness in excess of HK\$1,000,000 in the aggregate outstanding, save for indebtedness incurred (1) during the Group's ordinary course of business; and (2) for the Listing; (f) not give any guarantee, indemnity or security to secure the liabilities or obligations of any person; (g) not declare or make any dividend or other distribution in cash or in specie and whether out of revenue profits, capital profits or capital reserves; and/or (h) not enter into or carry on liquidation, administration, winding-up, bankruptcy or dissolution of the Company or any Group company.

All of the abovementioned special rights will be terminated upon conversion of the Convertible Bond into conversion Shares and upon Listing.

OUR HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Benefits to our Company

Our Directors believe that the investment made by VMI, as shareholder of our Company, will bring strategic benefits to our Group by (i) providing additional capital to pay for the Listing expenses and finance our working capital needs; and (ii) offering corporate governance related advice to our Group through Mr. Lin Hung Yuan, who had extensive experience and knowledge in investments and the capital market in Hong Kong, for further details of Mr. Lin Hung Yuan's role and responsibilities in our Group, please refer to the paragraph headed "Directors, Senior Management and Employees – Directors and senior management – Non-executive director" in this prospectus.

Share charge

A share charge in respect of all issued shares in JAG United was executed by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee in favour of VMI on 20 July 2017, as a continuing security for all of the obligations and liabilities under the Pre-IPO Investment Agreement and all the fees in enforcing the share charge, prior to all the secured obligations being fully discharged or upon Listing, whichever is earlier. In case of an occurrence of an event of default during the events of default period (as described in the paragraph headed "Our History, Reorganisation and Corporate Structure – Pre-IPO Investment – Key terms of the Pre-IPO Investment" in this prospectus) under the Pre-IPO Investment Agreement and the failure to discharge the secured obligations (being, among other things, the due and punctual payment of the principal amount and interest of the Convertible Bond), VMI may register all issued shares in JAG United in the name of VMI or its nominees. Such share charges executed by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee shall be released when all the secured obligations under the Pre-IPO Investment have been fully discharged or upon Listing, whichever is earlier.

Share-based payments

To the best knowledge and belief of our Directors, the Pre-IPO Investor and its respective ultimate beneficial owners was Independent Third Parties and there was no share-based payments made under the Pre-IPO Investment.

Public float

All Shares held by VMI will not be considered as part of the public float under Rule 11.23 of the GEM Listing Rules.

Undertakings from the Pre-IPO Investor

On 15 March 2018, the Pre-IPO Investor has undertaken to and covenanted with each of our Company, the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) that it will not, at any time within the First Six-Month Period, (i) offer, pledge, charge, sell, lend, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any options, rights or warrants to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor entering into any agreement to transfer or dispose of or otherwise create any

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options, rights, interests, or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, repurchase any of the share or debt capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or securities or any interest therein); or (ii) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of share capital or such other securities of our Company, in cash or otherwise (whether or not such transaction will be completed in the aforesaid period).

Use of proceeds from the Pre-IPO Investment

The total proceeds from the Pre-IPO Investment were paid to our Group and such proceeds are used to pay for the Listing expenses and general working capital of our Group. As at the Latest Practicable Date, approximately HK\$11.2 million of the total proceeds from the Pre-IPO Investment were used to pay for the Listing expenses and general working capital of our Group, representing approximately 74.7% of the total proceeds from the Pre-IPO Investment of HK\$15.0 million.

The Sole Sponsor's confirmation

The Sole Sponsor is of the view that the Pre-IPO Investment is in compliance with the Interim Guidance on Pre-IPO Investments HKEx-GL-29-12 issued by the Stock Exchange on 13 October 2010 (as amended and updated on January 2012 and March 2017) and the requirements set out in the Guidance Letters HKEx-GL43-12 issued by the Stock Exchange on 25 October 2012 (as amended and updated in July 2013 and March 2017) and HKEx-GL44-12 issued by the Stock Exchange in October 2012 (as amended and updated in March 2017), to the extent applicable.

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OVERVIEW

Founded in Hong Kong in 2010, we are a digital media company and our principal business activity is to provide online advertising services to our clients through our Platforms which had over 555,000 Members across Hong Kong, Taiwan, Malaysia and Singapore as at Latest Practicable Date. For further details regarding our different types of online advertising services, please refer to the paragraph headed “Business – Our services” in this prospectus.

Our clients who seek our online advertising services include Brand Owners and advertising agencies. We believe that our clients can reach their target audience, being our Members, by delivering their online advertising contents to or holding advertising campaigns for our Members in the form of Missions through our self-developed Platforms (namely, our websites and mobile applications). On the other hand, our Members can earn JAG Points by completing the required Missions.

According to the CIC Report, instead of a general exposure to the public through traditional advertising media, online advertising media provides advertisers with a marketing tool to target and interact with specific audience groups so as to deliver marketing information in a more effective and customised manner. It is expected that advertising budget previously allocated in traditional advertising channels such as television and printed media is to be gradually shifted into online advertising media. With our custom filter capability, our Platforms allow our clients to match the advertising campaigns with their target audience, being our Members, based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences.

We believe that by rewarding our Members with JAG Points, we are able to increase our Members’ level of participation in our clients’ advertising campaigns, and simultaneously, our clients can promote their brands, products or services through our Members’ participation in Missions. Our online advertising services comprise (i) social viral service; (ii) engager service; (iii) mass blogging service; and (iv) other services. For the years ended 31 March 2016 and 2017, our revenue was approximately HK\$21.8 million and HK\$26.3 million, respectively, and our gross profit for the year was approximately HK\$13.7 million and HK\$19.2 million, respectively, representing an increase in our overall gross profit margin from 62.9% for the year ended 31 March 2016 to 72.7% for the year ended 31 March 2017. For the eight months ended 30 November 2016 and 2017, our revenue was approximately HK\$16.9 million and HK\$19.3 million, respectively and our gross profit for the same period was approximately HK\$10.6 million and HK\$13.1 million, respectively, representing an increase in our overall gross profit margin from 63.1% for the eight months ended 30 November 2016 to 67.5% for the eight months ended 30 November 2017. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, approximately 58.6%, 49.7%, 48.4% and 55.1% of our revenue were derived from our business operations in Hong Kong and approximately 41.4%, 50.3%, 51.6% and 42.8% of our revenue were derived from our business operation in Taiwan, respectively. In 2017, we have expanded our business operations to Malaysia and Singapore.

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The table below sets forth the breakdown of our Group's revenue and gross profit by different types of online advertising services during the Track Record Period:

Types of online advertising services	Number of projects	Year ended 31 March										
		2016					2017					
		Revenue		Average revenue per project	Gross profit	Gross profit margin	Revenue		Average revenue per project	Gross profit	Gross profit margin	
		HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	%	HK\$'000	HK\$'000	%	
Social viral service	461	13,195	60.6	29	8,014	60.7	472	17,087	64.9	36	11,224	65.7
Engager service	263	6,145	28.2	23	4,016	65.4	267	6,468	24.5	24	4,290	66.3
Mass blogging service	86	2,079	9.6	24	1,352	65.0	77	2,388	9.1	31	1,710	71.6
Other services	17	349	1.6	21	319	91.4	22	399	1.5	18	382	95.7
Total	827	21,768	100	26	13,701	62.9	838	26,342	100	31	17,606¹	66.8¹

Types of online advertising services	Number of projects	Eight months ended 30 November										
		2016					2017					
		Revenue		Average revenue per project	Gross profit	Gross profit margin	Revenue		Average revenue per project	Gross profit	Gross profit margin	
		HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	%	HK\$'000	HK\$'000	%	
Social viral service	347	11,293	67.0	33	7,007	62.0	337	11,664	60.3	35	7,599	65.1
Engager service	168	3,836	22.8	23	2,400	62.6	208	5,832	30.2	28	3,793	65.0
Mass blogging service	60	1,641	9.7	27	1,143	69.7	59	1,430	7.4	24	952	66.6
Other services	15	83	0.5	6	80	96.4	29	410	2.1	14	398	97.1
Total	590	16,853	100	29	10,630	63.1	633	19,336	100	31	12,742¹	65.9¹

Note:

- This represents the gross profit before reversal of JAG Points provision or gross profit margin before reversal of JAG Points provision.

Value we add to our clients

We believe that through our Platforms, our online advertising services add value to our clients by the following ways:

- our clients can specify their target audience and we can match their relevant advertising campaigns or contents to our selected Members based on demographic details and behaviours such as consumption patterns of certain products and services or brand preferences;
- assist our clients to raise awareness of their brands, products or services through our Members' participation in their advertising campaigns;
- allow our clients to obtain feedback from our Members through their participation in Missions;

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- enable our clients to develop their word-of-mouth marketing through our Members publishing, on their social media platforms, their feedback and trial experience of the brands, products or services of our clients;
- enable our clients to closely monitor the Members' level of participation in their advertising campaigns throughout our engagement; and
- our Platforms can publish advertising content of different formats, optimising our clients' existing marketing materials.

Value we create for our Members

We believe that through the participation in different Missions available on our Platforms, we create value for our Members in the following ways:

- by participating in and completing the required Missions, our Members can accumulate JAG Points which can be used to redeem different Rewards;
- offering our Members a channel to share their own feedback and free trial experience for the products or services of our clients;
- our Members will have better awareness of the latest product or service promotions of our clients through their participation in Missions or through notifications on our Platforms; and
- during the Track Record Period, certain clients have provided our Members exclusive promotions through the participation in the clients' advertising campaigns and our Members can purchase products or services of such clients at a discount not being available to the public.

COMPETITIVE STRENGTHS

We believe our success is attributed to, among other things, the following competitive strengths:

Our self-developed Platforms enable our clients to achieve their performance targets and allow us to drive growth of our business

We designed and developed our Platforms, namely, our websites and mobile applications, and we believe that our Platforms have user-friendly interfaces. As at the Latest Practicable Date, our Platforms had accumulated over 555,000 Members in total.

We believe that our clients can reach their target audience, being our Members, by delivering their online advertising contents to or holding advertising campaigns for our Members in the form of Missions through our Platforms. According to the CIC Report, instead of a general exposure to the public through traditional advertising media, online advertising media provides advertisers with a marketing tool to target and interact with specific audience groups so as to deliver marketing information in a more effective and

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customised manner. It is expected that advertising budget previously allocated in traditional advertising channels such as television and printed media to be gradually shifted into online advertising media. We seek to gain market share from traditional advertising media by assisting our clients to achieve their performance targets through our Platforms.

Our Platforms allow our clients to match the advertising campaigns with their target audience, being our Members, based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences. Furthermore, we are able to provide custom filter to our clients to further increase the effectiveness of their advertising campaigns. Our custom filter is capable to further filter and select our Members as the clients' target audience by asking the Members any specific questions of choice. Our Platforms enable Brand Owners and advertising agencies to deliver their advertising campaigns to promote their brands, products or services to our Members, as well as extending the reach of their advertising campaigns beyond our Members through a word-of-mouth marketing strategy when our Members share the advertising content, their own feedback or free trial experience for the products or services of our clients on social media platforms. We believe that by rewarding our Members with JAG Points, our Members will be more willing to participate in our clients' advertising campaigns, and simultaneously, our clients can obtain feedback from our Members through their participation in Missions for the clients' advertising campaigns.

Our continuous pursuit of enhancing our Platforms allows us to keep improving our Members' user experience and respond to the constantly changing industry trends in order to cater for the marketing needs of our clients.

We host our Platforms through an international network service provider, an Independent Third Party, to ensure that our system is secured. For further details regarding our Platforms, please refer to the paragraph headed "Business – Our Platforms" in this prospectus.

Proven track record in providing online advertising services to wide variety of reputable clients

We focus on addressing the online marketing needs of our clients, including Brand Owners and advertising agencies, to engage with their target audience in a direct manner. With our self-developed Platforms and diversified network of Members, we can provide online advertising services to our clients in various industries and offer them to reach their specified target audience through our custom filter.

During the Track Record Period, we had served clients, either directly or through advertising agencies, engaging in various business sectors, including but not limited to, automotive, baby products, beauty products, entertainment, food and beverage, fashion, financial, household products, personal care, retail, information technology, airline and travel business sectors. We believe that having clients from a wide variety of industries reduces the risk of over concentration in any particular industry which may cause us to be more vulnerable to fluctuations in a particular industry.

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We have maintained good relationship with advertising agencies which have recommended us to their extensive client base, accounting for 87.9%, 83.5%, 89.8% and 73.2% of our total revenue for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively. Our recurring clients accounted for 88.0%, 80.7%, 90.2% and 71.7% of our total revenue for each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively. For further details regarding our clients, please refer to the paragraph headed “Business – Our clients” in this prospectus. We believe that our proven track record in serving reputable clients would help us to retain our existing clients and expand our client base. For examples of representative projects undertaken by us, please refer to the paragraph headed “Business – Our services” in this prospectus.

An established and diversified network of Members in Hong Kong and Taiwan with a growing number of Members in Malaysia and Singapore

Our business model thrives on our ability to offer our clients the access to a large and diverse network of Members and provide the online advertising services to our clients by specifying target audience through our custom filter to achieve their required performance targets. Our Members cover a large and diversified population in Hong Kong and Taiwan, as at the Latest Practicable Date, we have over 555,000 Members in total. For further details regarding our Members, please refer to the paragraph headed “Business – Our Members” in this prospectus.

We believe that our established and diversified network of Members allows our self-developed Platforms to:

- serve a wide variety of reputable clients covering different business sectors for their marketing needs;
- have our Members participate in Missions and widely deliver our clients’ advertising contents; and
- provide a variety of feedbacks on our clients’ brands, advertising content, products or services.

We believe that when our existing Members receive JAG Points rewarded from Missions and their redeemed Rewards from our Group, they may recommend our Platforms to their peers which will help us attract new Members to join our Platforms and result in continuous expansion of our network of Members. We believe that with a larger and more diversified network of Members, it would help us to retain our existing clients and expand our client base by achieving our clients’ performance targets in a larger scale and in a shorter period, thereby adding more value to our clients. At the same time, with more clients we can provide more Missions to our Members, they could be rewarded more JAG Points by participating in more Missions thereby creating more value for our Members.

We attribute our success to attract and retain Members for our Platforms to our abilities in (i) providing a variety of Rewards which are commonly recognised by the general public and suit our Members’ preferences; (ii) applying a simple and transparent reward mechanism

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of JAG Points; (iii) formulating a suitable amount of reward in terms of JAG Points for our Member's participations for Missions; and (iv) matching the relevant advertising campaigns or contents to our Members based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences.

Our experienced and professional management team

Our management team is led by our co-founders and executive Directors, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, each having more than 10 years' experience in the marketing and advertising industry; our other executive Director, Mr. Leung Wai Lun, manages and supports the continuous development of our Platforms and has more than eight years' experience in the information technology industry. For further details regarding our executive Directors, please refer to the paragraph headed "Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors" in this prospectus.

We believe that our experienced and professional management team has played a key role in our success and will continue to be our valuable assets. Our management team possesses the requisite leadership, vision and in-depth industry knowledge to anticipate and seize market opportunities, formulate sound business strategies and facilitate the effective implementation. We are therefore confident that our experienced and professional management team is well positioned to serve our clients with quality services, to effectively enhance our operations and contribute to the future growth of our Group.

BUSINESS OBJECTIVES AND STRATEGIES

The principal business strategies of our Group are to achieve sustainable growth and strengthen our competitiveness and market position as a digital media company in Hong Kong and Taiwan, and build our network and presence in Malaysia and Singapore. We intend to achieve these business objectives by implementing the following strategies:

Build brand, develop client base and network of Members

During the Track Record Period, we derived most of our revenue from business operations in Hong Kong and Taiwan. According to the CIC Report, it is expected that advertising budget previously allocated in traditional advertising channels such as television and printed media to be gradually shifted into online advertising media. The demand of online advertising services in Hong Kong and Taiwan will continue to grow in view of the continual increase in internet penetration and the number of mobile users would facilitate the public's accessibility to various online advertising media.

We had established JAG Malaysia in February 2017 and JAG Singapore in March 2017. According to the CIC Report, the economy and the internet penetration rate and the number of mobile users in Malaysia and Singapore will continue to grow. Therefore, we believe that there will be an increasing number of Malaysia and Singapore based clients to be more receptive to online advertising services. To cope with the aforesaid trend, we leverage on our experience in promoting ourselves to potential clients in Hong Kong and Taiwan, to develop our business in Malaysia and Singapore. We plan to (i) broaden our

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client base in Malaysia and Singapore by expanding our sales team there; (ii) provide free-trial advertising services for potential clients; (iii) proactively contact the advertising agencies and periodically hold marketing presentation to potential clients; and (iv) liaise with our clients in Hong Kong and Taiwan and seek for business referral in Malaysia and Singapore.

Before setting up JAG Malaysia and JAG Singapore in February 2017 and March 2017 respectively, we have conducted a feasibility study to preliminarily assess our expansion plan in Malaysia and Singapore, which includes the following:

Feasibility Study

- Acceptability of our business model – We conducted a market visit in December 2016 and met with representatives from advertising agencies and Brand Owners in Malaysia and Singapore.
- Market size and number of potential Members – We conducted an online research on the population of Malaysia and Singapore as well as the relevant information including the internet population, social media usage, income per capita and online advertisement spending from official government publications and other publicly available information.
- Types of possible Rewards – We considered different types of possible Rewards, in particular the coupons offered by major retail chains or shopping malls in Malaysia and Singapore.
- Major operating costs – We collected and reviewed information regarding the major operating costs of the business in Malaysia and Singapore, including but not limited to, the office rental costs, range of salary in online advertising market and mailing cost in Singapore and Malaysia. Due to the low travelling costs and proximity between Malaysia and Singapore, we have explored the feasibility of setting up an office and hiring staff in Malaysia to serve both the Malaysia and Singapore markets.
- Local competitions – We performed research on the pricing and service offerings of local market players in Malaysia and Singapore.

Based on the feasibility study above, to the best knowledge and belief of our Directors, it would be feasible for our Group to expand our operations in Malaysia and Singapore. Our Directors believe that based on our experience in working with many international advertising agencies which serve clients in various territories, by expanding our presence in different markets, we will be more capable of participating in advertising campaigns that target multiple territories. It could also enhance our brand image to forge stronger business relationships with the international advertising agencies and Brand Owners. In addition, our experience learnt from the expansion to the Taiwan market would help us implement our expansion plan into the Singapore and Malaysia market.

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Expansion Plan

We have expanded our operations in Malaysia and Singapore and will continue to fund our expansion plan in Malaysia and Singapore with our internal resources and the proceeds from the Listing. During the Track Record Period and up to the Latest Practicable Date, we have expanded our operations in Malaysia and Singapore by:

- setting up JAG Malaysia and JAG Singapore in February 2017 and March 2017 respectively and operating an office in Malaysia since March 2017;
- establishing and maintaining the Platforms in Malaysia and Singapore;
- designating one of our executive Directors, Mr. Garlos Lee, to be responsible for our business operations in the Southeast Asia region since 15 February 2017; and
- recruiting two sales team members and two Member service and administration team members for the office in Malaysia.

For the year ended 31 March 2017 and the eight months ended 30 November 2017, approximately HK\$4,000 and HK\$0.4 million of our revenue were generated from our business in Malaysia, respectively. For the eight months ended 30 November 2017, approximately HK\$22,000 of our revenue were generated from our business in Singapore. Up to the Latest Practicable Date, we have approximately 75,000 and 8,600 Members in Malaysia and Singapore, respectively.

In pursuance to our expansion plan and to further develop our operations in Malaysia and Singapore, we plan to:

- recruit three more sales team members in Malaysia to serve both the Malaysia and Singapore markets by 31 March 2019. We will review our business strategies from time to time to formulate development plans to enhance our operation efficiency and profitability, and decide whether to establish a local office and hire staff in Singapore after 30 September 2020, or to continue to have office and staff in Malaysia to service both the Malaysia and Singapore markets;
- promote our brand in Malaysia and Singapore to attract more Members, by adopting marketing strategies such as engaging spokesperson who is influential in Malaysia and Singapore, placement of display advertisements on websites, social media platforms and search engines. We target to reach 170,000 Members in Malaysia and 85,000 Members in Singapore by 30 September 2020;
- expand our client base by sponsoring one event and holding one seminar for clients and potential clients every year in each of Malaysia and Singapore; and
- enhance our relationship with Members by organising regular quarterly events and festive events for selected Active Members in Malaysia and Singapore.

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The table below sets out the breakdown of the actual/estimated costs of our expansion plan in Malaysia and Singapore:

Plan	Actual/estimated costs (approximate HK\$'000)						Source of fund
	Up to the Latest Practicable Date	From the Listing Date to 30 September 2018	For the six months ending				
			31 March 2019	30 September 2019	31 March 2020	30 September 2020	
● Operating the office in Malaysia ⁽¹⁾	400	363	551	551	551	551	Internal resources
● Establishing and maintaining the Platforms	45	114	125	125	125	125	Internal resources
– in Malaysia	27	68	75	75	75	75	
– in Singapore	18	46	50	50	50	50	
● Recruiting and retaining three more sales team member in Malaysia	–	106	147	147	147	147	Net proceeds from Listing and internal resources
● Promoting our brand	106	312	181	349	181	349	Net proceeds from Listing and internal resources
– in Malaysia	102	187	109	209	109	209	
– in Singapore	4	125	72	140	72	140	
● Expanding our client base	13	314	300	295	450	445	Net proceeds from Listing and internal resources
– in Malaysia	11	138	150	130	300	280	
– in Singapore	2	176	150	165	150	165	
● Enhancing our relationship with Members	–	150	150	150	232	200	Net proceeds from Listing and internal resources
– in Malaysia	–	75	75	75	108	90	
– in Singapore	–	75	75	75	124	110	

Note:

- (1) The actual/estimated costs for operating office in Malaysia includes, but not limited to, rental expenses, staff salaries, renovation and additional rental costs and other office expenses, but excluding the estimated costs for recruiting and retaining three more sales team members in Malaysia.

For further details on our future plans and use of proceeds, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

Enhance brand image

Our Group intends to hire spokesperson(s) with a positive and healthy image who is/ are influential in the territories where we operate to promote our brand in order to attract potential new Members and encourage a higher level of participation of Missions by our Members. Apart from assisting our Group’s routine promotional activities, we may require the spokesperson to attend our sales and marketing activities and Members’ gathering events to interact with them, which would be complementary to our Group’s strategies for both client development and membership development.

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Build brand awareness

We consider that our Members are important to our business operations as they participate in the Missions, which in turn help achieve our clients' performance targets and objectives in their respective advertising campaigns. We plan to increase our marketing expenditures for promotional activities in Hong Kong, Taiwan, Malaysia and Singapore such as placement of display advertisements on websites, social media platforms and search engines to promote our brand name and our Platforms to attract more Members.

Client development

Our Group believes that diversifying and widening our client base is essential for our revenue growth. Our Group has already established an advertising agency client base in Hong Kong and Taiwan. Our Group would expand this advertising agency client base by conducting sales and marketing activities, including sponsoring events such as advertising awards ceremonies and conducting seminars for reaching out potential advertising agency clients and Brand Owners. Our Group intends to sponsor one event each year in each of the territories where we operate. Through these sales and marketing activities, we intend to increase market awareness of our brand and latest online advertising services offered by our Group. We intend to follow up on event attendees for potential sales leads.

Enhance membership development

We intend to hold gatherings for our selected Active Members quarterly in each of the territories where we operate, to reward them and encourage them to continue their level of participation at Missions, such events would include festive gatherings and performance events. The budgets of the events depend on the targeted Members and the nature of the events.

Upgrade information technology systems

Enhance functionality of the Integrated Information Management System

We aim to enhance the functionality of the Integrated Information Management System, including but not limited to, analysing the popularity of our clients' advertising campaigns posted on our Platforms, so as to offer our clients insights to create and deliver customised content that is more appealing to their target audience, and have a better understanding of the prevailing market trends and behaviour of our Members, including consumption patterns of certain products and services or brand preferences. In addition, we intend to improve the data analysis of our Members in our Integrated Information Management System. As our Directors believe that the ability to match our clients' advertising campaigns with their target audience is essential to our business, we plan to further supplement our Integrated Information Management System with functionality in order to generate further in-depth segmentation information of our Members to better understand the consumer behaviour of our Members. We aim to improve our data analysis capabilities and to enhance our abilities to collect and generate in-depth segmentation information by the following measures:

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- (i) to reward our Members with JAG Points to encourage them to provide further information, including but not limited to, their consumer behaviours such as consumption patterns of certain products or services and brand preferences. The amount of JAG Points to be rewarded for providing such information will depend on how many questions we would require in order to divide our Members into different segments which could become useful data for the Group;
- (ii) to enhance functionality of our Integrated Information Management System to collect and analyse the data available in the public domain regarding our Members, including (i) their Missions participation history, (ii) their performance on Missions, and (iii) their public information on social media, generating periodic or on demand reports leading to better segmentations and management decisions.

With such in-depth segmentation information collected, we can analyse, draw correlations and better match the relevant advertising campaigns or contents to our Members, enabling us to (i) provide better user-experience and more relevant Rewards for our Members; and (ii) provide more marketing insights to our clients to facilitate their formulation of advertising campaigns.

We will seek external resources to design and develop such analytical function to our Platforms as our Directors believe that engaging external programmers could provide flexibility to our Group and our in-house information technology team as the development of such functionality would require special expertise in information technology and software engineering.

Our Group has obtained certain quotations from external programmers to design and develop such analytical functions for our Platforms and shall select programmers based on factors including but not limited to, their proposed completion schedule, their past experience on similar projects, their manpower, price quotation and their reputation in the industry.

In addition, our Directors expect additional server and system maintenance costs would be incurred for the data storage and data analysis pursuant to the enhanced functionality of the Integrated Information Management System.

We believe that, by improving the capability of our Platforms (including the Integrated Information Management System), it would help us to retain our existing clients and expand our client base. We will continue to develop our Platforms according to the constantly changing industry trends in order to meet the marketing needs of our clients.

Revamp user interface of mobile applications and websites

In order to cope with the need of our clients and increase the attractiveness of our Platforms to our Members, we intend to enhance the appearance and user-interfaces of our Platforms.

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We intend to improve the user interface of our Platforms by enhancing overall appearance of the interfaces, customising the mobile applications and websites with wordings to suit our Members' localised language preferences in order to attract new Members from different regions. Our Group has obtained certain quotations from designers to revamp the user interface of our Platforms and shall select the suitable designers based on factors including, but not limited to, their design portfolios, price quotation and reputation in the industry.

Upgrade information technology equipment

We intend to upgrade the information technology equipment of our existing and new employees. Such information technology equipment would include laptop computers, software which is relevant to the function of the respective employees and enhanced data backup and recovery system, etc. Our Group has reviewed the existing information technology equipment in the market and shall purchase the relevant information technology equipment based on factors including but not limited to, the price and functionality.

Strengthen talent pool and workforce and improve work environment

We believe that our success depends upon our ability to hire experienced and well-trained employees. To ensure our sustainable development and capture more business opportunities, we will continue to expand our management and talents with the required competence and experience in the online advertising industry by way of competitive remuneration packages. We also intend to recruit additional personnel to improve our service support and to better respond to the demand and queries of our Clients and Members.

Expand workforce

As most of our business strategies require additional personnel to carry out such plans, we anticipate the number of our employees will increase over the next two years. As such, we intend to improve our working environment by renovating and leasing additional office space at our headquarters in Hong Kong and Taiwan. We offer internal training programs for our employees to learn and keep updated about the online advertising services technological changes and to enhance the service quality.

According to the CIC Report, it is expected that the online advertising industry will continue expanding in the years ahead, and forecasted that total expenditures for the online advertising industry in Hong Kong will reach approximately HK\$9.0 billion by 2021, with a CAGR of approximately 13.9% between 2016 and 2021; and the online advertising industry is expected to grow at a CAGR of approximately 10.4% to reach US\$1,647.8 million due to the increasing marketing budgets for online advertising services from advertisers and mobile internet users in Taiwan. In addition, it is expected that Malaysia and Singapore online advertising industry will grow significantly between 2016 and 2021. In light of the growth prospects of the online advertising industry, we consider that it is important to strengthen our business by increasing the number of employees. We plan to recruit 14 employees, with eight of them in Hong Kong, three of them in Taiwan and three of them in Malaysia by October 2019 to improve our services so as to capture the potential business opportunities, as well as to support the expansion of our Hong Kong, Taiwan and Malaysia offices.

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We plan to hire one human resources manager and establish a human resources team to manage our Group's employees' affairs and to support our future expansion of workforce. The two information technology team members will be responsible for overseeing our plans for upgrading our information technology systems, including managing projects to enhance functionality of the Integrated Information Management System as in-house information technology team is required to test and connect the systems. They will also be responsible for maintaining our Platforms. Our Directors believe that in-house information technology team could (i) enhance our ability in monitoring the operations of our Platforms; (ii) provide quicker responses to our inquiries; and (iii) reduce our reliance on external information technology service providers as we can have better control to manage our in-house staff. In addition, we plan to hire a finance manager to assist our financial operations in order to comply with the requirements under the GEM Listing Rules.

In the year ended 31 March 2017, we have completed 838 projects in total with 7 sales team members. On average, each sales team member completes approximately 120 projects in a year. We plan to hire four, three and three sales team members in Hong Kong, Taiwan and Malaysia, respectively, to ease the workload of the existing sales team members and to continue broadening our client base and strengthening the relationships with our clients in particular, for business development with our existing and potential Brand Owner clients.

Staff development

We intend to hold a five days training course with approximately 30 hours in total organised by a training company, which offers digital marketing related diploma courses approved by a digital marketing related council with an examination in Hong Kong, for our sales team members every financial year. Such course shall cover strategy and planning of digital marketing and implementation of different types of online advertising campaigns, including social media marketing. We intend to apply the sum of HK\$250,000 for such staff development course for all of our sales team members, including our general managers, in Hong Kong, Taiwan and Malaysia each year. Such sum would include course fees, examination fees, hotel and travel fees for our Taiwan and Malaysia staff to attend such course in Hong Kong. We believe that such course shall provide all of our sales team members with the updated information on digital media marketing, related advertising strategies and for our team building.

Renovation and expand offices

In order to cater for our business expansion, we have moved our headquarters in Hong Kong to a new office with a larger gross floor area of approximately 1,518 sq. ft. in October 2017, which provides us with (i) a meeting room for meeting clients and organising in-house employee trainings; (ii) a videoconference and teleconference room; and (iii) more space for our increased workforce. As we intend to expand our workforce in Taiwan and Malaysia, we expect to lease bigger offices to accommodate such expansion.

In August 2017, our Company entered into a lease in relation to the new office for the Hong Kong headquarters. As at 30 November 2017, our Company has incurred approximately HK\$63,000 for the renovation of such new office for the Hong Kong headquarters, which was financed by our Group's internal resources.

BUSINESS

Selectively pursue acquisitions

Although we will continue to focus on the organic growth of our business, should appropriate opportunities arise for the strategic growth through acquisition of other players in the online advertising industry that have existing presence in the regions where we operate, we would consider consolidating their business with us. In identifying suitable acquisition targets, we will take into account factors including but not limited to:

- (a) having a member base with over 50,000 members, particularly for member base consisting of young people or young parents, to further enhance our network of Members;
- (b) possession of any proprietary technology;
- (c) whether the target company's business is complementary to our Group;
- (d) years of experience, qualifications and competencies of their personnel;
- (e) reputation of the target company;
- (f) the advertisement production capabilities of the target company; and
- (g) size, revenue, cash flow and earnings generation capabilities, particularly companies with revenue over HK\$3 million and positive earnings in the recent financial years.

We intend to focus on targets with acquisition price of not more than HK\$10 million and within the regions where we operate. According to the CIC Report, the online advertising industry in Hong Kong, Taiwan and Malaysia are relatively fragmented and therefore offer many opportunities to expand our business through acquisitions. Our Directors consider that through appropriate acquisitions, we will be in a better position to compete with our competitors in the market share. As at the Latest Practicable Date, we have internally conducted certain market research on general business overview and growth in which those target companies operate and background and financial performance of companies which are similar to our target companies. However, as at the Latest Practicable Date, we had not identified any suitable acquisition targets.

Once suitable acquisition target(s) are identified, we will conduct due diligence and background search on such acquisition target(s), with relevant professional parties and advisers, including the following:

- (a) background – assessment of their years of experience, track record in the industry, the location of their business and the profiles of their management team;
- (b) financial performance – consider their financial conditions including operational cost as well as their financial position;

BUSINESS

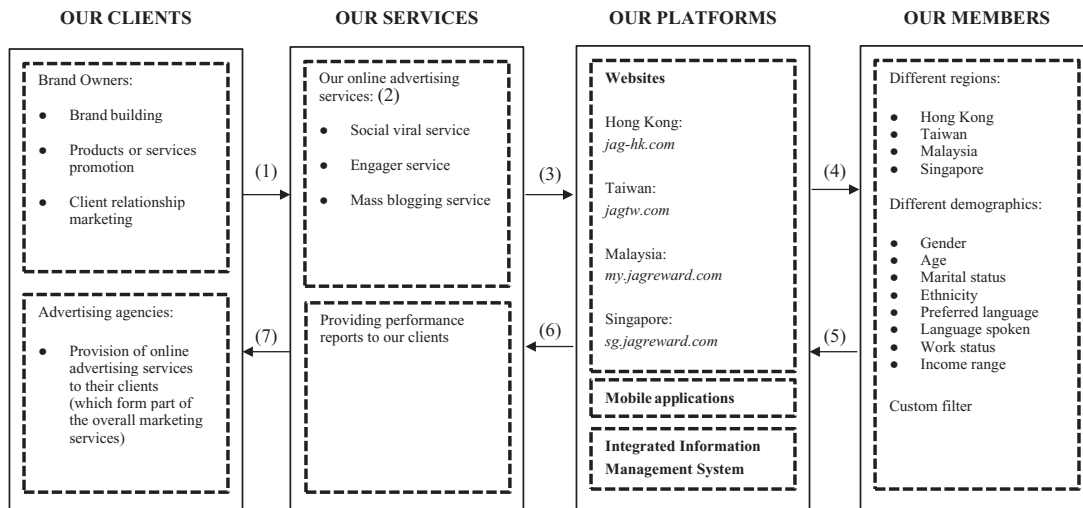
- (c) business activities – analyse their scope of services, business model, business focus, customer base, future plan and potential for growth; and
- (d) compliance – consider any litigations, claims and non-compliance issues.

OUR BUSINESS

The principal business activity of the Group is to provide online advertising services which comprise (i) social viral service; (ii) engager service; (iii) mass blogging service; and (iv) other services. According to the CIC Report, instead of a general exposure to the public through traditional advertising media, online advertising media provides advertisers with a marketing tool to target and interact with specific target audience so as to deliver marketing information in a more effective and customised manner. Furthermore, our Platforms allow our clients to match the advertising campaigns or contents to our relevant Members based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences, who are their target audience. We believe that by rewarding our Members with JAG Points, we are able to increase our Members’ level of participation in our clients’ advertising campaigns, and simultaneously, our clients can promote their brands, products or services through our Members’ participation in Missions.

For further details regarding our different types of online advertising services, please refer to the paragraph headed “Business – Our services” in this prospectus.

The following chart sets forth our business model:



Notes:

1. Our clients (Brand Owners and advertising agencies) request online advertising services and provide us with their marketing objectives and advertising contents.
2. Our services also include other services. For further details, please refer to the paragraph headed “Business – Our services” in this prospectus.

BUSINESS

3. We publish the advertising contents on our Platforms and input our clients' preference of target audience into our Integrated Information Management System.
4. Our Platforms match the advertising contents to our Members in the form of different Missions based on their demographics and/or behaviours such as consumption patterns of certain products and services or brand preferences, who are their target audience by using our custom filter.
5. Our Members participate in different tasks on our Platforms and earn JAG Points which can be used to redeem different Rewards.
6. We monitor the level of our Members' participations of our clients' advertising campaigns on a real-time basis and generate performance report throughout and after completion of our engagements.
7. We provide performance reports to our clients after completion of our engagements.

OUR PLATFORMS

Each of our Platforms is an integration of a front-end user interface with a back-end system. The front-end user interfaces consist of our websites, namely, *jag-hk.com*, *jagtw.com*, *my.jagreward.com* and *sg.jagreward.com*; and our mobile applications. Our Integrated Information Management System which is linked to our network of Members and other domains used for tracking the performance of the online advertisement is the back-end system. We use the same Integrated Information Management System as our back-end infrastructure to support both our mobile applications and our websites. The Integrated Information Management System is responsible for (i) management and publication of the advertising contents; (ii) management of our Members accounts and participation records; (iii) tracking the performance of the online advertisement; and (iv) providing the system for JAG Points to be used for redeeming different Rewards.

We host our Platforms through an international network service provider, an Independent Third Party, to ensure that our system is secured. Under the current agreement between our Group and the international network service provider, they shall implement reasonable and appropriate measures to secure our data against accidental or unlawful loss, access or disclosure.

BUSINESS

The material terms of the international network service provider agreement are set out below:

Service fees:	Monthly bills and charges based on usage
Location of storage of data:	Our Group may specify the regions for the storage of data
Data privacy:	The international network service provider will not access or use our data except as necessary to maintain or provide their service, or as necessary to comply with the law or a binding order of relevant governmental bodies
Termination:	Our Group may terminate the agreement by providing notice to the international network service provider and closing the account. The international network service provider may terminate the agreement by providing our Group with at least 30 days' advance notice.

We operate our Hong Kong, Taiwan, Malaysia and Singapore Platforms separately under different websites with localised languages on different servers. In addition, the daily backup of data for different Platforms are in other separate servers. We believe that this can avoid over reliance on any single platform in case of any technology infrastructure disruptions due to unexpected system failure, network interruption or security breach caused by hacking. By operating different websites for different regions, we are able to provide our clients with online advertising services and reach their target audience in different regions, assisting them to achieve their marketing objectives in different regions at the same time.

Our websites

Set out below are the layout of the different websites of our Platforms:



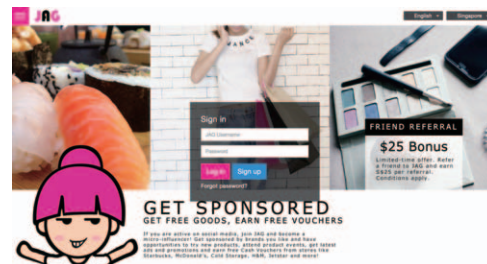
Hong Kong



Taiwan



Malaysia



Singapore

We believe that our Platforms feature user-friendly interfaces which allow our Members to conveniently receive our clients' online advertising contents or participate in different Missions of our clients, access membership accounts and participation records and redeem JAG Points for different coupons and rewards.

Our mobile applications

To ride on the rapid growth of the mobile internet usage and offer our Members cross-device experience and convenience, we also developed our mobile applications for the commonly used mobile operating systems to complement our websites. We believe that the continuous development of our mobile applications is critical to maintain our Members' growth and participations in the long run.

Our mobile applications are free for download, and support push notifications to notify our Members of new advertising campaigns and promotions of our clients.

Set out below are the layouts of our mobile applications available to our Members:



Our Integrated Information Management System

Our Platforms allow our clients to match their advertising campaigns to our relevant Members based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences, who are our clients' target audience. With our self-developed Platforms and diversified network of Members, we can provide online advertising services to our clients in various industries and business sectors and offer them access to their target audience by using our custom filter capability to achieve completion of the required performance targets.

Features of our Integrated Information Management System

Custom filter capability

Our custom filter capability can further increase the effectiveness of our clients' advertising campaigns, as it allows our clients to filter and narrow their target audience by asking our selected Members specific questions of choice set by our clients to match the advertising contents of the clients with their target audience. According to the CIC Report, such custom filter capability is not commonly available to the market. For the online advertising industry, the online advertising service providers generally provide target audience options based on their basic demographic details, such demographic details are likely to be fixed, and the online advertising service providers may not know any further information regarding their target audience. Whereas by asking specific questions with our custom filter capability, we could find out our Members' behaviours such as consumption

BUSINESS

patterns of certain products and services or brand preferences so as to enable a more effective implementation of our clients' advertising campaigns and achieve their respective performance targets.

Advertisement publishing system

According to the CIC Report, online advertising service providers often have specific requirements for media content published for their clients, such as (i) the size and viewing ratio of the video or image; (ii) the quality of the video or image; and (iii) the duration of the video. Unlike such online advertising service providers, we can readily adapt to different types of media content to be published on our Platforms. Furthermore, our Platforms can foster a variety of interactions with our Members, such as participating in online mini-games, applying for credit cards and attending marketing events. As a result, we can provide advertising campaigns of different natures to our clients.

Membership verification system

We have the following procedures to verify our Members:–

- *Registration of new Members* – when a new Member joins our Platforms, we would require him to provide his name, phone number and email address. We would also ask him to link his social media account to our Platforms. Our Integrated Information Management System will conduct the verification by three steps, verifying the email address, phone number and the social media account of such new Member.
- *Continuous monitoring of existing Members* – our Integrated Information Management System detects abnormal activities in the following ways: (i) we continuously monitor our Members' location in the form of internet protocol address, if there are multiple Members accessing our Platforms at the same location, we would suspend their account and request them to verify their identities; and (ii) if multiple Members redeem Rewards from our Platforms and request us to post such redeemed Rewards to the same address, we would request them to verify their identities to prevent duplications.

JAG Points rewarding and redemption system

Our Platforms feature user friendly interfaces which allow our Members to conveniently access their information from the Integrated Information Management System concerning their membership accounts and participation records, including their existing amount of JAG Points and historical JAG Points records. Furthermore through the user interfaces of our Platforms, our Members can redeem Rewards with their JAG Points accumulated from their participation in Missions. When a Member has elected to redeem Rewards, their request will appear in the Integrated Information Management System, and our Member service representatives will take further actions to complete the redemption and provide the Member with the relevant Rewards as soon as practicable.

BUSINESS

Participation quality control system

To maximise our clients' benefits from their advertising campaigns with our online advertising services, we have an image matching system in place for our engager service and mass blogging service. Missions involving submission of images would prevent re-submission of the same image by multiple Members. If our image matching system and other procedures have detected re-submission or reckless participations of Members for Missions, we will not reward such Member with JAG Points for such participation.

Data protection measures

We have adopted security policies and measures, including encryption technology, data backup and recovery system to protect our proprietary data and Members' personal information. The data uploaded to and generated on our Platforms and files stored in our servers are backed up periodically, transmitted and stored in a separate data storage device and an off-site data centre. During the Track Record Period, there had been no unexpected system or network failure which caused material interruption to our operations.

OUR SERVICES

We are a digital media company and our principal business activity is to provide online advertising services which comprise (i) social viral service; (ii) engager service; (iii) mass blogging service; and (iv) other services. Our Platforms allow our clients to match the advertising campaigns or contents to our relevant Members based on their demographic details and behaviours such as consumption patterns of certain products and services or brand preferences, who are their target audience. With our self-developed Platforms and diversified network of Members, we can provide online advertising services to our clients in various industries and business sectors and offer them access to their target audience by using our custom filter capability to achieve completion of the required performance targets.

(i) Social viral service

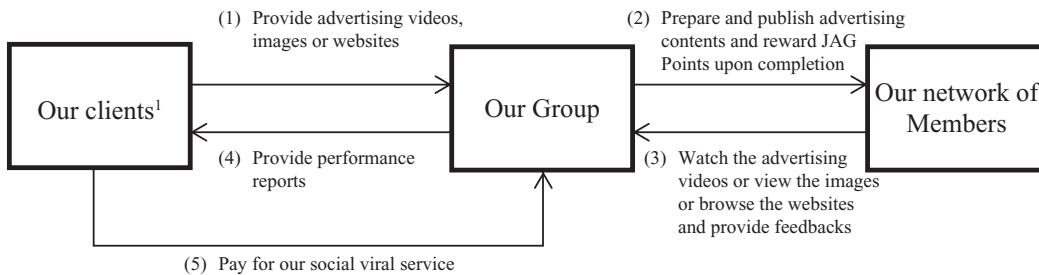
Our social viral service allows our clients to show their advertising contents, in the form of videos, images and websites, directly to our Members on our Platforms within their criteria of target audience. Our Members can participate in Missions by viewing the marketing material on our Platforms and providing feedbacks, usually by way of answering questions on the advertising contents on our Platforms to earn JAG Points. Our Members can also share the advertising contents on their own social media platforms, which provide our clients with a broader marketing exposure as well as for us to attract new Members. Our clients pay for our social viral service based on the target number of Members to complete the Missions. In case we cannot meet such target, our clients will pay with reference to the actual number of Members who have successfully completed the Missions. We can limit the number of Members who can participate in a Mission by setting the maximum number of participants for a Mission through our Integrated Information Management System. When the maximum number of participants for a Mission is reached, no more Members can participate in such Mission. For the purpose of ensuring that we can fulfil the target number of Members to complete a Mission required by our clients, we may, based on the complexity of the Mission, set the maximum number of participants for a Mission higher than such target numbers to allow for the possibility of failure to complete the Mission by the participants. We do not generate additional income from the Member participation of a Mission on top of the target number required by our clients. Our Directors confirm that the impact on cost in terms of the additional JAG Points distributed where the number of Members completed the Mission are more than the target number required by our clients is not material.

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Our Members who participate in such advertising campaigns are required to complete the following tasks in order to earn JAG Points:

1. Watch the advertisement videos or view the images or browse the websites of our clients; and
2. Provide feedbacks by answering questions, if required by our clients, regarding the advertisement videos, images or websites.

The following diagram illustrates the nature of our social viral service:



Note:

1. Our clients include advertising agencies which seek our online advertising services for and on behalf of their clients as well as Brand Owners which seek our online advertising services directly without any advertising agencies.

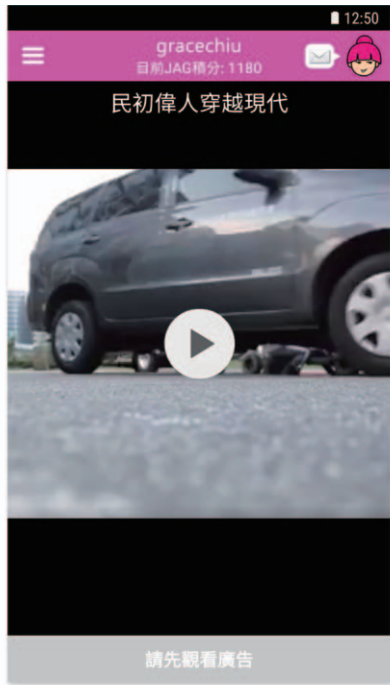
Number of projects involving and service fees generated by our social viral service

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, 79, 83 and 87 of our clients have engaged us for our social viral service for 461, 472 and 337 advertising campaign projects to deliver their advertisement videos, images or websites, respectively.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our service fee charged per project for our social viral service ranged from approximately (i) HK\$3,000 to HK\$180,000; (ii) HK\$2,200 to HK\$276,700; and (iii) HK\$900 to HK\$449,200, respectively.

Example case for illustration – Social Viral Service

We set out below the layouts for an example case for illustration of our social viral service.



Client

An international advertising agency representing an international financial services company that provides payment solution in Taiwan. Such advertising agency was Client E, one of our five largest clients for each of the years during the Track Record Period.

Duration of the advertising campaign

7 days in June 2016

Objective and Mission

- To build awareness of a debit card for the ultimate client
- To promote the usage of such debit card with security measures against fraudulent usage

BUSINESS

Results of our social viral service

- Achieved performance targets with 2,174 Members having viewed the marketing material during this campaign and shared the marketing material which further contributed 48,210 views, representing a viral factor (average number of views of each post made by our Members) of 22.2
- Awarded a total of 163,050 JAG Points to such 2,174 Members who have viewed the marketing material during this campaign in Taiwan

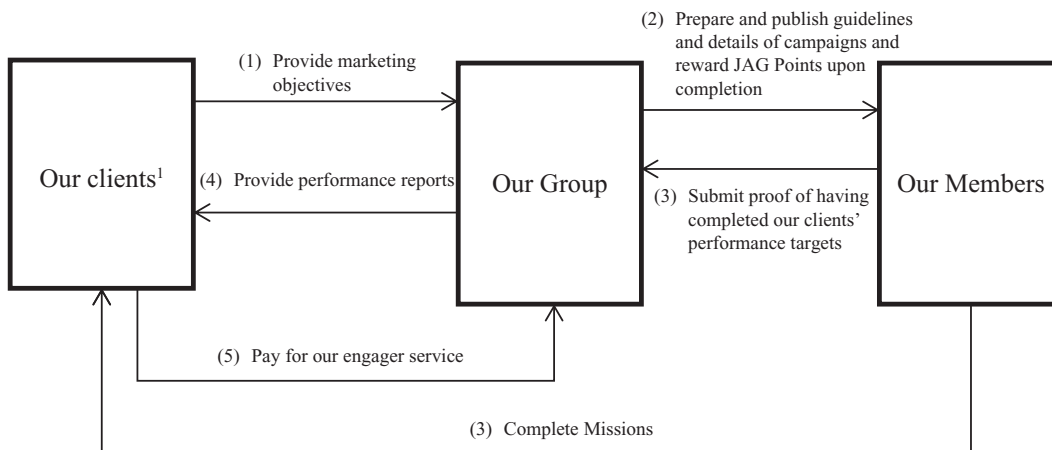
(ii) Engager service

Our engager service helps our clients achieve their marketing objectives by inviting our Members, who are their target audience, to involve and engage in their advertising campaigns. Our clients' advertising campaigns could include Missions of submitting an image or video to promote our clients' brands, products or services, participating in online mini-games, applying for credit cards and attending marketing events, etc. The performance targets are usually set out solely for reference purpose depending on the requirements of the advertising campaigns, and our clients pay for our engager service based on the number of Members who have successfully completed the Missions.

Our Members who participate in such advertising campaigns are required to complete the following tasks in order to earn JAG Points:

1. Achieve the Missions set by our clients; and
2. Provide proof of having completed the Missions set by our clients.

The following diagram illustrates the nature of our engager service:–



Note:

1. Our clients include advertising agencies which seek our online advertising services for and on behalf of their clients as well as Brand Owners which seek our online advertising services directly without any advertising agencies.

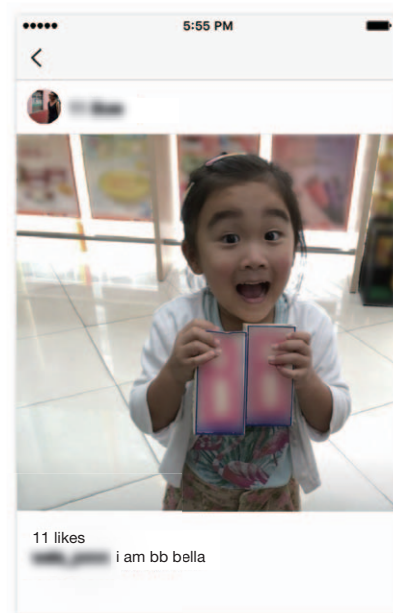
Number of projects involving and service fees generated by our engager service

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, 68, 77 and 75 of our clients have engaged us for our engager service for 263, 267 and 208 advertising campaign projects to deliver their advertising campaigns, respectively.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our service fee charged per project for our engager service ranged from (i) approximately HK\$1,100 to HK\$161,600; (ii) HK\$700 to HK\$144,000; and (iii) HK\$1,200 to HK\$270,900, respectively.

Example case for illustration – Engager Service

We set out below an example case for illustration of our engager service.



Client

An advertising agency representing an international beverage company being the ultimate client of this advertising campaign. Such advertising agency was not our five largest clients for each of the years during the Track Record Period.

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Duration of the advertising campaign

26 days from July to August 2015

Objective and Mission

- To promote a beverage brand of the ultimate client
- The client's advertising campaign required our Members to engage in the promotion by submitting a photo using the alphabets shown on their product packagings and creating meaningful words or expression to participate in a competition organised by the ultimate client

Results of our engager service

- With over 750 Members submitted their photos complying the requirements of our client within the duration of this campaign
- This Mission encourages our Members to demonstrate creativity through the content required by our ultimate client and to actively participate in the Mission
- Awarded a total of 170,550 JAG Points to the Members who have submitted their photos which complied with the requirements of our client within the duration of this campaign in Hong Kong

(iii) Mass blogging service

For mass blogging service, our Members can try out and review the products or services of our clients and share their own feedback and trial experience with their friends on social media platforms. We believe that our mass blogging service offers our clients a way to develop word-of-mouth marketing, as the recommendations of peers may have influence on consumer interest and purchase intention. This could provide a channel for our Members to provide feedback to our clients and allow our clients to raise the awareness and interest of the public for their products or services in our Members' own words. Through the content in the form of videos or images published by our Members on their own social network, our clients can also enjoy greater exposure of their brands and products or services. Our clients pay for our mass blogging service based on the target number of Members to complete the Missions. In case we cannot meet such target, our clients will pay with reference to the actual number of Members who have successfully completed the Missions. We can limit the number of Members who can participate in a Mission by setting the maximum number of participants for a Mission through our Integrated Information Management System. When the maximum number of participants for a Mission is reached, no more Members can participate in such Mission. For the purpose of ensuring that we can fulfil the target number of Members to complete a Mission required by our clients, we may, based on the complexity of the Mission, set the maximum number of participants for a Mission higher than such target numbers to allow for the possibility of failure to complete the Mission by the participants. We do not generate additional income from the Member participation of a Mission on top of the target number required by our clients. Our Directors confirm that the impact on cost in terms of the additional JAG Points distributed where the number of Members completed the Mission are more than the target number required by our clients is not material.

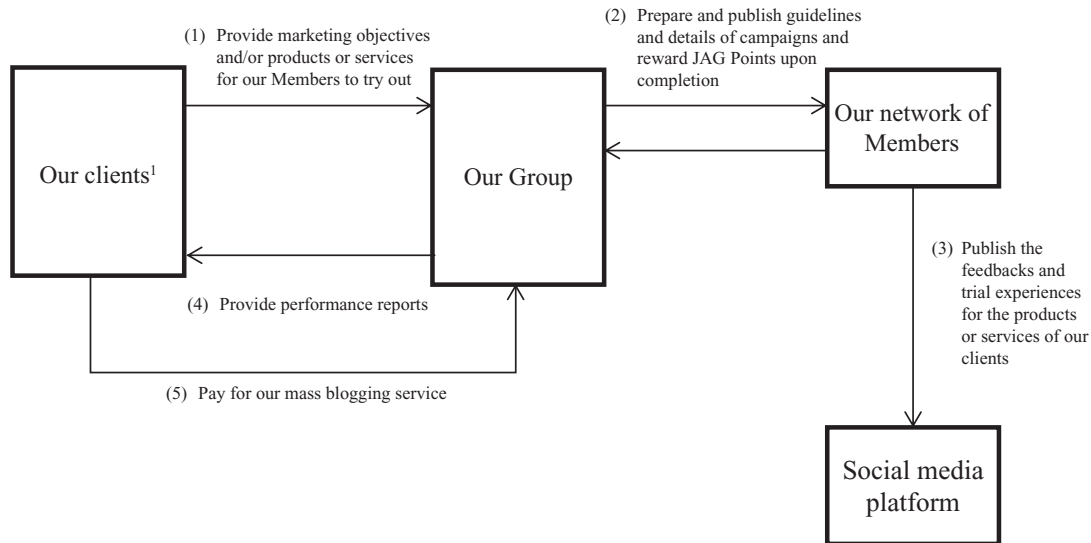
Our Members who participate in such advertising campaigns are typically required to complete the following tasks in order to earn JAG Points:

1. Try the products or services of our clients;

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2. Provide feedback or trial experience regarding the products or services in our Members' own words from a user perspective;
3. Publish such feedback or trial experience on social media platforms; and
4. Provide proof of having published such feedback or trial experience.

The following diagram illustrates the nature of our mass blogging service:–



Note:

1. Our clients include advertising agencies which seek our online advertising services for and on behalf of their clients as well as Brand Owners which seek our online advertising services directly without any advertising agencies.

Number of projects involving and service fees generated by our mass blogging service

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, 32, 24 and 26 of our clients have engaged us for our mass blogging service for 86, 77 and 59 advertising campaign projects to deliver their advertising campaign, respectively.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our service fee charged per project for our mass blogging service ranged from approximately (i) HK\$5,900 to HK\$150,600; (ii) HK\$6,000 to HK\$155,700; and (iii) HK\$3,300 to HK\$82,300, respectively.

Example case for illustration – Mass Blogging Service

We set out below an example case for illustration of our mass blogging service.



Client

An international advertising agency representing an international cosmetics, skin care, fragrance, and personal care company in Hong Kong being the ultimate client of this advertising campaign. Such advertising agency was not our five largest clients for each of the years during the Track Record Period.

Duration of the advertising campaign

32 days from April to May 2016

Objective and Mission

- To promote a lip colour product for the ultimate client to support their new product launch in Hong Kong
- To utilise our custom filter capability to filter our Members that use make-up and lip colour products for not less than 3 times a week and therefore identify the selected members matching the target audience of our ultimate client
- To seek 100 selected Members to post a trial experience of the lip colour product
- Each of our Members who agreed to participate in such Mission had received a free trial product from the ultimate client

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Results of our mass blogging service

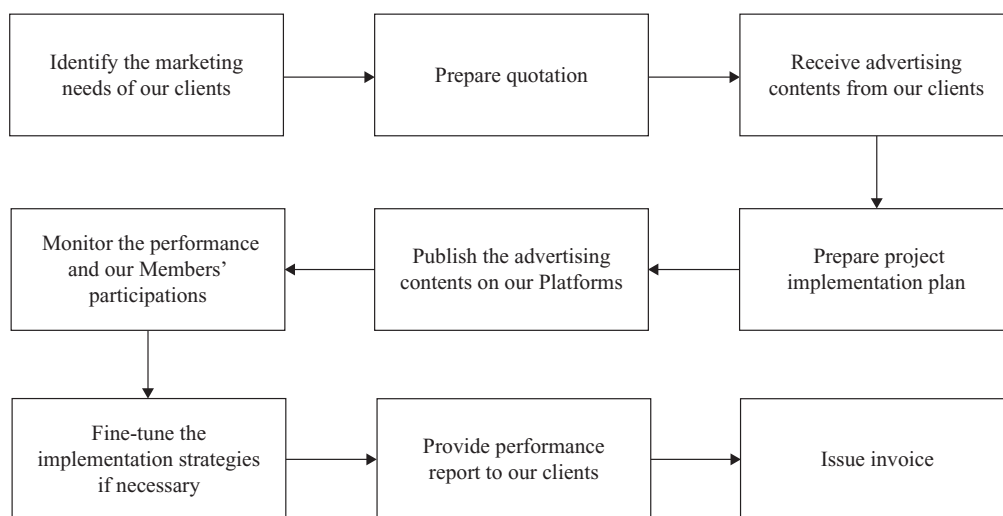
- With 100 selected Members submitted and shared their feedback and trial experiences on their social media platform
- With 2,057 likes and 454 comments received on the trial experiences of our Members on their social media platform during this campaign
- With a maximum possible reach of 57,960 total number of friends or followers connected to the social media platform accounts of such 100 Members
- Awarded a total of 17,000 JAG Points to such 100 selected Members in Hong Kong

(iv) Other services

Our other services are miscellaneous services which support our clients for their advertising campaigns and do not involve interactions with our Members and distribution of JAG Points. Such services include services that are complementary to our social viral service and engager service such as web hosting and development of websites for publishing the advertising content of our clients and other services such as website design, market research and advertisement placing on other social media platforms, etc.

OUR OPERATION PROCESSES

The following chart sets forth the general workflow of operation process for our online advertising services in general:



Identify the marketing needs of our clients

When we receive a request for our online advertising services, we will communicate with our potential client to understand its advertising budget, target audience, marketing needs, intended advertising period and any specific request.

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Our sales team member will explain to the potential client the scope of our online advertising services.

Prepare quotation

After initial discussion concerning the target audience and campaign period with our potential client, our sales team member will, based on the information and marketing needs of our potential client, prepare a quotation of our online advertising services in around 3 business days. Our advertising campaign periods may vary, depending on various factors, including (i) the required performance targets (the number of Members participating in the client's Mission); (ii) the time and effort required for our Members to complete the Mission; (iii) the number of our Members who are within the target audience range of our client; and (iv) the type of online advertising services. Our executive Directors will review the quotation as to our readiness to accept the order and the accuracy of the business terms before signing off.

Receive advertising contents from our clients

All the original advertising contents are provided by our clients. Our clients will send us the advertising contents, in the form of videos, images or websites, etc. During the Track Record Period, we were not engaged in advertisement production.

Prepare project implementation plan

Once our client confirms our engagement, executes the quotation and provides their advertising contents, our sales team member will tailor make an online advertising implementation plan in around 3 business days, setting out the plan for implementing our online advertising services. Such plan would typically include the proposed guideline and layout of the advertising campaign on our Platforms.

The online advertising proposal is then submitted to an executive Director for his/her approval before sending to the client for their feedback and is subject to refinement upon further communications with the client.

Monitor the performance and our Members' participations and fine-tune the implementation strategies if necessary

We closely monitor the performance and the progress of our Members' participation in the advertising campaigns of our clients throughout the campaign period because our Directors consider that the participation of our Members are integral to our quality services. We generally monitor and analyse the performance of our online advertising services through the use of our Integrated Information Management System with our other domains as well as third party tracking tools used by our Group and/or required by our clients. For our engager service and mass blogging service, further checking on other social media platforms or confirmation from our clients may be required for tracking results. Based on our analysis of the data collected during the monitoring process, our sales team discusses

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engagement status of our clients. Implementation strategies for our online advertising services may be fine-tuned throughout the campaign period with reference to the feedback of our clients.

Submit performance report and issue invoice to our clients

Upon completion of our engagement, we will issue a performance report to our clients, detailing our services provided and the resulting performance targets, including the number of participations by our Members for the advertising campaign period. Generally, we issue our invoice around seven days after the issue of the performance report if no dispute is received within seven days and we require payment within 60 days to 130 days from the date of the invoice.

OUR CLIENTS

Our clients who seek our online advertising services include advertising agencies on behalf of their clients and Brand Owners. Majority of regional brand companies would deal with us through their designated advertising agencies, as they have engaged such advertising agencies to manage their overall advertising strategies; while Brand Owners are companies or organisations which place advertisements or deploy marketing strategies to promote its own brands, products or services directly with us. Some advertising agencies would recommend our services to their clients. We believe that our business relationships with advertising agencies are conducive to broadening our client base and increasing our competitive strength in the industry.

According to the CIC Report, it is a common practice in the advertising industry that clients would choose to place advertising orders through advertising agencies, on the basis that the advertising agencies are independent from the advertising service providers and would therefore provide non-biased recommendations and advice to clients in the selection of advertising service providers. It is particularly common for international clients which hold budgets based in one region to have one or more designated advertising agencies overseeing all kinds of advertising media and all phases of creating, planning and handling the advertising campaigns.

The table below sets forth the breakdown of our Group's revenue by different types of clients during the Track Record Period:

Types of clients	Year ended 31 March										Eight months ended 30 November									
	2016					2017					2016			2017						
	Number of clients	Revenue HK\$'000	% of our total revenue	Gross Profit HK\$'000	Gross profit margin %	Number of clients	Revenue HK\$'000	% of our total revenue	Gross Profit HK\$'000	Gross profit margin %	Number of clients	Revenue HK\$'000	% of our total revenue	Gross Profit HK\$'000	Gross profit margin %					
Advertising agencies	74	19,129	87.9	11,938	62.4	76	21,985	83.5	14,377	65.4	67	15,135	89.8	9,578	63.3	77	14,147	73.2	8,969	63.4
Brand Owners	46	2,639	12.1	1,763	66.8	46	4,357	16.5	3,229	74.1	34	1,718	10.2	1,052	61.2	51	5,189	26.8	3,773	72.7
Total	120	21,768	100	13,701	62.9	122	26,342	100	17,606 ²	66.8 ²	101	16,853	100	10,630 ²	63.1	128	19,336	100	12,742 ²	65.9 ²

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Notes:

- For the purpose of this prospectus, we considered that advertising agency client who has signed master agreements, for itself and on behalf of other advertising agencies, with our Group companies together with these other advertising agencies is treated as one client. For further details regarding the master agreements, please refer to the paragraph headed “Business – Our clients – Relationship among certain advertising agencies” in this prospectus.
- This represents the gross profit before reversal of JAG Points provision or gross profit margin before reversal of JAG Points provision.

We intend to explore and reach more Brand Owners for the provision of online advertising services because (i) the gross profit margins generated from Brand Owner clients are generally higher than that generated from advertising agency clients, (ii) shorter turnaround time is required for communication with the Brand Owners directly than through advertising agencies, and (iii) our Group can establish closer relationship with Brand Owners.

During the Track Record Period, we had served local and international brands, either directly or through their advertising agencies, across various business sectors. The table below sets forth the distribution by business sectors of our ultimate clients (which we served directly or through advertising agencies) of local and international brands during the Track Record Period:

Business sectors	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	Number of ultimate clients	% of our total revenue	Number of ultimate clients	% of our total revenue	Number of ultimate clients	% of our total revenue	Number of ultimate clients	% of our total revenue
Airline and travel	11	3.9%	15	2.4%	13	3.1%	3	0.8%
Automotive	7	1.3%	6	2.3%	5	2.9%	6	2.1%
Baby products	14	2.0%	10	4.6%	8	2.6%	17	9.2%
Beauty products	75	18.4%	64	13.4%	58	16.9%	34	8.6%
Entertainment	15	5.0%	26	6.7%	16	6.0%	15	5.6%
Fashion	16	2.3%	9	1.0%	7	1.0%	8	1.7%
Financial	29	18.8%	34	16.4%	23	17.1%	31	13.5%
Food & beverage	68	14.3%	66	13.2%	49	16.9%	78	23.2%
Household products	7	1.5%	14	6.4%	8	3.9%	7	3.2%
Information technology	20	8.8%	26	9.4%	21	10.7%	9	2.7%
Personal care	55	12.3%	57	13.8%	43	13.9%	52	15.1%
Retail chains	4	1.3%	4	2.7%	3	1.4%	10	2.2%
Others (Note 1)	46	10.1%	34	7.7%	20	3.6%	40	12.1%
Total	367	100%	365	100%	274	100%	310	100%

Note:

- Others include pharmaceutical, furniture, gaming, jewellery, public transport, real estate, software and utilities sectors.

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According to the CIC Report, ultimate clients in beauty products, financial sectors and consumer products (including personal care and household products) are among the largest contributors to the total advertising expenditure in both Hong Kong and Taiwan. We believe the distribution of our business with ultimate clients in the above business sectors are in line with the market trend of the online advertising industry.

The table below sets forth the breakdown of our Group's revenue by recurring clients¹ and new clients during the Track Record Period:

Types of clients	Year ended 31 March						Eight months ended 30 November					
	2016			2017			2016			2017		
	<i>Number of clients¹</i>	<i>Revenue in HK\$'000</i>	<i>% of our total revenue</i>	<i>Number of clients¹</i>	<i>Revenue in HK\$'000</i>	<i>% of our total revenue</i>	<i>Number of clients¹</i>	<i>Revenue in HK\$'000</i>	<i>% of our total revenue</i>	<i>Number of clients¹</i>	<i>Revenue in HK\$'000</i>	<i>% of our total revenue</i>
	(unaudited)											
Recurring clients ²	56	19,152	88.0	64	21,263	80.7	63	15,204	90.2	57	13,866	71.7
New clients ²	64	2,616	12.0	58	5,079	19.3	38	1,649	9.8	71	5,470	28.3
Total	120	21,768	100	122	26,342	100	101	16,853	100	128	19,336	100

Notes:

- For the purpose of this prospectus, we considered that advertising agency client who has signed master agreements, for itself and on behalf of other advertising agencies, with our Group companies together with these other advertising agencies are treated as one client. For further details regarding the master agreements, please refer to the paragraph headed "Business – Our clients – Relationship among certain advertising agencies" in this prospectus.
- Recurring client means a client which has contracted with our Group in the immediately preceding financial year. New client means a client which has not contracted with our Group in previous financial year.

We have established stable relationships with our clients. During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, we had 56, 64, 63 and 57 recurring clients respectively, representing approximately 88.0%, 80.7%, 90.2% and 71.7% of our total revenue.

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The table below sets forth the breakdown of our Group's revenue by our clients according to their geographic locations during the Track Record Period:

Geographic locations	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
Hong Kong	12,760	58.6	13,096	49.7	8,154	48.4	10,651	55.1
Taiwan	9,008	41.4	13,242	50.3	8,699	51.6	8,268	42.8
Other countries ¹	—	—	4	0.0	—	—	417	2.1
Total	<u>21,768</u>	<u>100</u>	<u>26,342</u>	<u>100</u>	<u>16,853</u>	<u>100</u>	<u>19,336</u>	<u>100</u>

Note:

- Other countries refer to Singapore and Malaysia.

During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, approximately 58.6%, 49.7%, 48.4% and 55.1% of our Group's revenue respectively is generated from our clients in Hong Kong and approximately 41.4%, 50.3%, 51.6% and 42.8% of our Group's revenue respectively is generated from our clients in Taiwan. We consider that the increase in our Group's revenue generated from our clients in Taiwan for the years ended 31 March 2016 and 2017 was due to the continuous expansion of our business operations in Taiwan since January 2013. Our revenue from other countries for the year ended 31 March 2017 and for the eight months ended 30 November 2017 was derived from our business operations in Malaysia.

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The following tables set forth certain information about our five largest clients based on the ranking in respect of the revenue contribution to our Group during the Track Record Period:

For the year ended 31 March 2016

Ranking	Client	Background	Approximate length of business relationship with our Group	Revenue <i>HK\$'000</i>	Approximate % of our total revenue	Credit period
1	Client A	A private company in Hong Kong and its principal business activity is providing advertising agency services	6 years	2,649	12.2	60 days
2	Client B	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	4 years	1,909	8.8	100-130 days
3	Client C ¹	A group of private companies in Taiwan entered into a master agreement with our Group and its principal business activity is providing advertising agency services	4 years	1,873	8.6	90-120 days
4	Client D	A Taiwan subsidiary of a company listed in Japan and its principal business activity is providing advertising agency services	4 years	1,431	6.6	90-120 days
5	Client E	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	3 years	1,225	5.6	100-130 days
				9,087	41.8	
				9,087	41.8	

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For the year ended 31 March 2017

Ranking	Client	Background	Approximate length of business relationship with our Group	Revenue <i>HK\$'000</i>	Approximate % of our total revenue	Credit period
1	Client B	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	4 years	3,231	12.3	100-130 days
2	Client C ¹	A group of private companies in Taiwan entered into a master agreement with our Group and its principal business activity is providing advertising agency services	4 years	2,152	8.2	90-120 days
3	Client A	A private company in Hong Kong and its principal business activity is providing advertising agency services	6 years	1,682	6.4	60 days
4	Client E	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	3 years	1,470	5.6	100-130 days
5	Client D	A Taiwan subsidiary of a company listed in Japan and its principal business activity is providing advertising agency services	4 years	1,333	5.1	90-120 days
				<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	
				<u>9,868</u>	<u>37.6</u>	

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For the eight months ended 30 November 2017

Ranking	Client	Background	Approximate length of business relationship with our Group	Revenue <i>HK\$'000</i>	Approximate % of our total revenue	Credit period
1	Client E	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	3 years	1,354	7.0	100-130 days
2	Client C ¹	A group of private companies in Taiwan entered into a master agreement with our Group and its principal business activity is providing advertising agency services	4 years	1,232	6.4	90-120 days
3	Client B	A Taiwan branch of a Hong Kong private company and its principal business activity is providing advertising agency services	4 years	1,114	5.8	100-130 days
4	Client D	A Taiwan subsidiary of a company listed in Japan and its principal business activity is providing advertising agency services	4 years	902	4.7	90-120 days
5	Client F	A private company in Hong Kong and its principal business activity is providing advertising agency services	6 years	890	4.6	60 days
				<u>5,492</u>	<u>28.5</u>	

Note:

- Client C, for itself and on behalf of other advertising agencies, entered into a master agreement with our Group. For the purpose of this prospectus, we treated Client C together with the other advertising agencies referred to in the master agreement entered into by Client C as one client.

For each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our five largest clients in aggregate accounted for approximately 41.8%, 37.6% and 28.5% of our revenue, respectively, and none of them was a connected person of our Company. Sales to our single largest client for the same periods accounted for approximately 12.2%, 12.3% and 7.0% of our revenue, respectively. We generally maintain a stable business relationship with our five largest clients ranging from 3 to 6 years and these clients are our recurring clients.

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Relationship among certain advertising agencies

During the Track Record Period, JAG Taiwan Branch has separately entered into master agreements with some of our advertising agency clients, including Client C in Taiwan. We entered into such master agreements with certain advertising agency clients in Taiwan in order to maintain business relationships and, by offering sales rebate to these clients, to encourage them to engage in our online advertising services for their ultimate clients, which include local and international brand companies.

Pursuant to each master agreement, JAG Taiwan Branch is subject to the respective terms and conditions of each master agreement, and salient terms of which are set out below:

- Contract period: 12 months in general
- Payment and credit terms: we generally grant our clients a credit period up to 130 days and payment is usually settled by bank transfer in NT\$
- Sales rebate: a sum equivalent to a certain agreed percentage proportionate to our clients' annual revenue generated. The total amount of sales rebates offered for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were approximately HK\$0.7 million, HK\$1.1 million and HK\$0.6 million, respectively.

For the purpose of this prospectus, we treated such advertising agency clients, together with the other advertising agency clients referred to in the relevant master agreement, as one client.

Our Directors confirmed that an advertising agency client who has not signed or was not referred to in a master agreement should be treated as an individual client based on our Group's past dealings and due to the fact that (1) each advertising agency client has its own separate and different selection criteria and procedure for its online advertising services providers; (2) we have to negotiate with each advertising agency client in relation to the terms and conditions of our quotations with different personnel without overlapping; and (3) our quotations to each advertising agency client may have different terms and conditions, in particular, different payment terms and credit periods.

Our clients during the Track Record Period

During the Track Record Period, our five largest clients were Independent Third Parties and none of our Directors, their respective close associates or any Shareholder who owns more than 5% of the issued share capital of our Company, had any interests in any of our five largest clients.

In many cases, our clients enter short term contracts with us for their short term campaigns which our Directors consider is in line with market practice. Advertising contents for such campaign are normally provided by our clients except for our mass blogging service and some of our engager service where our Members have to provide their own

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contents or feedback on our clients' products. During the Track Record Period, the quotations for our online advertising services accepted by our clients were legally binding and most of the quotations were in our standard form. The salient terms for the provision of online advertising services under these quotations are set out below:

- Campaign period: depends on various factors, including (i) required performance targets (the number of Members participating in client's Mission); (ii) time and effort required for our Members to complete the Mission; (iii) the number of our Members who are within the target audience range of our client, and (iv) the type of our online advertising services to be provided
- Payment terms: full payment upon completion of the advertising campaign
- Intellectual property: our client agrees to (i) ensure all contents of the advertising campaign do not infringe any intellectual property rights and do not harm any organisations, groups or individuals in any way; (ii) ensure there is no unfair trade practices in the contents of the advertising campaign and are compliant with the relevant laws and regulations; and (iii) take full responsibilities of any legal obligations and compensate our Group fully for any legal responsibilities or losses incurred for publishing the advertising campaign.

Saved as disclosed in the paragraph headed "Business – Legal proceedings and compliance – Legal proceedings" in this prospectus, our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, our Group had no material dispute with our clients nor had we experienced, anticipated or foreseen any major disruption of business due to material delay or default of payment by our clients due to their financial difficulties. Despite the relatively slow settlements of our clients due to the general practice within the advertising industry, no material default in repayment and thus no bad debt expenses were recorded during the Track Record Period. For details regarding our trade receivables, please refer to the paragraph headed "Financial Information – Certain items of consolidated statements of financial position – Trade and other receivables" in this prospectus.

OUR SUPPLIERS

During the Track Record Period, our suppliers mainly comprise coupons suppliers including Couponmall, distributors of IM Stickers and consumer goods, network service provider, web hosting and other information technology related service providers. Generally, we do not enter into long-term contracts with our suppliers and the service contracts with our network service provider can be terminated with short notice which our Directors consider is in line with market practice, and the terms and conditions set out in our purchase orders placed with different suppliers for each order may differ.

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Our Reward suppliers

The table below sets forth the breakdown of our Group's purchase of Rewards from our suppliers by types of Rewards during the Track Record Period:

Types of Rewards	Year ended 31 March		Eight months ended					
	2016		2017		30 November		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Coupons								
● purchased directly from the coupon issuers	2,305	33.6	1,457	22.2	462	10.7	3,509	69.2
● purchased indirectly from third parties, including Couponmall	3,502	51.1	4,149	63.1	3,106	71.7	964	19.0
IM Stickers	834	12.2	782	11.9	669	15.5	512	10.1
Other Rewards	212	3.1	184	2.8	93	2.1	85	1.7
Total	<u>6,853</u>	<u>100</u>	<u>6,572</u>	<u>100</u>	<u>4,330</u>	<u>100</u>	<u>5,070</u>	<u>100</u>

The proportion of purchase of coupons indirectly from the third parties decreased from approximately 71.7% for the eight months ended 30 November 2016 to approximately 19.0% for the eight months ended 30 November 2017 was mainly due to we had ceased sourcing coupons from Couponmall since February 2017. For further details regarding the coupons we distribute to our Members as Rewards and Couponmall, please refer to the paragraphs headed "Business – Our suppliers – Our major supplies during the Track Record Period – Coupons" and "Business – Our suppliers – Our major suppliers – Couponmall" in this prospectus.

The table below sets forth the breakdown of our Group's purchase of Rewards from our suppliers by geographic locations during the Track Record Period:

Geographic locations	Year ended 31 March		Eight months ended					
	2016		2017		30 November		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Hong Kong	4,296	62.7	3,128	47.6	1,972	45.5	2,611	51.5
Taiwan	2,557	37.3	3,441	52.3	2,358	54.5	2,378	46.9
Other countries ¹	–	–	3	0.1	–	–	81	1.6
Total	<u>6,853</u>	<u>100</u>	<u>6,572</u>	<u>100</u>	<u>4,330</u>	<u>100</u>	<u>5,070</u>	<u>100</u>

Note:

1. Other countries refer to Singapore and Malaysia.

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Our Major Suppliers

During the Track Record Period, majority of our Members redeemed supermarket chains coupons, restaurant chains coupons and IM Stickers using their JAG Points accumulated through participating in Missions for our clients' advertising campaigns. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, purchases from our five largest suppliers accounted for approximately 69.9%, 78.4% and 59.7% of our total cost of purchase respectively. Purchases from our single largest supplier for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 accounted for approximately 23.6%, 35.4% and 17.3% respectively, of our total cost of purchase.

The following table sets forth the certain information about our five largest suppliers based on the ranking in respect of the purchase transaction amount during the Track Record Period:

For the year ended 31 March 2016

Ranking	Supplier	Background	Approximate length of business relationship with our Group years	Transaction amount HK\$'000	Approximate % of our total cost of purchase %	Credit periods days
1.	Couponmall ¹	A private company in Hong Kong and its principal business activity is sales of coupons	2	1,779	23.6	30
2.	Supplier A	A private company in Taiwan and its principal business activity is sales of coupons	4	1,723	22.9	payment upon delivery
3.	Supplier B	A private company in Taiwan and its principal business activity is distribution of IM Stickers	4	784	10.4	30
4.	Supplier C ²	A Hong Kong subsidiary of a company listed on London Stock Exchange, Bermuda and Singapore, which operates, inter alia, supermarkets, convenience stores and pharmaceutical stores	6	512	6.8	payment upon delivery
5.	Supplier D	A Hong Kong subsidiary of a company listed on the Stock Exchange, which principally operates supermarket chain stores	6	466	6.2	payment upon delivery
				<u>5,264</u>	<u>69.9</u>	

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For the year ended 31 March 2017

Ranking	Supplier	Background	Approximate length of business relationship with our Group <i>years</i>	Transaction amount <i>HK\$'000</i>	Approximate % of our total cost of purchase <i>%</i>	Credit periods <i>days</i>
1.	Supplier A	A private company in Taiwan and its principal business activity is sales of coupons	4	2,550	35.4	payment upon delivery
2.	Couponmall ¹	A private company in Hong Kong and its principal business activity is sales of coupons	2	1,598	22.2	30
3.	Supplier B	A private company in Taiwan and its principal business activity is distribution of IM Stickers	4	757	10.5	30
4.	Supplier C ²	A Hong Kong subsidiary of a company listed on London Stock Exchange, Bermuda and Singapore, which operates, inter alia, supermarkets, convenience stores and pharmaceutical stores	6	389	5.4	payment upon delivery
5.	Supplier E	A subsidiary of a company listed on Nasdaq Stock Market, which is an international network provider	5	353	4.9	30
				<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	
				5,647	78.4	

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For the eight months ended 30 November 2017

Ranking	Supplier	Background	Approximate length of business relationship with our Group years	Transaction amount HK\$'000	Approximate % of our total cost of purchase %	Credit periods days
1.	Supplier A	A private company in Taiwan and its principal business activity is sales of coupon business	4	958	17.3	payment upon delivery
2.	Supplier C ²	A Hong Kong subsidiary of a company listed on London Stock Exchange, Bermuda and Singapore, which operates, inter alia, supermarkets, convenience stores and pharmaceutical stores	6	856	15.5	payment upon delivery
3.	Supplier F	A private company in Taiwan and its principal business activity is operating supermarkets and retail stores	1	705	12.8	payment upon delivery
4.	Supplier D	A Hong Kong subsidiary of a company listed on the Stock Exchange, which principally operates supermarket chain stores	6	485	8.8	payment upon delivery
5.	Supplier E	A subsidiary of a company listed on Nasdaq Stock Market, which is an international network provider	5	295	5.3	30
				<u>3,299</u>	<u>59.7</u>	

Note:

- Couponmall was a connected person of our Company starting from the Track Record Period and up to 9 March 2017. For further details regarding Couponmall, please refer to the paragraph headed "Business – Our suppliers – Our major suppliers – Couponmall" in this prospectus.
- During the Track Record Period and up to the Latest Practicable Date, our Group has sourced coupons of supermarkets, convenience stores and pharmaceutical stores from Supplier C.

During the Track Record Period, none of our Group's five largest suppliers ceased or indicated that it would cease their supply to our Group, and our Group did not experience any material delay or interruption in securing the supply of Rewards from our five largest suppliers or from other sources in the market.

Our supplies include coupons, IM Stickers and consumer goods. We generally do not enter into formal agreements with our suppliers. We purchase such supplies by quotation and pay upon delivery or from retail chains outlets or other shops. The payment is usually settled by cash, cheque or bank transfer.

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Save and except Couponmall, Supplier B and our network provider granted us a credit term of 30 days from their invoice date and we settle our payment by cheque or bank transfer, our Group's other suppliers require payment on delivery. In addition, our Group's suppliers generally grant us bulk purchase discounts according to a pre-determined percentage of the purchase amount we made with them during a specific period.

Supplier A

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, purchases from Supplier A, being our largest supplier for the year ended 31 March 2017 who is an Independent Third Party, accounted for approximately 22.9%, 35.4% and 17.3% of our total cost of purchase, respectively, such purchases mainly consist of coupons as Rewards for our Members to redeem.

During the Track Record Period and as at the Latest Practicable Date, Supplier A did not cease or indicate that it would cease their supply of coupons to our Group. We purchase coupons from Supplier A as it generally offers coupons at a lower price with delivery service in the form as a one stop coupon distributor, distributing a wide variety of coupons of different retail chain operators. In the event that Supplier A ceases or indicates that it would cease its supply of coupons to our Group, our Directors are of the view that our Group would be able to identify and purchase similar coupons with comparable attractiveness to our Members at similar prices and quantities, as the Group could purchase such coupons directly from the relevant coupon issuers.

Couponmall

During the Track Record Period, save for Couponmall, our five largest suppliers were Independent Third Parties and none of our Directors, their respective close associates or any Shareholder (who or which, to the best knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interests in our five largest suppliers during the Track Record Period.

For the years ended 31 March 2016 and 2017, Couponmall was one of our five largest suppliers mainly supplying coupons. Couponmall was beneficially owned as to 33.33% and controlled by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee up to 9 March 2017. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee disposed all of their shares of Couponmall to an Independent Third Party on 9 March 2017 as they wish to focus on the online advertising business of our Group.

Prior to February 2017, we sourced certain coupons from Couponmall as the prices of the coupons offered by Couponmall in general were lower than those offered by the coupon issuers, as the coupons offered by Couponmall were purchased from the general public, which are mainly individuals, at discounted prices. To the best knowledge of our Directors, such individuals, who come to have the coupons, for example, by way of gifts, are willing to dispose of such coupons to Couponmall for cash at discounted prices to the face value if the products or services to be redeemed with such coupons may not be useful or needed by the individuals and cash is more preferable to such coupons. For illustration only and to the best knowledge of our Directors, the estimated amount saved by purchases from Couponmall

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comparing to purchases from the coupon issuers, being the difference between the amount we paid for purchase from Couponmall and the amount we would have to pay for purchases directly from coupon issuers, taking into consideration of any discount generally offered by the relevant coupon issuers to the public, for the years ended 31 March 2016 and 2017 amounted to approximately HK\$0.1 million and HK\$0.2 million, representing approximately 1.4% and 2.6% of our total cost of purchase, respectively.

Notwithstanding that Couponmall could offer the coupons generally at a lower price, we ceased sourcing coupons from Couponmall since February 2017. Our Directors believe that direct purchases of coupons from the coupon issuers can provide us with the benefit of a stable supply of coupons and with more varieties as the supply of coupons from Couponmall to a large extent depends on the amount and variety of coupons Couponmall purchased from the public, which may be uncertain. In light of the disposal of interests in Couponmall by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee and to ensure stable supply of coupons, we choose to purchase coupons directly from coupon issuers, and our Directors are of the view that the projected increase in the purchase prices of coupons by purchasing directly from the coupon issuers will not have any material adverse impact on our financial conditions taken as a whole.

During the Track Record Period, save and except Couponmall, our five largest suppliers were Independent Third Parties and none of our Directors, their respective close associates or any Shareholder who owns more than 5% of the issued share capital of our Company, had any interests in any of our five largest suppliers.

Our major supplies during the Track Record Period

During the Track Record Period, our major supplies are (i) coupons; and (ii) IM Stickers which are used as Rewards for our Members to redeem on our Platforms.

Coupons

During the Track Record Period, our Group purchased coupons either (i) directly from the coupon issuers; or (ii) from third parties, including Couponmall, who themselves obtained the coupons from the coupon issuers or other parties.

The material terms of the coupons we distributed to our Members as Rewards during the Track Record Period include the face value of coupon and the expiration date. Certain coupons have restrictive terms printed on them, among others, against resale of the coupons, against use of the coupons for trade, promotional or commercial purposes or against transfer of the coupons (the “**Restrictive Terms**”).

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We have sought advice respectively from (i) Mr. Bruce K.W. Lau, barrister-at-law, as to Hong Kong law; (ii) LCS & Partners as to Taiwan Law; and (iii) Teh & Lee Advocates & Solicitors as to Malaysia Law (the “**Relevant Lawyers**”) on whether our Members’ redemption of JAG Points for coupons constitutes any breach of the Restrictive Terms. The Relevant Lawyers advised our Group as follows:

1. Purchases from the coupon issuers directly

When our Group purchased the coupons directly from the coupon issuers, normally the coupons would be passed to our Group after the payment was made, and our Group would have the chance to inspect the terms after the coupons had been passed onto us. In respect of Hong Kong and Malaysia, Mr. Bruce K.W. Lau and Teh & Lee Advocates & Solicitors have respectively advised our Group that the Restrictive Terms printed on the coupons are likely introduced after the formation of the contract, thus, should not be regarded as incorporated in the contract entered into between our Group and the coupon issuers and are non-binding and unenforceable.

In respect of Hong Kong and Malaysia, in the event where, by whatever reason, the Restrictive Terms printed on the coupons become incorporated into the contract between our Group and the coupon issuers, Mr. Bruce K.W. Lau and Teh & Lee Advocates & Solicitors have respectively advised our Group that the distribution of coupons as Rewards by our Group would unlikely be classified as a sale or resale, as the concept of “sale” and “resale” is defined under relevant laws and regulations to involve money consideration and the distribution of coupons by our Group lacks such element. Further, the ambiguity surrounding the words “trade” and “promotional” in the Restrictive Terms and the unclarity when interpreting those Restrictive Terms as a whole will render the enforcement of the contract difficult. The coupon issuers will also encounter substantial difficulties in showing loss and damages flowing from the potential breach of the Restrictive Terms because, among others, when our Group purchased the coupons, a price equal to the value of the goods for which the coupons were set has already been paid to the coupon issuers, which means the gain of the coupon issuers had already been crystallised at the time when payments for the coupons were made.

In respect of Taiwan, LCS & Partners is of the view that pursuant to the relevant Taiwan law, a “sale” refers to a person who transfers the property right to another person and the transferee pays a money consideration. Since the coupons were distributed to Members as gifts and the Members did not pay any money consideration, this did not constitute a “sale” or “resale”, and the distribution of the coupons to Members by our Group did not breach the restrictive terms.

Despite the above, we decided to adopt a prudent approach by obtaining consents from coupon issuers for coupons bearing transfer, trade, promotional or commercial purposes restrictions to permit the distribution of their coupons as Rewards on our Platforms. For coupons with transfer, trade, promotional or commercial purposes restrictions and no consents from the coupon issuers are obtained, our Group has ceased the distribution of such coupons.

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The table below sets forth the number of coupon issuers during the Track Record Period:

	Year ended 31 March						Eight months ended 30 November 2017		
	2016			2017					
	<i>Number of coupon issuer</i>	<i>% of total coupon purchase cost</i>	<i>Number of coupon issuer</i>	<i>% of total coupon purchase cost</i>	<i>Number of coupon issuer</i>	<i>% of total coupon purchase cost</i>	<i>Number of coupon issuer</i>	<i>% of total coupon purchase cost</i>	<i>Number of coupon issuer</i>
	<i>HK\$'000</i>	<i>cost</i>	<i>HK\$'000</i>	<i>cost</i>	<i>HK\$'000</i>	<i>cost</i>	<i>HK\$'000</i>	<i>cost</i>	<i>HK\$'000</i>
Coupon with transfer, trade, promotional or commercial purposes restrictions	7	539	9.3	8	378	6.7	6	242	5.4
Coupon without transfer, trade, promotional or commercial purposes restrictions	41	5,268	90.7	45	5,228	93.3	54	4,231	94.6
Total	48	5,807	100	53	5,606	100	60	4,473	100

During the Track Record Period, we purchased coupons with transfer, trade, promotional or commercial purposes restrictions from nine coupon issuers in total, five of which have given us consents. The purchase cost of the relevant coupons issued by such coupon issuers from which we have obtained consents accounted for approximately HK\$0.4 million, HK\$0.3 million and HK\$0.2 million, representing approximately 6.6%, 5.8% and 5.4% of our total coupon purchase cost for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, respectively.

For coupons with transfer, trade, promotional or commercial purposes restrictions and no consents from the coupon issuers are obtained, our Group has ceased the distribution of such coupon. Such coupons have accounted for approximately HK\$158,000, HK\$49,000 and nil, representing approximately 2.7%, 0.9% and nil of our total coupon purchase cost for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, respectively. Our Directors are of the view that the coupons which we have ceased to distribute were not material to the Group's business and our Group was able to identify and purchase alternative coupons with similar customer acceptability at comparable costs by purchasing coupons from other coupon issuers of the same industry.

As at the Latest Practicable Date, the coupons which we used as Rewards in Hong Kong, Taiwan and Malaysia are those either (i) having obtained consents from the respective coupon issuers for use as Rewards or (ii) without any restrictive terms against the use for transfer, trade, promotional or commercial purposes. The major types of such coupons include coupons of supermarkets, restaurants, convenience stores and department stores.

In respect of Singapore, to our Directors' best knowledge, information and belief and as at the Latest Practicable Date, none of the coupons which we have offered to our Members on our relevant Platforms as Rewards contains the Restrictive Terms. The major types of such coupons include coupons of supermarkets, restaurants and department stores.

2. *Purchases from third parties*

The Relevant Lawyers have respectively advised our Group that if our Group did not directly purchase the coupons from the coupon issuers, our Group is not a party to the contract and the contract terms between the coupon issuers and third party purchasers would not bind our Group. In relation to whether our Members’ redemption of JAG Points for coupons purchased from third parties will constitute a breach of the printed Restrictive Terms on such coupons, please refer to the paragraph headed “Purchases from the coupon issuers directly” above.

3. *Use of trademarks*

The Relevant Lawyers and Rajah & Tann Singapore LLP, our legal adviser as to Singapore law, have respectively advised our Group that given the manner under which the trademarks were used on our Platforms was only for identifying the issuers of the coupons, such use is in accordance with the exception of “honest practice” under the relevant laws and regulations. Therefore, the use of trademarks on our Platforms does not infringe any of the relevant trademark laws and regulations.

Set out below is the layout of our Platform regarding the redemption of JAG Points for coupons in Hong Kong:



IM Stickers

During the Track Record Period and up to 10 August 2017, our Group sourced the IM Stickers through Independent Third Party distributors of IM Stickers in Hong Kong and Taiwan, who, to our Directors’ knowledge, bulk purchased and re-sold the relevant IM

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Stickers. Such suppliers may be subject to terms and conditions published by the instant messaging programme operator, including but not limited to the restrictive terms against the use of such IM Stickers for sale, marketing, advertising, soliciting or any other commercial purposes.

Mr. Bruce K.W. Lau has advised our Group under Hong Kong law and LCS & Partners have advised our Group under Taiwan Law that our Group is not a party to the contract with the instant messaging programme operator, therefore there is unlikely a cause of action under contract to sue our Group or it would be difficult to prove all elements of wrong doing on acts performed by our Group. Therefore, it is highly unlikely that our Group would be in breach even if such Independent Third Party distributors of the IM Stickers are found to be in breach of their contracts with the instant messaging programme operator.

Notwithstanding the advice from Mr. Bruce K.W. Lau and LCS & Partners as disclosed above, and to avoid any potential breach of the terms and conditions published by the instant messaging programme operator, our Group has (i) ceased to purchase IM Stickers from Independent Third Party distributors of IM Stickers in Hong Kong and Taiwan since 10 August 2017; (ii) purchased all the IM Stickers directly from the instant messaging programme operator of Taiwan through its designated provider since 17 August 2017 as Rewards in Taiwan; (iii) obtained confirmation from the instant messaging programme operator of Taiwan to allow our Group to distribute the IM Stickers purchased from its designated provider as Rewards for our Taiwan Members to redeem with JAG Points on our relevant Platform. Since 10 August 2017, our Group has ceased to distribute IM Stickers as Rewards in Hong Kong. For the years ended 31 March 2016 and 2017 and for the period from 1 April 2017 up to 10 August 2017, the costs incurred in purchasing IM Stickers as Rewards in Hong Kong were approximately HK\$50,000, HK\$25,000 and HK\$12,500 respectively. Our Directors considered that the cessation to distribute IM Stickers as Rewards in Hong Kong has no material impact on the operation of our Group.

The material terms of such purchases of IM Stickers in Taiwan include the price, the number of credits for the instant messaging programme to be purchased, the payment term and the validity period of the credits to be purchased. Our Directors are of the view that purchasing the IM Stickers directly from the instant messaging programme operator of Taiwan through its designated provider is beneficial to our Group and our Taiwan Members that including but not limited to the following reasons, (i) we can obtain a stable supply of IM Stickers for our Taiwan Members to redeem; and (ii) we can provide our Taiwan Members with a wider variety of IM Stickers of which the Directors believe are more attractive.

LCS & Partners concurred with the view of our Directors that our Group is allowed to use the IM Stickers to reward our Taiwan Members.

During the Track Record Period and as at the Latest Practicable Date, we did not purchase or offer any IM Stickers as Rewards in Malaysia and Singapore.

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Other suppliers during the Track Record Period

Mr. Leung Wai Lun

During the Track Record Period and up to 2 February 2017, Mr. Leung Wai Lun, a then Independent Third Party, was one of our suppliers providing system maintenance services to our Group. For each of the years ended 31 March 2016 and 2017, the service fees paid to Mr. Leung Wai Lun amounted to HK\$209,000 and HK\$141,000, respectively. Since 15 February 2017, we have recruited him as the information technology director of JAG Hong Kong, responsible for the development and management of all information technology systems including our Platforms, and he was appointed as an executive Director of our Company on 18 August 2017. For details of the biography of Mr. Leung, please see the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors” in this prospectus.

Tai Fong Studio Company Limited

During the Track Record Period, we had purchased photography equipment from Tai Fong Studio Company Limited, a connected person of our Company. For details of the transactions with Tai Fong Studio Company Limited, please refer to the paragraph headed “Discontinued Transactions with Related Parties – Transactions with Tai Fong Studio Company Limited” in this prospectus.

Entity who is our supplier and also our client

During the Track Record Period, Supplier G was also a client of our Group. Supplier G is a Taiwan company listed on the Taiwan Stock Exchange and its principal business activity is operating convenience stores in Taiwan and other countries. During such period, our Group purchased coupons issued by Supplier G for distribution to our Members as Rewards, while on the other hand, we provided online advertising services for Supplier G or their related group companies.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, the cost incurred from purchasing coupons from Supplier G accounted for approximately nil, nil and 3.8% of our total purchases of Rewards, respectively, whereas, our revenue derived from Supplier G accounted for approximately 0.3%, nil, and 0.1% of our total revenue, respectively. For the same period, our gross profit from the provision of online advertising services to Supplier G accounted for approximately HK\$40,000, nil, and HK\$19,000, respectively.

Our Directors confirm that the purchasing of coupons from Supplier G and the provision of online advertising services for Supplier G were conducted on an individual basis, and the transaction terms with Supplier G were in line with the market practice and similar to those transactions with our other customers and suppliers. To the best information and knowledge of our Directors, Supplier G was an Independent Third Party during the Track Record Period and up to the Latest Practicable Date.

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Inventory

We have implemented an inventory management control system based on the relevant Reward types, level of stock and prices. We perform inventory checks on a monthly basis and purchase the relevant Rewards, in particular, coupons, regularly to ensure that we can secure continual supply of stock and maintain flexibility in the types of Rewards to our Members. Our daily coupon inventory alert within our inventory management control system also provides daily updates on existing stock level to our Member service representatives, who record and help maintain an adequate level of stock based on our operational needs. As at the Latest Practicable Date, we did not experience any material interruption in securing the supply of Rewards during the Track Record Period. During the Track Record Period, none of the coupons purchased by our Group had expired before redemption by our Members as Rewards. As at the Latest Practicable Date, our Directors confirm that none of the coupons purchased by our Group are close to their expiry date.

OUR MEMBERS

Our Members cover an established and diversified population in Hong Kong and Taiwan and we have recently gained Members in Malaysia and Singapore. Our Directors consider that our Members are important to our business operations as they participate in the Missions, which in turn help achieve our clients' performance targets and objectives in their respective advertising campaigns. As at the Latest Practicable Date, we have over 555,000 Members in total. As at 30 November 2017, approximately 28.7% and 71.3% of our Members were male and female, respectively. The table below sets forth the number of Members and an analysis of Active Members as at the dates indicated:

	Hong Kong <i>in '000</i>	Taiwan <i>in '000</i>	Malaysia ² <i>in '000</i>	Singapore ³ <i>in '000</i>	Total <i>in '000</i>
As at 1 April 2015					
Total number of Members	161.0	145.7	–	–	306.7
Total number of Active Members ¹	28.3	24.4	–	–	52.7
% to total number of Members	17.6%	16.7%	N/A	N/A	17.2%
As at 31 March 2016					
Total number of Members	178.8	217.3	–	–	396.1
Total number of Active Members ¹	26.4	38.9	–	–	65.3
% to total number of Members	14.8%	17.9%	N/A	N/A	16.5%
As at 31 March 2017					
Total number of Members	193.2	253.4	23.4	–	470.0
Total number of Active Members ¹	29.2	40.4	23.4	–	93.0
% to total number of Members	15.1%	15.9%	100.0%	N/A	19.8%
As at 30 November 2017					
Total number of Members	200.3	262.3	59.4	7.7	529.7
Total number of Active Members ¹	24.2	25.6	18.9	3.2	71.9
% to total number of Members	12.1%	9.8%	31.8%	41.6%	13.6%

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Notes:

- 1 Active Members represent the Members who logged into our Platforms in the past three calendar months.
- 2 JAG Malaysia was incorporated in February 2017. In March 2017, JAG Malaysia commenced its business operations.
- 3 JAG Singapore was incorporated in March 2017.

We had experienced decrease in the percentage of Active Members to the total number of Members in Hong Kong and Taiwan as at certain dates specified in the table above.

Hong Kong

The total number of Active Members in Hong Kong decreased from approximately 28,300 as at 1 April 2015 to approximately 26,400 as at 31 March 2016. The percentage of Active Members to the total number of Members in Hong Kong as at the relevant dates decreased from 17.6% to 14.8%. Such decrease was mainly due to that the aggregate number of participation quota of our Missions available for the three months ended 31 March 2015 was higher than that for the three months ended 31 March 2016, which attracted more Members to log into our Platform to participate in our Missions during the three months ended 31 March 2015.

The total number of Active Members in Hong Kong decreased from approximately 29,200 as at 31 March 2017 to approximately 24,200 as at 30 November 2017. The percentage of Active Members to the total number of Members in Hong Kong as at the relevant dates decreased from 15.1% to 12.1%. The higher number of Active Members as at 31 March 2017 was mainly because (i) we had an online promotion on our Platform in Hong Kong in January 2017, which motivated our Members to log in to our Platform; and (ii) we sent an email reminder in around March 2017 to our Members who have not logged in to our Platform for about one year in relation to the validity of those accumulated but not redeemed JAG Points, pursuant to our revised membership terms of services in March 2016. For details of our JAG Points, please refer to the paragraph headed “Business – Our Members – JAG Points” in this section.

Taiwan

The total number of Active Members in Taiwan increased from approximately 38,900 as at 31 March 2016 to approximately 40,400 as at 31 March 2017 while the percentage of Active Members to the total number of Members as at the relevant dates decreased from 17.9% to 15.9%. This was mainly due to the decrease in growth rate of our Member base in Taiwan as there were less online promotional activities for new Members on our Platforms, such as giving out extra JAG Points to new Members upon the completion of their first Missions, compared to the year ended 31 March 2016, which resulted in less new Members logging in to our Platform in 2017.

The total number of Active Members in Taiwan decreased from approximately 40,400 as at 31 March 2017 to approximately 25,600 as at 30 November 2017. The percentage of Active Members to the total number of Members as at the relevant dates decreased from

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15.9% to 9.8%. Such decrease was mainly due to the change of service mix whereby we have a decreased number of social viral service projects and an increased number of engager service projects for the eight months ended 30 November 2017. As Missions of engager service generally have lower number of participation quota than those of social viral service, the aggregate number of Members who would log in to our Platform and participate in our Missions decreased as at 30 November 2017.

Our Group places online advertising campaigns including social media marketing, advertisement displays and search engine marketing, which lead potential Members to our Platforms to become our Members. We also have a referral program for existing Members, by rewarding existing Members with JAG Points, for bringing in new Members. To promote our Missions, we periodically send out email notifications and push notifications to relevant Members targeted by our clients when there are new Missions available for such Members, encouraging them to participate in such Missions. This also helps increase the number of Active Members.

The table below sets forth the number and percentage of Active Members during the Track Record Period by age group and by gender:

	As at 31 March		2017		As at 30 November	
	2016				2017	
	<i>number of</i>	<i>% to total</i>	<i>number of</i>	<i>% to total</i>	<i>number of</i>	<i>% to total</i>
	<i>Active</i>		<i>Active</i>		<i>Active</i>	
	<i>in '000</i>	<i>Members</i>	<i>in '000</i>	<i>Members</i>	<i>in '000</i>	<i>Members</i>
Gender						
Male	15.7	24.0%	24.9	26.8%	17.9	24.9%
Female	49.6	76.0%	68.0	73.2%	54.0	75.1%
Age						
0-17	0.9	1.4%	1.7	1.8%	0.8	1.1%
18-24	15.5	23.7%	24.7	26.6%	17.3	24.2%
25-34	32.5	49.8%	42.2	45.4%	34.1	47.4%
35-44	13.2	20.2%	19.6	21.1%	16.0	22.2%
45 or above	3.2	4.9%	4.7	5.1%	3.7	5.1%
Total number of Active Members						
<i>(Note)</i>	<u>65.3</u>	<u>100%</u>	<u>92.9</u>	<u>100%</u>	<u>71.9</u>	<u>100%</u>

Note: The total number of Active Members as at the indicated dates above include the Members who logged into our Platform in the past three calendar months who may not necessarily have participated in Missions.

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The table below sets forth the number of Missions and the number of Members that participated in Missions during the Track Record Period:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
Number of Missions	809	818	562	675
Number of Members participated in Missions ¹ (<i>in '000</i>)	95.1	78.4	64.3	59.1
Accumulated times of Members participated in Missions ² (<i>times, in '000</i>)	2,784	3,086	2,268	1,855
Average number of Members participated in Missions ³ (<i>times</i>)	3,400	3,800	4,000	2,700

Notes:

1. This refers to the number of individual Members who had participated in at least one Mission, irrespective of the total number of times such Members had participated in Missions during the indicated period.
2. This refers to the aggregate number of times our Members participated in Missions during the indicated period.
3. Average number of Members participated in Missions is calculated by dividing accumulated times of Members participated in Missions by number of Missions during the indicated period.

The increase in number of Missions during the Track Record Period was in line with the increase in revenue from our online advertising services. The decrease in number of Members participated in Missions during the Track Record Period was mainly due to the decrease in our Member base growth in Hong Kong and Taiwan which resulted in less new Members participating in our Missions. Our Directors believe that new Members are in general more willing to participate in Missions which are new to them, while existing Members may not be attracted by Missions that are similar to those past Missions that they had participated in. The increase in average number of Members participated in Missions from the year ended 31 March 2016 to the year ended 31 March 2017 was in line with the increase in overall average service fee of our projects during the same period. The decrease in average number of Members participated in Missions for the eight months ended 30 November 2017 was mainly due to the increase in number of projects of engager service and the decrease in number of projects of social viral service, which the participation quota of Missions of engager service are generally lower than those of social viral service.

Subject to the target audience requirements of our clients and the participation quotas for Members to participate in our clients' Missions, all Members (whether they are Active Members or not) are within the aggregate pool of Members eligible to participate in a Mission.

The actual number of Members participating in Missions depends on the requirements of our clients and the willingness of eligible Members.

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The table below sets forth the ranking of groups of Active Member by the number of advertising campaigns specified as target audience by our clients during the Track Record Period:

Ranking	For the year ended 31 March		For the
	2016	2017	eight months ended 30 November 2017
1	Female Age: 25-34	Female Age: 25-34	Female Age: 25-34
2	Female Age: 35-44	Female Age: 35-44	Female Age: 35-44
3	Female Age: 45 or above	Female Age: 18-24	Female Age: 45 or above
4	Male Age: 25-34	Male Age: 25-34	Male Age: 25-34
5	Female Age: 18-24	Female Age: 45 or above	Female Age: 18-24

JAG Points

By rewarding our Members with JAG Points, we are able to ask our Members to complete our clients' required performance targets, and simultaneously, our clients can promote their brands, products or services through our Members' participation in Missions. Our Members can provide contents or publish feedbacks for our clients, brands, products or services, which traditional advertisement media could not provide such services. During the Track Record Period, our Members can redeem coupons, IM Stickers (only available to our Hong Kong and Taiwan Members) and consumer goods with JAG Points.

The table below sets forth the range of JAG Points our Members could earn by participation in various advertising campaigns by different online advertising service types during the Track Record Period:

	JAG Points	
	Lowest	Highest
Hong Kong		
● Social viral service	5	50
● Engager service	5	3,500
● Mass Blogging service	150	4,250
Taiwan		
● Social viral service	20	200
● Engager service	25	6,000
● Mass Blogging service	700	13,000
Malaysia		
● Social viral service	15	120
● Engager service	50	5,000
● Mass Blogging service	1,000	5,000
Singapore		
● Social viral service	10	60
● Engager service	120	120

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The major types of Rewards we offered during the Track Record Period include coupons from different retail chain operators, IM Stickers (only available to our Hong Kong and Taiwan Members) and consumer goods, which our Members can redeem by using different amount of JAG Points. The costs of our Rewards range from approximately HK\$5 to HK\$1,300. In general, we do not hold a significant amount of Rewards as inventory and we purchase the Rewards when they are redeemed by our Members.

The following sets forth our selection criteria of the Rewards:

- Market recognition and popularity of the Rewards;
- Validity period of the Rewards; and
- Purchase costs.

During the Track Record Period, the range of JAG Points needed to redeem each type of Rewards were as follows:

Types of Rewards and geographic locations	Year ended 31 March				Eight months ended 30 November	
	2016		2017		2017	
	Lowest	Highest	Lowest	Highest	Lowest	Highest
<i>Hong Kong</i>						
Coupons	180	5,000	180	5,000	180	5,000
IM Stickers	15	200	15	200	150	200
Consumer goods	50	13,200	50	13,700	50	13,700
Other Rewards	450	900	450	900	450	900
<i>Taiwan</i>						
Coupons	600	5,000	1,000	5,000	1,000	5,000
IM Stickers	250	900	250	900	250	900
<i>Malaysia</i>						
Coupons	–	–	500	5,000	500	5,000
Other Rewards	–	–	4,500	4,500	4,500	4,500
<i>Singapore</i>						
Coupons	–	–	500	3,560	500	2,500
Other Rewards	–	–	1,800	1,800	1,800	1,800

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The table below sets forth the average conversion ratio of JAG Points by region during the Track Record Period:

Average conversion ratio of JAG Points by region	Eight months ended 30		
	Year ended 31 March		November
	2016	2017	2017
	<i>Number of point</i>	<i>Number of point</i>	<i>Number of point</i>
Hong Kong (<i>per HK\$1</i>)	9.8	9.8	9.9
Taiwan (<i>per NT\$1</i>)	10.0	10.0	10.0
Malaysia (<i>per MYR1</i>)	N/A ^(Note)	100.7	101.0
Singapore (<i>per S\$1</i>)	N/A ^(Note)	N/A ^(Note)	99.7

Note: No business operation in such regions during the period.

The Group reviews such conversion ratios of JAG Points once every year.

The following sets forth factors considered when determining the conversion ratios of JAG Points:

- Attractiveness of the Reward to our Members;
- Perceived value and actual purchase costs of the Reward; and
- Redemption rate of JAG Points.

Since March 2016, pursuant to our revised membership terms of services, the cumulated but not redeemed JAG Points are valid for redemption for one year from the last login date on our Platform by our Members. If a Member does not log in to our Platform for a continuous period of one year, such member's cumulated but not redeemed JAG Points will expire. We will remind our Members of the validity period of their JAG Points before expiry.

Members services

We place a high priority on providing our Members a consistently high quality of service. As at the Latest Practicable Date, we had a team of eight member service representatives of our member service and administration team, who are stationed in our offices in Hong Kong, Taiwan and Malaysia to provide email support service for our Members every business day. When our Members raise any service enquiries, our Member service representatives will handle such enquiries. Frequent requests handled by us include addressing problems in recovering lost accounts, Missions and Rewards redemption related questions. Our Directors confirm that we had no material dispute with our Members during the Track Record Period and up to the Latest Practicable Date.

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Pursuant to our membership terms of services published on our Platforms, we reserve our rights to modify such terms from time to time without express notice to our Members.

Personal Information monitoring and protection of confidential information

We collect, receive, store and process personal information such as name, mobile number, address, email address, date of birth and part of their identity document number of our Members. We also utilise internally developed software with third parties tracking systems that allow us to monitor our daily traffic numbers and activity summaries of the Members' account. We provide our clients with non-personal information such as the number of times their advertisements have been clicked. We do not sell, rent or otherwise share the personal information of our Members with any third parties without their prior consent.

We take serious protection of our Members' confidential information. We seek to protect our Members' information and accounts by employing data security measures such as encryption, passwords and firewalls, etc. Our employees are prohibited to use the personal information of our Members for purposes which are not related to the maintenance of their accounts, unless their prior consent is obtained. Save and except our executive Directors, our employees cannot access the personal information of our Members outside of our offices. Given our internal policy to prohibit the sale, rental and sharing of personal information of our Members and our data security measures, we believe we have applied adequate measures for the reasonable safeguarding of our Members' confidential information.

SALES AND MARKETING

Sales and marketing

Our sales team is responsible for sales and marketing activities of our Group.

As at the Latest Practicable Date, we had a sales team of 11 members who serve and act as direct contact points with our clients to conduct marketing for our services. Our professional sales team members are able to identify the needs of our clients upon establishing contacts with them or their designated agencies and command our resources and capacity to provide the necessary online advertising services to them. They also have regular meetings with our clients whenever necessary and follow through with our clients regarding any recurrent order the clients may have. In addition, our sales team members are responsible for the promotion of our brand, as well as for conducting research to keep abreast with the latest market trends and news regarding the online advertising industry including the range of online advertising services. Our sales team periodically conducts seminars, for our clients and potential clients to inform and update them with our latest online advertising services capabilities. We also keep our existing and potential clients informed of our recent developments by distributing materials in relation to our project portfolios.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, our selling and distribution costs amounted to approximately HK\$1.7 million, HK\$1.9 million, HK\$1.2 million and HK\$1.5 million, respectively.

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Service fees

The table below sets forth the range of and average service fee for each type of services during the Track Record Period:

Types of online advertising services	Year ended 31 March				Eight months ended 30 November	
	2016		2017		2017	
	Range of service fee per project (HK\$'000)	Average service fee (HK\$'000)	Range of service fee per project (HK\$'000)	Average service fee (HK\$'000)	Range of service fee per project (HK\$'000)	Average service fee (HK\$'000)
Social viral service	3.0 to 180.0	29	2.2 to 276.7	36	0.9 to 449.2	35
Engager service	1.1 to 161.6	23	0.7 to 144.0	24	1.2 to 270.9	28
Mass blogging service	5.9 to 150.6	24	6.0 to 155.7	31	3.3 to 82.3	24

Pricing policy

We generally do not enter into long-term contracts with our clients. Our service fees are generally determined on a case-by-case basis, which are set forth in our quotations. In formulating our pricing for our services, we usually take into consideration factors including:

- the Mission requirements, specified by our clients (for the advertising campaigns that require our Members to involve substantial time and effort in the Missions, we would generally charge higher service fees to reward our Members with more JAG Points in order to complete the required performance target);
- the scale of the project in terms of the number of participation of Mission by our Members; and
- the potential future business opportunities with our clients.

Generally, we charge our clients on a cost-plus basis i.e. with a service fee on top of the estimated cost in terms of how many JAG Points shall be distributed to our Members for each respective advertising campaign, we also take reference of how many JAG Points were distributed in past similar advertising campaigns. For details regarding how our Group estimates the cost of JAG Points, please refer to the paragraph headed “Financial Information – Certain items of consolidated statements of financial position – Trade and other payables” in this prospectus.

We generally discuss with and, in some cases, give consultation to our clients as to their advertising budgets and preferred online advertising services which better achieve their marketing objectives, and advertising contents before offering them quotations. Based on the discussions with our clients and factors mentioned above, we provide the quotation, and once the quotation is accepted and executed by our clients, we then assist our clients with our online advertising services.

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Save as the pricing policy disclosed above, JAG Taiwan Branch has entered into master agreements with certain advertising agency clients in Taiwan. For details of the terms and conditions of master agreement in general, please refer to the paragraph headed “Business – Relationship among certain advertising agencies” in this prospectus.

Credit policy

Generally, we issue our invoice around seven days after the issue of the performance report of the online advertising campaign and require payment within 60 days to 130 days from the date of the invoice.

Typically, our executive Directors normally take into consideration, among others, the credit history, transaction and the relationship with our client when determining the credit period. If our client’s payments are overdue, our finance team may consider preventing future orders from such client from being accepted.

As the terms of payment for our service as contained in the agreement with our advertising agency clients are not contingent on their relationship with their respective clients, we are entitled to receive such payment for our service from our advertising agency clients in the event where the underlying engagement between our advertising agency clients and their respective clients is terminated or postponed.

Generally, once payment is overdue for 30 days or more, we will issue a payment reminder to the client to demand payment in full. If the payment remains overdue, we will consider to take further action as required to recover the outstanding balance, including consultation with legal advisers to take legal actions to recover the outstanding trade receivable.

SERVICE QUALITY CONTROL

We provide training to our employees, in particular our sales and marketing team and member service and administration team, on our services to enhance the quality of services provided to our clients and our Members. We strive to promote clients and Members satisfaction through responding to our clients’ and our Members’ feedbacks, enquiries or complaints promptly and seriously. If any employee receives a complaint from a client, our executive Directors will review the complaint and investigate the matter, including explaining to the relevant client, if necessary, to ensure the matter would be resolved and maintain good client relationship. Necessary training, in respect of matters including up to date information on digital media marketing, related advertising strategies and client service, is provided to our employees to consistently improve our business operations.

During the Track Record Period and as at the Latest Practicable Date, our Directors confirm that we have not received any material complaint from our clients or our Members.

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MARKET AND COMPETITION

Our Directors consider that all companies operating online advertising service platforms in Hong Kong, Taiwan, Malaysia and Singapore are, to certain extent, competitors of our Group.

According to the CIC Report, the online advertising industry in Hong Kong, Taiwan and Malaysia is relatively fragmented with a large number of online advertising companies. There are relatively fewer online advertising platforms with large and engaged user base from which our potential clients could choose. For further details regarding the online advertising industry, please refer to the section headed “Industry Overview” in this prospectus.

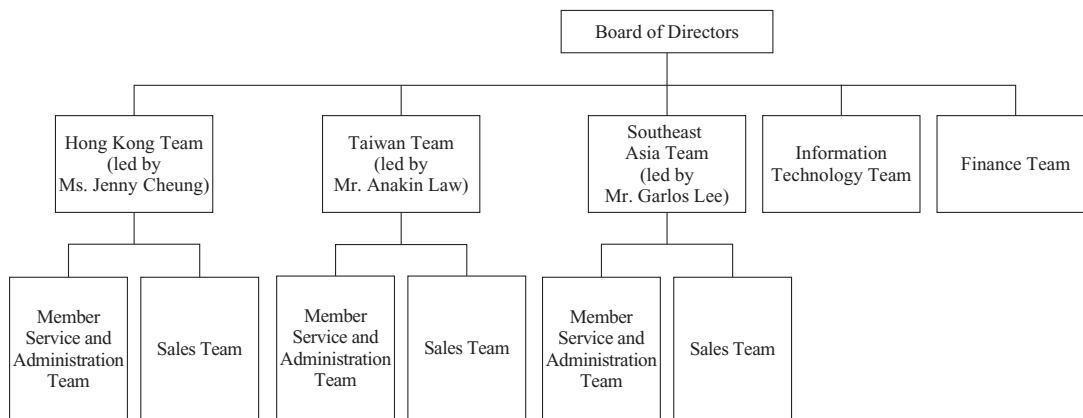
We face competition in relation to the quality and effectiveness of our services, our ability to meet potential clients’ expectations and specifications in a flexible way, and our experience and reputation. We believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths. For further details regarding our competitive strengths, please refer to the paragraph headed “Business – Competitive strengths” in this prospectus.

Seasonality

Our business may be affected by seasonality. The results of our operations and revenue are affected by seasonal fluctuation in demand for advertising services. Based on our past experience and the industry norm, our Directors consider that the period from January to February is a relatively low season in Hong Kong and Taiwan as our clients usually avoid product launches around the Chinese New Year.

OUR ORGANISATION STRUCTURE

The following chart sets forth our organisation structure as at the Latest Practicable Date:



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EMPLOYEES

Number of employees

We had a total of 15, 18 and 20 employees as at 31 March 2016 and 2017 and 30 November 2017. The table below sets forth the breakdown of our employees by function as at the Latest Practicable Date:

Function	No. of employees as at Latest Practicable Date
Management	3
● Hong Kong	1
● Taiwan	1
● Malaysia ¹	1
Information Technology	1
● Hong Kong	1
Sales and marketing	11
● Hong Kong	3
● Taiwan	6
● Malaysia ¹	2
Member service and administration	8
● Hong Kong	2
● Taiwan	4
● Malaysia ¹	2
Finance and accounting	2
● Hong Kong	2
Total	<u>25</u>

Note:

1. Our Singapore operation is currently managed by our office in Malaysia.

We actively pursue a strategy to recruit, develop and retain employees by (i) providing them with on the job trainings according to their job requirements with regard to our training policy; and (ii) aligning employees compensation and incentives with their performance by reviewing their remuneration packages periodically.

Relationship with employees

We believe that we have maintained a good relationship with our employees. During the Track Record Period, we did not have any labour dispute with our employees which led to a material adverse effect on our business and operations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant problems with our employees or any labour disturbances to our operations and we did not experience any difficulties in the recruitment and retention of experienced employees.

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Recruitment policies and training

With regard to our recruitment policy, we recruit our employees by, among others, posting job recruitment notices on recruitment websites. Our Group intends to use our best effort to attract and retain suitable personnel. Our Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with our business development.

Labour union and labour dispute

We have no workers' union. Our Directors confirm that we did not experience any significant difficulty in recruiting our employees nor have we had any significant employees compensation or labour disputes during the Track Record Period. We consider we have maintained satisfactory relations with our employees.

Remuneration and bonus

In general, we motivate our employees with a bonus which is determined with reference to our Group's performance, meeting certain key performance indicators and other financial and economic factors.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, the remuneration paid to our employees included, salaries, retirement benefit scheme contributions and other benefits was approximately HK\$2.5 million, HK\$3.0 million, HK\$1.8 million and HK\$3.1 million, respectively. We determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. The key principles of the remuneration policy are to remunerate employees in a manner that is market competitive. We regularly carry out employee evaluation to assess their performance.

Share Option Scheme

Our Company has conditionally adopted the Share Option Scheme in which certain eligible participants may be granted options to acquire Shares. We believe that the Share Option Scheme will assist our recruitment and retention of quality executives and employees. A summary of the principal terms of the Share Option Scheme is set out in the paragraph headed "Statutory and General Information – D. Share Option Scheme" in this prospectus.

RESEARCH AND DEVELOPMENT

In order to cope with the need of our clients and increase the attractiveness of our Platforms to our Members, we implement our research and development policy and focus on developing new kind of services to our clients for achieving their performance target. Mr. Leung Wai Lun, our executive Director, who has more than eight years' experience in the information technology industry, manages and supports the continuous development of our Platforms. To further expand and enhance our service offerings, we had developed and extended our social viral service on instant messenger platforms in April 2016.

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Going forward, we intend to allocate more resources to further develop our Platforms. For details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management policies

We recognise the need for risk management in our strategic and operational planning, day-to-day management and decision making process to identify the material risks associated with our business operations and strategies. Our Directors regularly identify material risks and will formulate action plans to address and mitigate any identified risks. Our Directors also hold regular meetings with our employees to identify potential risks and expected impact that may occur.

We will adopt from the Listing a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our audit committee, and ultimately our Board supervise the implementation of our risk management policies. Risks identified by management will be analysed on the basis of likelihood and impact, and be properly follow-up and mitigated by our Group and reported to our Board.

The following key principles outline our Group’s approach to risk management and internal control:

- (i) our Board has overall responsibility for evaluating and determining the nature and extent of the risks taken by the Group to achieve its business objectives;
- (ii) our senior management will provide a confirmation to our Board on the effectiveness of these systems; and
- (iii) our audit committee will provide oversight and reports to our Board on the risk management and internal control systems.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. Further details regarding the qualifications and experiences of our Directors and members of our senior management, please refer to the section headed “Our Directors, Senior Management and Employees” in this prospectus.

Internal control

Our Group has maintained an internal control system into our organisational structure. In preparation of the Listing, we have engaged an independent internal control consultant (the “**Internal Control Consultant**”) in April 2017 to undertake a review on our internal control over financial reporting on a number of business processes of certain entities of our

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Group and to identify findings and provide relevant recommendations to us. The following table sets forth the extract of the major findings and recommendations of internal control review in April 2017:

Internal control major findings

- Our Group has not established a comprehensive risk management system to identify our Group's internal and external risks, enable the management to analyse the risk factors, assess the likelihood of risk and impact, and decide that actions to deal with these risks
- Our Group has not established policy and procedure regarding conflict of interest, connected and related party transactions, as well as guideline for dealing with such transactions
- Our Group has not established an internal audit function
- Lack of control on expiry date of coupons in JAG Hong Kong

Recommendations

- Our Group should set up audit committee to oversee risk management system and to identify, assess, mitigate and monitor key business, financial, operational and compliance risks on an on-going basis.
- Our Group should establish policy and procedure regarding conflict of interest and related party transactions, and to the extent applicable, in accordance with the GEM Listing Rules.
- Our Group should set up an audit committee to ensure internal control activities are audited by an effective audit function.
- Our Group should set up an internal audit function, which will be responsible for evaluating internal control weaknesses based on the approved internal audit plan and report directly to the Audit Committee.
- Our Group should specify the expiry date of each type of coupon on the stock count sheet when performing stock count and keep the dates updated during every stock count in order to ensure proper action can be taken for clearance.

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Internal control major findings

- The need to enhance segregation of duties over cash and treasury management process
- There was a lack of documented evidence of backup monitoring and error follow-up

Recommendations

- The management should strengthen the authority over online bank transfer by mandating dual approval for bank transfer payments over a threshold; and segregate the duties between processing payments and keeping respective accounting records.
- The management should establish backup monitoring procedure to support the completion of backup and resolution in case of backup failure.

The Internal Control Consultant conducted a follow-up review in August 2017 and to assess whether we have implemented the internal control measures recommended by the Internal Control Consultant and whether the deficiencies identified in the review have been rectified. Based on the result of this follow-up review, save for setting up our audit committee and internal audit function which will be done shortly after Listing, we demonstrated we have implemented all major internal control measures recommended. No material deficiencies were identified during the follow-up review.

Personal data policies

We collect, store and process personal information and other data from our clients and our Members through our Platforms in the operation of our business and utilise our custom filter capability to help our employees to narrow their target audience. We provide our employees only the non-personal information such as the number of times their advertisements have been reviewed or clicked. We do not sell, rent or otherwise share the personal information of our Members with any third parties without their prior consent or except in limited circumstance such as when we believe it is required to do so by regulatory authorities.

We seek to protect our Members' information and accounts by employing data security measures such as passwords and firewalls. Internally, to ensure the personal data security, access to personal data are restricted and can only be accessed by Member service representatives. We have also adopted internal policies and restricted access rights to ensure that access to certain personal data can only be accessed by other teams on a need-to-know basis.

Our Directors are of the view that we have applied adequate measures for safeguarding our Members' personal information.

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Internal control policies on inventory

To ensure sufficient inventory to fulfill redemption of Rewards by our Members, we have inventory management system in place and our Member service representatives would perform regular checking of the level of stock in respect of our Rewards, in particular, the coupons. For details of our inventory management, please refer to the paragraph headed “Business – Inventory” in this prospectus.

Information technology policies

We are committed to safeguard the confidentiality, integrity and availability of all electronic information. Our servers are hosted by an international network provider and its data center. In addition to our routine security check, we use the tools offered by such network provider including firewall and back-up services to assist us in meeting our security and stability objectives. Such measures play a crucial role in mitigating risks posed to our Platforms. We are actively tracking our service level such as traffic data to maintain stability of our Platforms. We use software to help us monitor our websites performance and availability. We also perform monthly vulnerability scanning to detect any weaknesses in the security of our Platforms.

Our information technology team is responsible for maintaining and developing our Platforms, providing training to our new employees and deploying new Platform features.

As confirmed by our Directors, there had been no unexpected system or network failure which caused material interruption to our operations during the Track Record Period.

Other internal control measures

Our Group has taken the following measures to ensure on-going compliance with various applicable laws and regulations:

- (a) our Directors had attended training sessions conducted by the legal adviser of our Company as to Hong Kong law on 18 August 2017 on the on-going obligations and duties of directors of a listed company, including among others, connected transactions, codes of corporate governance, dealing in securities, disclosure of inside information and notifiable transactions;
- (b) our Company has appointed Ms. Ngai Kit Fong and Ms. Leung Shuk Yi Shirley as our joint company secretaries on 18 August 2017, who are responsible for the day to day compliance matters of our Group and monitoring the timing for convening annual general meetings and Hong Kong Companies Registry filings of our Company;
- (c) an audit committee has been established to review the internal control systems and procedures for compliance with the requirements of the GEM Listing Rules; and

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- (d) our Company has appointed Giraffe Capital as our compliance adviser to advise on compliance matters in accordance with the GEM Listing Rules.

Our Directors are of the view that the internal control measures adopted or will be adopted by our Group are adequate and effective for ensuring the compliance with various applicable laws and regulations.

Whenever considered necessary by our Directors in the future, we may appoint or engage external professional parties to conduct independent review on the adequacy and effectiveness of our internal control systems.

LICENCES AND PERMITS

Our Directors confirm that our Company is not required to obtain any industry specific qualification, licences or permit for carrying out our online advertising services business in Hong Kong, Taiwan, Malaysia and Singapore.

PROPERTIES

We currently do not own any property. As at the Latest Practicable Date, we entered into the lease agreements or membership agreement (as the case may be) for our offices in Hong Kong, Taiwan and Malaysia. The table below sets forth the addresses of our leased properties in Hong Kong, Taiwan and Malaysia as at the Latest Practicable Date:

Location	Address	Gross floor area	Monthly rental/ monthly fee	Lease period/ term of membership
Hong Kong	Unit 402A, 4/F, Benson Tower, 74 Hung To Road, Kwun Tong, Hong Kong	approximately 1,518 sq. ft.	HK\$16,698	18 September 2017 – 17 September 2019
Taiwan	Room 602, 6/F, Section 1, No. 152 Zhongshan North Road, Zhongshan District, Taipei City, Taiwan	approximately 569 sq. ft.	NT\$22,400	16 May 2017 – 15 May 2018
Malaysia ⁽¹⁾	Unit 3A-01A, Glo Damansara, No. 699, Jalan Damansara, Kuala Lumpur, Malaysia	approximately 97 sq. ft.	MYR1,700	1 September 2017 – 31 August 2018 ⁽²⁾

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Note:

1. Our office in Malaysia is a serviced office pursuant to the membership agreement dated 6 February 2017 instead of a lease agreement.
2. We have renewed the membership agreement on 14 August 2017. The new term of membership commenced on 1 September 2017 and will end on 31 August 2018.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, our rental expenses amounted to approximately HK\$0.2 million, HK\$0.2 million, HK\$0.1 million and HK\$0.2 million, respectively.

INSURANCE AND OTHER EMPLOYEE MATTERS

We provide a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong. In addition, our employees in Hong Kong who are retained after the probation period are entitled to medical insurance coverage. For our employees in Taiwan, we have participated in and contributed in the pension scheme as registered under the Labour Pension Act in Taiwan. We also maintain and pay labour insurance premium and national health premium in compliance with the applicable laws in Taiwan. In respect of our employees in Malaysia, we participate in the mandatory employee provident fund in accordance with the Employees Provident Fund Act 1991 providing for the retirement benefits for all employees who are Malaysian citizens. In addition, our employees in Malaysia are also entitled to the insurance coverage against job-related injury, disability and accidents arising at work place pursuant to the Employees' Social Security Act 1969.

As at the Latest Practicable Date, we have maintained insurance policies in relation to our offices in Hong Kong and Taiwan. Our office insurance policies cover, inter alia, our properties, business interruptions and personal accidents in such offices. Our Directors confirm that we are not required to maintain insurance policy for our serviced office in Malaysia.

Our Directors are of the view that our insurance coverage is adequate and in line with the standard industry practice in the territories where we operate.

ENVIRONMENTAL, HEALTH AND WORK SAFETY

Due to the nature of our business, we believe that there is no major source of environmental pollution nor involvement of substantial risks relating to health and work safety matters in the course of carrying out our online advertising services.

Our Directors confirm that during the Track Record Period, we did not have any material work related injury incidents. As at the Latest Practicable Date, there was no outstanding or pending material claim of work related injury from our employees.

Our Directors also believe that the impact of our operations on the environment is minimal. During the Track Record Period, we were not subject to any major environmental claims, lawsuits, penalties or disciplinary actions.

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CORPORATE SOCIAL RESPONSIBILITY

While we endeavour to promote business development and strive for greater rewards for our Shareholders, we acknowledge our corporate social responsibility by continuously contributing to the society. As Rewards, our Members can redeem, from time to time, with their JAG Points accumulated from their participation in Missions, or elect us to make charitable donations to organisations on their behalf. While charity is the primary goal, such charity activities provide valuable exposure and enhance the public image of our brand as a socially responsible enterprise.

INTELLECTUAL PROPERTY RIGHTS

Currently, we conduct our business primarily using the trademark of “JAG”.

As at the Latest Practicable Date, our Group has registered two trademarks in Hong Kong, two trademarks in Taiwan and one trademark in Singapore; and has registered 65 domain names. Our Group had also submitted application for registration of one trademark in Malaysia (the “**Application**”), the Application was still being processed as at the Latest Practicable Date. For further details regarding the intellectual property rights of our Company is set out in the paragraph headed “Statutory and General Information – B. Further information about the business of our Group – 2. Summary of intellectual property rights of our Group” in this prospectus.

With regard to the 65 registered domain names which were considered material to our business, the major purposes of such domain names include:

- (i) hosting the Group’s official website;
- (ii) hosting the front-end user interface of the Platforms;
- (iii) preventing copycat or infringement of the Group’s corporate identity and business names by using similar name of websites; and
- (iv) tracking the traffic generated from online advertising campaigns and redirecting to clients’ websites.

During the Track Record Period, there had not been any pending or threatened claims against our Group, nor has any claim been made by our Group against third parties, with respect to the infringement of intellectual property rights owned by our Group or third parties. As at the Latest Practicable Date, our Group was not aware of any infringement (i) by our Group of any intellectual property rights owned by any third party; or (ii) by any third party of any intellectual property rights owned by our Group.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We have provided our online advertising services to an online television company in Hong Kong (“**Client X**”) and issued a number of invoices in June, September, November and December 2016. However, Client X has failed to settle our invoices in an aggregate sum of approximately HK\$428,000 after they have become due. On 30 June 2017, a demand letter was issued to Client X, demanding Client X to settle our invoices in full before 7 July 2017, and on 13 September 2017, a statutory demand was issued to Client X on behalf of JAG Hong Kong (“**Potential Litigation with Client X**”). As at the Latest Practicable Date, Client X had not settled such invoices in full.

Saved as disclosed concerning the Potential Litigation with Client X, our Directors confirm that during the Track Record Period and as at the Latest Practicable Date, our Group was not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim is known to the Directors to be pending or threatened by or against our Group, that would have a material adverse effect on its operation results or financial conditions.

Regulatory Compliance

During the Track Record Period and up to the Latest Practicable Date, our Group had no material non-compliance of the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of laws or regulations applicable to our Group that would have a material adverse effect on our business or financial conditions taken as a whole.

DISCONTINUED TRANSACTIONS WITH RELATED PARTIES

TRANSACTIONS WITH COUPONMALL

Background of Couponmall

Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee disposed of their shares of Couponmall to an Independent Third Party on 9 March 2017 as they wish to focus on the online advertising business of our Group. Couponmall was beneficially owned as to 33.33% and controlled by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee up to 9 March 2017, respectively. Therefore, Couponmall was an associate of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee and was a connected person of our Company as defined under Chapter 20 of the GEM Listing Rules up to 9 March 2017. For the year ended 31 March 2017, Couponmall was our second largest supplier in supplying coupons to our Group as Rewards for our Members to redeem.

Historical arrangement

We purchased certain coupons from Couponmall. From February 2017, we ceased sourcing coupons from Couponmall; and from such date onwards, we purchased similar coupons from the coupon issuers directly to be distributed to our Members when they redeem their JAG Points accumulated through participating in our Missions. Our Group has ceased to source coupons from Couponmall and sources coupons directly from the coupon issuers as they have a stable supply and more varieties of coupons.

Prior to February 2017, we have sourced coupons from Couponmall at a generally lower price than purchases directly from Independent Third Party. Our Group sourced coupons from Couponmall at prices similar to or no less favourable than the prices Couponmall sold to its other customers. Therefore, our Directors are of the view that all the transactions with Couponmall during the Track Record Period was on an arm's length basis in the ordinary and usual course of business of our Group, and was on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole. For further details, please refer to the paragraph headed "Business – Our suppliers – Our major suppliers – Couponmall" in this prospectus.

TRANSACTIONS WITH TAI FONG STUDIO COMPANY LIMITED

Background of Tai Fong Studio Company Limited

Tai Fong Studio Company Limited is a private company incorporated in Hong Kong and its principal business activity is sale of photography equipment. It was a non-wholly owned subsidiary of Tai Fong Group Limited, a private company incorporated in Hong Kong that was beneficially owned as to 100% and controlled by the parents of Mr. Garlos Lee during the Track Record Period and up to the Latest Practicable Date. Therefore Tai Fong Studio Company Limited is an associate of Mr. Garlos Lee and was a connected person of our Company as defined under Chapter 20 of the GEM Listing Rules during the Track Record Period and up to the Latest Practicable Date. For the years ended 31 March 2016 and 2017 and up to May 2017, Tai Fong Studio Company Limited supplied photography equipment to our Group as Rewards for our Members to redeem.

DISCONTINUED TRANSACTIONS WITH RELATED PARTIES

Historical arrangement

From May 2017, we ceased sourcing photography equipment from Tai Fong Studio Company Limited and from such date onwards, we source similar photography equipment from Independent Third Party suppliers.

Our Directors are of the view that all the transactions with Tai Fong Studio Company Limited during the Track Record Period was on an arm's length basis in the ordinary and usual course of business of our Group, and was on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS AND SENIOR MANAGEMENT

Our Board of Directors consists of eight Directors, of which four are executive Directors, one is non-executive Director and three are independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business, while our senior management is responsible for the day-to-day management of our business. The table below shows certain information in respect of the members of our Board of Directors and senior management:

Members of our Board

Name	Position	Date of Joining our Group	Principal Role and Responsibilities	Relationship with other Directors and Senior Management
Ms. Cheung Lee (張莉)	Hong Kong general manager and executive Director	May 2010	responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group	Nil
Mr. Law Ka Kin (羅嘉健)	Taiwan general manager and executive Director	May 2010	responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group	Nil
Mr. Lee Wing Leung Garlos (李永亮)	Southeast Asia general manager and executive Director	May 2010	responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group	Nil
Mr. Leung Wai Lun (梁偉倫)	Information technology director and executive Director	February 2017	responsible for development and management of all information technology systems including our Platforms	Nil
Mr. Lin Hung Yuan (林宏遠)	Non-executive Director	July 2017	responsible for monitoring the operations of our Group	Nil
Mr. Kwan Chi Hong (關志康)	Independent non-executive Director	March 2018	supervising, providing independent advice to our Board, serving as chairman of nomination committee, and member of audit committee	Nil

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Position	Date of Joining our Group	Principal Role and Responsibilities	Relationship with other Directors and Senior Management
Mr. Fenn David (范德偉)	Independent non-executive Director	March 2018	supervising, providing independent advice to our Board, serving as chairman of remuneration committee, and member of audit committee	Nil
Mr. Ho Ho Tung Armen (何浩東)	Independent non-executive Director	March 2018	supervising, providing independent advice to our Board, serving as chairman of the audit committee and member of each of remuneration committee and nomination committee	Nil

Members of our senior management

Name	Position	Date of Joining our Group	Principal Role and Responsibilities	Relationship with other Directors and Senior Management
Ms. Leung Shuk Yi Shirley (梁淑儀)	Joint company secretary and financial controller	May 2017	responsible for management of the finance team of our Group	Nil
Ms. Choi Sin Yi (蔡倩宜)	Advertising manager	June 2012	responsible for management of the Hong Kong sales team	Nil

Executive Directors

Ms. Jenny Cheung (張莉), aged 34, co-founded our Group in May 2010 and was appointed as our Hong Kong general manager on 7 July 2014 and executive Director on 18 August 2017. Ms. Jenny Cheung worked for our Group on a full-time basis during the Track Record Period. She is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. Ms. Jenny Cheung has over 10 years of working experience in the marketing and advertising industry.

Prior to the establishment of our Group, Ms. Jenny Cheung has worked at L’Oreal H.K. Ltd., an international beauty products brand in Hong Kong, with the last position working as a group product manager in the luxury division products from April 2013 to July 2014; and Parfums Christian Dior Hong Kong Limited, a retailer of skin care products, perfume, cosmetics and make-up products of an international fashion brand in Hong Kong, as a group product manager of the Skincare division from October 2011 to April 2013. Ms.

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Jenny Cheung has also worked at Neo Derm (HK) Ltd., a medical aesthetic solution provider and skincare products distributor in Hong Kong and China with last position as product manager from April 2010 to September 2011, primarily responsible for building brand image, analysing business trends and developing marketing plans; and Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong as a brand manager from March 2009 to April 2010; an assistant brand manager from May 2007 to February 2009; and a marketing trainee from May 2006 to April 2007.

Ms. Jenny Cheung obtained her bachelor degree of business administration with honours from The Chinese University of Hong Kong in March 2006.

Ms. Jenny Cheung did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Mr. Anakin Law (羅嘉健), aged 35, co-founded our Group in May 2010 and was appointed as our Taiwan general manager on 1 April 2014 and executive Director on 18 August 2017. Mr. Anakin Law worked for our Group on a full-time basis during the Track Record Period. He is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. Mr. Anakin Law has over 10 years of working experience in the marketing and advertising industry.

Prior to establishment of our Group, Mr. Anakin Law has worked at GlaxoSmithKline Limited, an international healthcare company that provides medicines, vaccines, and other healthcare products in Hong Kong as a category marketing manager in the consumer healthcare business division from June 2012 to April 2013. Mr. Anakin Law has also worked at (i) Hongkong International Theme Parks Limited, an international brand theme park in Hong Kong from June 2010 to June 2012 as an associate manager; and from August 2008 to May 2010 as a senior marketing executive in the marketing line of business; (ii) Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong as an assistant brand manager from June 2008 to August 2008; a marketing executive from July 2007 to May 2008; and a logistics planner from May 2006 to July 2007, primarily responsible for supply and distribution of products; and (iii) Watsons' The Chemist (Hong Kong), a division of A.S. Watson Group (HK) Limited, an international health and beauty retail chain in Hong Kong as an assistant supply chain officer from July 2005 to April 2006; and a supply chain trainee from May 2004 to June 2005.

Mr. Anakin Law obtained his bachelor degree of business administration with honours from The Chinese University of Hong Kong in December 2004.

Mr. Anakin Law did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Garlos Lee (李永亮), aged 34, co-founded our Group in May 2010 and was appointed as our general manager since April 2014 and appointed as executive Director on 18 August 2017. He is responsible for the overall management of our Group looking after all operations including sales, marketing, client services, human resources and finance of our Group. From April 2015 to mid-February 2017, Mr. Garlos Lee only took the role of decision making and participated in the overall strategic development, on a part-time basis, with no involvement in the day-to-day operations of our Group. Since 15 February 2017, he has worked for the Group on a full-time basis and become responsible for our Group's business operations in the Southeast Asia region. Mr. Garlos Lee has over 10 years of working experience in the marketing and advertising industry.

Prior to the establishment of our Group, Mr. Garlos Lee has worked at Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong from August 2006 to May 2010 with the last holding position as a brand manager.

Mr. Garlos Lee obtained his bachelor of commerce degree with honours from The University of British Columbia in May 2006.

Mr. Garlos Lee did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Mr. Leung Wai Lun (梁偉倫), aged 33, joined our Group as our information technology director in February 2017 and was appointed as executive Director on 18 August 2017. He is responsible for the development and management of all information technology systems of our Group including our Platforms. Mr. Leung has over nine years of working experience in the information technology industry.

Prior to joining our Group, Mr. Leung has worked at (i) Kobo Design Ltd., a digital branding agency based in Hong Kong, from November 2010 to June 2017 as the lead programmer, where he was primarily responsible for the provision of its day-to-day programming requirements, maintenance of its server, built and maintain the database systems, electronic commerce systems and websites for its clients; (ii) Lemowork Limited, a web design company based in Hong Kong, from January 2010 to December 2010 as a director; and (iii) Open Creative Limited, a multimedia consultancy company in Hong Kong and China, from December 2008 to January 2010 as a web developer.

Mr. Leung graduated with a bachelor of engineering degree in computer science with honours from The Hong Kong University of Science and Technology in May 2009.

Mr. Leung did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

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Non-Executive Director

Mr. Lin Hung Yuan (林宏遠), aged 40, joined our Group in July 2017 and was appointed as our non-executive Director on 18 August 2017. He is responsible for monitoring the operations of our Group.

Mr. Lin is a member of VMI Capital Group Limited which was incorporated in February 2016. He is also a director of several companies, including Venture Markit (Hong Kong) Limited, a licensed money lender in Hong Kong, since April 2010 and VMI Securities Limited, a company carrying out type 1 (dealing in securities) regulated activity under the SFO, since May 2016. Mr. Lin is a non-executive director of TradeGo FinTech Limited since June 2017, together with its subsidiaries, such group provides integrated securities trading platform services in Hong Kong. Mr. Lin is also a consultant of National Chengchi University, Finance and Technology Research Center. He held positions in international financial institutions, including holding the business title as an executive director of Euro Asset Management Limited, a real estate asset manager, responsible for investment business from July 2008 to April 2010; a representative of Daiwa Capital Markets Hong Kong Limited carrying out type 1 (dealing in securities) regulated activity under the SFO from October 2006 to March 2008; the assistant manager in the trading department of Taishin International Bank responsible for financial securities and derivatives products from February 2005 to June 2006 and the officer in the fixed income department of Jin Sun Financial Holding Co., Ltd from January 2004 to January 2005. He was appointed as a visiting lecturer of National Kaohsiung First University of Science and Technology. Mr. Lin did not take up any employment in 2003 and served in military of Taiwan between 2001 and 2003.

Mr. Lin graduated with a bachelor of art degree from the National Chengchi University, Taiwan in June 1999 and a master of management degree from the National Sun Yat-sen University, Taiwan in June 2001. Mr. Lin became a financial risk manager of the Global Association of Risk Professionals in September 2013.

Mr. Lin did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Independent Non-Executive Directors

Mr. Kwan Chi Hong (關志康), aged 45, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of nomination committee, and member of audit committee for our Group.

Mr. Kwan was appointed as a director of Bamboos Health Care Holdings Limited (the shares of which were listed on GEM, stock code: 8216, and subsequently, were listed on the Main Board of the Stock Exchange, stock code: 2293) on 23 November 2012 and redesignated as an executive director on 28 March 2014, responsible for monitoring and evaluating the business, strategic planning and major decision making. Mr. Kwan was also appointed as an independent non-executive director of Prosten Health Holdings Limited (stock code: 8026) on 12 February 2018.

Prior to the establishment of Bamboos Health Care Holdings Limited, Mr. Kwan had over 10 years of managerial experience in the public sector, from February 1995 to April 2008, including working as an executive officer in various governmental departments in

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Hong Kong, including Registration and Electoral Office, Urban Services Department, Home Affairs Department, Hong Kong Police Force and Chief Secretary for Administration's Office Government Secretariat, mainly responsible for human resources management including manpower and succession planning, financial resources management including planning and allocating financial resources and exercising control over revenue and expenditure, policy support including analysing the information collected and liaising with parties concerned to facilitate the formulation of policies, and general administration.

Mr. Kwan obtained a bachelor degree in economics and a master degree in economics from The University of Hong Kong in January 1995 and December 2005 respectively. Mr. Kwan completed a programme in executive master of business administration and obtained a master degree in business administration from The Chinese University of Hong Kong in December 2007.

Mr. Kwan was awarded the young entrepreneur of the year 2012 from the Hong Kong Business Awards hosted by DHL Express and South China Morning Post and the EY Entrepreneur of the Year 2013 China – Emerging Entrepreneur hosted by Ernst & Young.

Saved as disclosed above, Mr. Kwan did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Mr. Fenn David (范德偉), aged 37, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of remuneration committee, and member of audit committee for our Group.

Mr. Fenn has over 11 years of experience in the legal industry. He was admitted as a solicitor in Hong Kong in September 2005. From July 2003 to July 2005, he worked as a trainee solicitor at Woo, Kwan, Lee & Lo. From July 2007 to September 2008, he worked as an associate at Johnson Stokes & Master. From March 2009 to June 2011, he worked as an associate at King & Wood. From December 2011 to June 2015, he worked at F. Zimmern & Co. with the last position as a consultant solicitor. Currently, Mr. Fenn is an assistant solicitor at Chiu & Partners.

Mr. Fenn obtained his bachelor of laws degree with honours from The University of Hong Kong in December 2002. He was awarded a postgraduate certificate in laws from The University of Hong Kong in June 2003. Mr. Fenn further obtained a master of laws degree in banking and finance from University College London, University of London in the United Kingdom in November 2006. Mr. Fenn has been appointed as an adjudicator of the Registration of Persons Tribunal of Hong Kong since November 2013, a disciplinary panel member of the HKICPA since February 2016, and a member of the Housing Appeal Panel of Hong Kong since April 2017.

Mr. Fenn did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

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Mr. Ho Ho Tung Armen (何浩東), aged 41, was appointed as our independent non-executive Director on 7 March 2018. He is responsible for supervising, providing independent advice to our Board, serving as chairman of the audit committee and member of each of remuneration and nomination committee for our Group.

Mr. Ho is the chief financial officer and company secretary of Tianyun International Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 6836), a sales and manufacturer of processed fruit in China, primarily responsible for overseeing the corporate strategies, finance, capital market, investor relations, board governance, internal audit, compliance and the Hong Kong office of Tianyun International Holdings Limited since February 2015.

Mr. Ho worked at PricewaterhouseCoopers Ltd. from September 1998 to October 2002 with a last position as a senior associate. He worked as an assistant manager of KPMG UK Limited from October 2003 to October 2004. He then worked as a corporate finance executive of Grant Thornton Services LLP from November 2004 to February 2006. From June 2006 to December 2008, he worked in Evolution Securities China Ltd. as corporate finance manager. He worked as the vice president of Wisdom Asset Management Limited, an asset management company from June 2009 to March 2011 and Hermes Capital Limited, a financial advisory services company from March 2011 to April 2012. He also worked as the group chief financial officer at Tuenbo Management Company Limited during the period of October 2013 to August 2014.

Mr. Ho is currently a member of the HKICPA. He obtained a bachelor degree with honour in accountancy from City University of Hong Kong in November 1998 and a master degree in financial economics, which is a distance learning programme, from University of London in December 2002. Mr. Ho further obtained a master of business administration degree from The University of Chicago Booth School of Business in the United States of America in December 2016.

Mr. Ho did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Senior Management (other than the Executive Directors)

Ms. Leung Shuk Yi Shirley (梁淑儀), aged 52, joined our Group as the financial controller in May 2017 and was appointed as our joint company secretary on 18 August 2017. She is responsible for management of the finance team of our Group. Ms. Leung has over 24 years of working experience in accounting and financial management.

Prior to joining our Group, Ms. Leung has worked for (i) Johnson & Johnson (Hong Kong) Limited, an international consumer products, pharmaceuticals and medical devices brand in Hong Kong, (a) from May 2011 to January 2017 with last position as Hong Kong finance global services lead and (b) from October 2010 to April 2011 as financial analyst; (c) from March 2002 to January 2009 as a finance manager; (d) from January 1999 to February 2002 as an assistant finance manager; (e) from January 1997 to December 1998 as a financial analyst and (f) from January 1996 to December 1996 as an accountant and (g) from June 1994 to December 1995 as an assistant accountant; (ii) PepsiCo, Inc., an

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international food and beverage manufacturer and distributor brand in Hong Kong, from July 2010 to October 2010 as a temporary finance analyst, in the Greater China region; (iii) Pearson Education Asia Limited, an education resources company in Hong Kong, from August 2009 to December 2009 as temporary finance manager; and (vi) ARC International Limited, an international training and consulting organisation in Hong Kong, from May 1993 to June 1994 as an assistant accountant, primarily responsible for the accounting services of the company.

Ms. Leung graduated with a diploma degree in computer programming and systems with honours from the DeVry Institute of Technology in Toronto Canada in October 1986 and a master degree in business administration from the University of South Australia in October 2009. Ms. Leung is a chartered professional accountant (formerly known as certified general accountant) of Chartered Professional Accountants of British Columbia (formerly known as Certified General Accountants Associate of Canada) since September 1999 and a fellow of The Association of Chartered Certified Accountants since July 2007.

Ms. Leung did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

Ms. Choi Sin Yi (蔡倩宜), aged 28, joined our Group in June 2012. Ms. Choi has over six years of working experience in the online advertising industry. Ms. Choi was a social media marketing executive at JAG Hong Kong from June 2012 to September 2015, and was promoted to an advertising manager at JAG Hong Kong since October 2015, mainly responsible for the management of the Hong Kong sales team.

Ms. Choi graduated with a bachelor degree in business administration from the Hong Kong Baptist University in November 2012.

Ms. Choi did not hold any directorship in any listed companies during the three years immediately preceding the date of this prospectus.

COMPLIANCE OFFICER

Mr. Garlos Lee was appointed as the compliance officer of our Company on 18 August 2017. For details of his qualifications and experience, please refer to the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors” in this prospectus.

JOINT COMPANY SECRETARIES

Ms. Leung Shuk Yi Shirley (梁淑儀) was appointed as our joint company secretary on 18 August 2017. For details of her qualifications and experience, please refer to the paragraph headed “Our Directors, Senior Management and Employees – Directors and senior management – Senior management (other than the executive Directors)” in this prospectus.

Ms. Ngai Kit Fong (倪潔芳), aged 52, who has been so nominated to act as our joint company secretary by Tricor Services Limited (“**Tricor**”) under an engagement letter made between our Company and Tricor, pursuant to which Tricor has agreed to provide certain

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company secretarial services to our Company. She was appointed by our Board as our joint company secretary on 18 August 2017. She is responsible for overseeing the company secretarial matters of our Company. Ms. Ngai has over 25 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Ngai is a director of the corporate services division of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services.

Prior to joining Tricor, Ms. Ngai worked at Deloitte Touche Tohmatsu in Hong Kong. Ms. Ngai is currently the company secretary of Huiyin Smart Community Co., Ltd. (stock code: 1280), Century Sage Scientific Holdings Limited (stock code: 1450), China Animal Healthcare Limited (stock code: 940), BAIIO Family Interactive Limited (stock code: 2100) and Vico International Holdings Limited (stock code: 1621). Ms. Ngai was the company secretary of China Resources Phoenix Healthcare Holdings Company Limited (stock code: 1515) from March 2016 to June 2017 and Future Data Group Limited (stock code: 8229) from June 2016 to June 2017.

Ms. Ngai is a fellow of both The Hong Kong Institute of Chartered Secretaries (the “HKICS”) and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a holder of the Practitioner’s Endorsement of the HKICS.

COMPLIANCE ADVISER

We have appointed Giraffe Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, our compliance adviser will advise us on the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry with us regarding unusual movements in the price or trading volume of our Shares.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute the annual report of our financial results for the second full financial year commencing after the Listing Date (being the financial year ending 31 March 2020).

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD COMMITTEES

We have established an audit committee, a remuneration committee, a nomination committee under our Board of Directors. The committees operate in accordance with terms of reference established by our Board of Directors.

Audit committee

Our Company established an audit committee on 7 March 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 and paragraph D.3 of the Corporate Governance Code. The audit committee consists of Mr. Ho Ho Tung Armen, Mr. Fenn David and Mr. Kwan Chi Hong. The chairman of the audit committee is Mr. Ho Ho Tung Armen, an independent non-executive Director, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration committee

Our Company established a remuneration committee on 7 March 2018 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and paragraph B.1 and paragraph D.3 of the Corporate Governance Code. The remuneration committee consists of Mr. Fenn David, Mr. Ho Ho Tung Armen and Mr. Anakin Law. The chairman of the remuneration committee is Mr. Fenn David, an independent non-executive Director. The primary duties of the remuneration committee include, without limitation, (i) making recommendations to the Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Nomination committee

Our Company established a nomination committee on 7 March 2018 with written terms of reference in compliance with paragraph A.5 and paragraph D.3 of the Corporate Governance Code. The nomination committee consists of Mr. Kwan Chi Hong, Mr. Ho Ho Tung Armen and Ms. Jenny Cheung. The chairman of the nomination committee is Mr. Kwan Chi Hong. The primary functions of the nomination committee include, without limitation, reviewing the structure, size and composition of the Board of Directors, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

COMPENSATION OF DIRECTORS AND MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries, bonuses and other allowances and benefits-in-kind, including our Company's contribution to the pension scheme on their behalf. We determine the salaries of our Directors based on each Director's responsibilities, qualification, position and seniority.

The aggregate amount of remuneration (including salaries, discretionary bonuses, other benefits and contributions to pension schemes) which were paid to our Directors for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were approximately HK\$0.8 million, HK\$0.9 million and HK\$1.0 million, respectively.

The five highest paid individuals included two, two and three Directors, respectively, for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017. The aggregate amount of remuneration (including salaries, discretionary bonuses, other benefits and contributions to pension schemes) which were paid by our Group to the remaining three, three and two individuals, respectively, for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were approximately HK\$0.8 million, HK\$0.8 million and HK\$0.6 million, respectively.

It is estimated that remuneration equivalent to approximately HK\$1.7 million in aggregate will be paid or payable to our Directors by us in respect of the year ending 31 March 2018 under arrangements in force at the date of this prospectus.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past Directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted pursuant to the written resolutions of our then Shareholders of our Company and Directors passed on 7 March 2018. The rules of the Share Option Scheme are in compliance with Chapter 23 of the GEM Listing Rules and other relevant rules and regulations. Please see the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV to this prospectus for further details.

DIRECTOR'S INTEREST

Save as disclosed in this prospectus, each of our Directors (i) had no other relationship with any Directors, senior management or substantial or Controlling Shareholders of our Company as at the Latest Practicable Date; and (ii) did not hold any other directorships in listed public companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save for Ms. Jenny Cheung's, Mr. Anakin Law's, Mr. Garlos Lee's and Mr. Lin Hung Yuan's interests in the Shares which are disclosed in the paragraph

OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

headed “Statutory and General Information – C. Further information about our Directors and Substantial Shareholders – 4. Interests and short positions of our Directors of our Company in our Shares, underlying shares or debentures of our Company and our associated corporations following the Capitalisation Issue and the Share Offer” in Appendix IV to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules as at the Latest Practicable Date.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), the following persons will have an interest or a short position in the Shares or underlying shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)	Approximate percentage of shareholding in the total issued share capital of our Company after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)
Ms. Jenny Cheung ¹	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Mr. Szeto Man Wa ²	Interest of spouse	114,280,000	57.14%
Mr. Anakin Law ¹	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Ms. Leung Kwok Mei ³	Interest of spouse	114,280,000	57.14%
Mr. Garlos Lee ¹	Interest of a controlled corporation; interest held jointly with another person	114,280,000	57.14%
Ms. Ng Ka Po ⁴	Interest of spouse	114,280,000	57.14%
JAG United ¹	Beneficial interest	114,280,000	57.14%
VMI ⁵	Beneficial interest	35,720,000	17.86%
VMI Capital Group Limited ⁵	Investment manager	35,720,000	17.86%
Mr. Lin Hung Yuan ⁶	Interest of a controlled corporation	35,720,000	17.86%
Ms. Zhang Tian ⁷	Interest of spouse	35,720,000	17.86%

SUBSTANTIAL SHAREHOLDERS

Notes:

1. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such Shares held by JAG United.
2. Mr. Szeto Man Wa is the spouse of Ms. Jenny Cheung. By virtue of the SFO, Mr. Szeto Man Wa is deemed to be interested in the same number of Shares in which Ms. Jenny Cheung is deemed to be interested under the SFO.
3. Ms. Leung Kwok Mei is the spouse of Mr. Anakin Law. By virtue of the SFO, Ms. Leung Kwok Mei is deemed to be interested in the same number of Shares in which Mr. Anakin Law is deemed to be interested under the SFO.
4. Ms. Ng Ka Po is the spouse of Mr. Garlos Lee. By virtue of the SFO, Ms. Ng Ka Po is deemed to be interested in the same number of Shares in which Mr. Garlos Lee is deemed to be interested under the SFO.
5. VMI is a segregated portfolio company and 100% of its management shares is held by VMI Capital Group Limited.
6. Mr. Lin Hung Yuan beneficially owns the entire issued shares of VMI Capital Group Limited.
7. Ms. Zhang Tian is the spouse of Mr. Lin Hung Yuan. By virtue of the SFO, Ms. Zhang Tian is deemed to be interested in the same number of Shares in which Mr. Lin Hung Yuan is deemed to be interested under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

UNDERTAKINGS FROM THE CONTROLLING SHAREHOLDERS

Each of our Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Underwriters) and the Stock Exchange. Our Controlling Shareholders have also given undertakings to our Company and the Stock Exchange as bound by the lock-up requirements as imposed by Rule 13.16A and Rule 13.19 of the GEM Listing Rules.

Apart from satisfying the lock-up requirements under the GEM Listing Rules, each of our Controlling Shareholders has voluntarily undertaken to our Company that, he/she/it shall not, at any time during the twelve months from the expiry of the Second Six-Month Period under the GEM Listing Rules, dispose of any of the Relevant Securities, if immediately following such disposal they would cease to be controlling shareholders (as defined in the GEM Listing Rules) of our Company on a collective basis. Such voluntary lock-up undertakings from the Controlling Shareholders are irrevocable and may not be waived by our Company.

Further details of such undertakings are set out under the paragraph headed “Underwriting – Voluntary lock-up undertakings by our controlling shareholders” in this prospectus.

SUBSTANTIAL SHAREHOLDERS

UNDERTAKINGS FROM THE PRE-IPO INVESTOR

On 15 March 2018, the Pre-IPO Investor has undertaken to and covenanted with each of our Company, the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) that it will not, at any time within the First Six-Month Period, (i) offer, pledge, charge, sell, lend, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any options, rights or warrants to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor entering into any agreement to transfer or dispose of or otherwise create any options, rights, interests, or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, repurchase any of the share or debt capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or securities or any interest therein); or (ii) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of share capital or such other securities of our Company, in cash or otherwise (whether or not such transaction will be completed in the aforesaid period).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer and without taking into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, our Company will be owned as to approximately 57.14% by JAG United. As JAG United is directly entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company immediately following the Listing, JAG United shall be regarded as our Controlling Shareholder under the GEM Listing Rules.

Moreover, JAG United is owned as to approximately 33.33% by each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee hold their respective interest in our Company through a common investment holding company, namely JAG United, and therefore shall be regarded as a group of Controlling Shareholders under the GEM Listing Rules. Pursuant to a written confirmation dated 13 February 2018 and a supplemental written confirmation dated 14 February 2018, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee confirm and agree that they have been, during the Track Record Period, and will continue to be parties acting in concert under the Takeovers Code.

Save as disclosed above, there is no other person who, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which fall to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), will be directly or indirectly interested in 30% or more of the Shares then in issue.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Our Directors believe that we are capable of carrying on our business independently from, and do not place reliance on, our Controlling Shareholders and their respective close associates, taking into consideration of the factors set out below.

Management independence

Our Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors. Save and except our executive Directors, namely, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, are our Controlling Shareholder due to their interest in JAG United as disclosed above, our Board comprises a balanced composition of independent non-executive Directors who have sufficient character, integrity and calibre for their views to carry weight, and thus can effectively exercise independent judgement. In addition, each of our Directors is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a director and his/her personal interests.

If our Directors who to their knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Group, the interested Directors shall declare such interest at the meeting of the Board at which the

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

relevant transactions are to be first considered in accordance with the Articles of Association. The interested Directors shall also abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum in accordance with the Articles of Association. As such, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee will not vote on those matters or transactions relating to any of our Controlling Shareholders or otherwise give rise to potential conflicts of interest come up for discussion at Board meetings and they would not be counted towards quorum in the relevant meetings.

Since JAG United has no business other than holding the shareholding interest in our Company, our Directors do not foresee any issue which may affect our management independence. In addition, save for Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, none of our Directors or senior management has any managerial role or beneficial interest in JAG United or has any family relationship with our Controlling Shareholders or any of their respective close associates.

Three of our Board members, representing more than one-third of the members of our Board, are independent non-executive Directors who have extensive experience in different professions. They have been appointed pursuant to the requirements under the GEM Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of Directors from different backgrounds provides a balance of views and opinions.

Furthermore, our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Company.

Our Board acts collectively by majority decisions in accordance with the Articles of Association and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Having considered the above factors and in light of the non-competition undertakings given by our Controlling Shareholders in favour of our Group (for further details regarding the non-competition undertakings, please refer to the paragraph headed "Relationship with our Controlling Shareholders – Non-competition undertakings" in this prospectus), our Directors are satisfied that they are able to perform their roles in our Group independently and are of the view that they are capable of managing our business independently from our Controlling Shareholders and their respective close associates after Listing.

Operational independence

While our Board has full rights to make all decisions on the overall strategic development and management and operational aspects of our Group, all essential operational functions have been and will be overseen by Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, our executive Directors (whose biographies are set out in the paragraph headed "Our Directors, Senior Management and Employees – Directors and senior management – Executive Directors" in this prospectus), without unduly requiring the support of our Controlling Shareholders and their close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Further, our Group holds all the patent, trademarks, copyrights and domain names with respect to our business, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates.

During the Track Record Period, (i) Couponmall was one of our five largest suppliers mainly supplying our Group for coupons and (ii) Tai Fong Studio Company Limited was one of our suppliers of photography equipment. From February 2017, we have unilaterally ceased to source coupons from Couponmall and, from such date onwards, we obtained similar coupons from related coupon issuers directly to be distributed to our Members when they redeem their JAG Points accumulated through participating in Missions, for further details regarding the reasons of ceasing our business relationship with Couponmall, please refer to the paragraph headed “Business – Our suppliers – Our major suppliers – Couponmall” in this prospectus. From May 2017, we have unilaterally ceased to source photography equipment from Tai Fong Studio Company Limited and, from such date onwards, we source similar photography equipment from Independent Third Party suppliers.

We have implemented a set of internal control procedures to facilitate the effective and independent operation of our business. Further, save as the business dealings with Couponmall and Tai Fong Studio Company Limited during the Track Record Period, there are no business dealings between our Group and the Controlling Shareholders and their close associates as at the Latest Practicable Date. Our Directors consider that our Group can operate independently from our Controlling Shareholders and their close associates.

Financial independence

During the Track Record Period and up to the Latest Practicable Date, we had our own internal control and accounting system, finance and administration team for cash receipts and payments. Moreover, we make financial decisions according to our own business requirements and in this connection, our Directors are of the view that our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholders after the Listing and thus there is no financial dependence on them. During the Track Record Period, our Group had certain amounts due to/from our Controlling Shareholders. Please refer to note 24 to the Accountants’ Report for details of the material related party transactions. All amounts due to/from our Controlling Shareholders, which are non-trade nature, have been fully settled as at 30 June 2017. For further details please refer to the paragraph headed “Financial Information – Indebtedness” in this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Directors are of the view that our Group will be financially independent of our Controlling Shareholders upon the Listing for the following reasons:

- *Strong financial position:* our Group has been financially sound with strong financial position and cash generated from operation throughout the Track Record Period. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, our Group recorded revenue of approximately HK\$21.8 million, HK\$26.3 million and HK\$19.3 million, respectively, and our Group recorded profit for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 of approximately HK\$8.0 million, HK\$12.3 million and HK\$6.3 million (excluding the effect of Listing expenses) respectively. In addition, we recorded net cash generated from operating activities of approximately HK\$9.5 million, HK\$9.9 million for the years ended 31 March 2016 and 2017, respectively. As at 30 November 2017, our Group had cash and cash equivalents of approximately HK\$16.8 million.
- *A track record of obtaining fund raising:* in November 2017, our Group has obtained the Pre-IPO Investment with total principal amount of approximately HK\$15.0 million. Our Directors are confident that after Listing, our Group will be able to obtain banking or credit facilities from financial institutions.
- *Independent financial related functions:* our Group has its own independent finance team and internal control, accounting and financial management systems, based on which we are able to make financial decisions according to our own business needs.

In view of our Group's internal resources and the estimated net proceeds from the Share Offer, our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors further believe that, upon Listing, our Group is capable of obtaining financing from external sources independently. Accordingly, our Directors consider and the Sole Sponsor concurs that our Group is capable of operating independently from our Controlling Shareholders from a financial perspective upon Listing.

RULE 11.04 OF THE GEM LISTING RULES

Each of our Controlling Shareholders, our Directors, our substantial shareholders and their respective close associates do not have any interest in a business apart from our Group's business which competes or may compete, directly or indirectly, with our Group's business or any other conflicts of interests which would require disclosure under Rule 11.04 of the GEM Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

NON-COMPETITION UNDERTAKINGS

In order to maintain a clear delineation of business between us and our Controlling Shareholders, JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee (being our Controlling Shareholders, each the “**Covenantor**” and collectively the “**Covenantors**”) have entered into a deed of non-competition dated 7 March 2018 in favour of our Company and our subsidiaries (the “**Deed of Non-competition**”). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to our Company (for itself and for the benefit of our subsidiaries) that, save and except as disclosed in this section, during the period that the Deed of Non-competition remains effective:

- (i) he/she/it shall not, and shall procure that his/her/its close associates (other than any member of our Group) and/or companies controlled by the Covenantors (other than any member of our Group) not to (a) carry on or be engaged, concerned or interested, or otherwise be involved, directly or indirectly, in any form of business, including but not limited to joint venture, alliance, cooperation, partnership, which in competition with or likely to be in competition with the existing business activities of any member of our Group and any business of our Group may engage in from time to time within Hong Kong and such other parts of the world where any member of our Group may operate from time to time, save for the holding of not more than 5% shareholding interests (individually or with his/her/its close associates) in any company listed on a recognised stock exchange and at any time the relevant listed company shall have at least one shareholder (individually or with his/her/its close associates, if applicable) whose shareholding interests in the relevant listed company is higher than that of the relevant Covenantor (individually or with his/her/its close associates); (b) solicit or procure any of the suppliers and/or the clients of our Group from time to time to terminate their business relationships or otherwise reduce the amount of business with our Group; (c) solicit or procure any of the Directors, senior management or other employees of our Group from time to time to resign or otherwise cease providing services to our Group;
- (ii) if he/she/it or his/her/its close associates other than any member of our Group is offered or becomes aware of any business opportunity which may compete with the business of our Group, he/she/it shall procure that his/her/its close associates to promptly notify our Group in writing and our Group shall have a right of first refusal to take up such opportunity. Our Group shall, within 30 days after receipt of the written notice (or such longer period if our Group is required to complete any approval procedures as set out under the GEM Listing Rules from time to time), notify the Covenantor(s) whether our Group will exercise the right of first refusal. Our Group shall only exercise the right of first refusal upon the approval of all independent non-executive Directors who do not have any interest in such opportunity. The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

potential conflict of interest including but not limited to the relevant meeting of our independent non-executive Directors for considering whether or not to exercise the right of first refusal; and

- (iii) the Covenantors shall indemnify and keep indemnified our Company and our Group against any loss suffered by our Company or our Group (as relevant) arising out of any breach of any of the Covenantors' undertakings under the Deed of Non-competition.

Our Company will adopt the following procedures to monitor that the Deed of Non-competition is being observed:

- (a) our independent non-executive Directors shall review on an annual basis the above undertakings from the Covenantors and to evaluate the effective implementation of the Deed of Non-competition;
- (b) each of the Covenantors undertakes to provide any information as is reasonably required by our Group or our independent non-executive Directors, as a basis to decide whether to exercise the right of first refusal by our Company from time to time; and
- (c) each of the Covenantors undertakes to provide all information necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition, and to provide an annual confirmation on the compliance of the non-competition undertaking for inclusion in the annual report of our Company.

The undertakings contained in the Deed of Non-competition are conditional upon the Listing Division granting approval for the Listing of and permission to deal in the Shares on the Stock Exchange and all conditions precedent under the Underwriting Agreement having been fulfilled (or where applicable, waived) and the Underwriting Agreement not having been terminated in accordance with its terms. If any such condition is not fulfilled on or before the date specified in the Underwriting Agreement (unless such conditions are waived on or before such date) or in any event on or before the date falling 30 days after the date of this prospectus, the Deed of Non-competition shall lapse and cease to have any effect whatsoever and no party shall have any claim against the other under the Deed of Non-competition.

The Deed of Non-competition shall terminate on the date on which (i) in relation to any Covenantors, when he/she/it together with his/her/its close associates, whether individually or taken together, ceases to be interested in 30% (or such other amount as may from time to time be specified in the GEM Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the entire issued share capital of our Company provided that the Deed of Non-competition shall continue to be in full force and effect as against the other Covenantors; or (ii) our Shares cease to be listed and traded on the Stock Exchange (except for temporary trading halt or suspension of trading of the Shares on the Stock Exchange due to any reason).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As our Controlling Shareholders have given non-competition undertakings in favour of our Company, and other than members of our Group, none of them have interests in other businesses that compete or are likely to compete with the business of our Group, our Directors are of the view that we are capable of carrying on our business independently from our Controlling Shareholders following the Listing.

UNDERTAKINGS FROM THE CONTROLLING SHAREHOLDERS

Each of our Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Underwriters) and the Stock Exchange. Our Controlling Shareholders have also given undertakings to our Company and the Stock Exchange as bound by the lock-up requirements as imposed by Rule 13.16A and Rule 13.19 of the GEM Listing Rules.

Apart from satisfying the lock-up requirements under the GEM Listing Rules, each of our Controlling Shareholders has voluntarily undertaken to our Company that, he/she/it shall not, at any time during the twelve months from the expiry of the Second Six-Month Period under the GEM Listing Rules, dispose of any of the Relevant Securities, if immediately following such disposal they would cease to be controlling shareholders (as defined in the GEM Listing Rules) of our Company on a collective basis. Such voluntary lock-up undertakings from the Controlling Shareholders are irrevocable and may not be waived by the Company.

Further details of such undertakings are set out under the paragraph headed “Underwriting – Voluntary lock-up undertaking by our Controlling Shareholders” in this prospectus.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

- (a) the Articles provide that a Director shall disclose the nature of his interest in any contract or transaction in which he is interested at or prior to its consideration and any vote thereon;
- (b) our independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;
- (c) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (d) our Company will disclose decisions on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition of our Controlling Shareholders in the annual reports of our Company;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (e) our Controlling Shareholders will make an annual declaration on compliance with the Deed of Non-competition in the annual report of our Company;
- (f) our independent non-executive Directors will be responsible for deciding whether or not to allow any Controlling Shareholder and/or his/her/its close associates to involve or participate in any business in competition with or likely to be in competition with the existing business activity of any member of our Group within Hong Kong and such other parts of the world where any member of our Group may operate from time to time and if so, any condition to be imposed; and
- (g) our independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-competition or connected transaction(s) at the cost of our Company.

Further, any transaction that is proposed between our Group and/or our Controlling Shareholders and their respective close associates will be required to comply with the requirements of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

With the corporate governance measures including the measures set out above in this paragraph, our Directors believe that the interest of our Shareholders will be protected.

SHARE CAPITAL

SHARE CAPITAL OF OUR COMPANY

The authorised share capital of our Company is as follows:

<i>Authorised share capital</i>	<i>HK\$</i>
10,000,000,000 Shares of par value HK\$0.01 each	100,000,000

Without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, the share capital immediately following the Capitalisation Issue and the Share Offer will be as follows:

Issued and to be issued, fully paid or credited as fully paid

131,250	Shares in issue immediately prior to the Share Offer	1,312.5
50,000,000	Shares to be issued under the Share Offer	500,000
<u>149,868,750</u>	Shares to be issued under the Capitalisation Issue	<u>1,498,687.5</u>
<u>200,000,000</u>	Total	<u>2,000,000</u>

Assuming the Offer Size Adjustment Option is exercised in full, then 7,500,000 additional Shares will be issued. In such circumstances, the issued share capital of our Company immediately after completion of the Capitalisation Issue and the Share Offer will be HK\$2,075,000 divided into 207,500,000 Shares.

RANKING

The Offer Shares will rank *pari passu* in all respects with all the Shares now in issue or to be issued as mentioned in this prospectus, and, in particular, will qualify in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of Listing other than participation in the Capitalisation Issue.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of our issued share capital in the hands of the public (as defined in the GEM Listing Rules).

SHAREHOLDERS' GENERAL MEETING

Please refer to the section headed "Summary of the Constitution of our Company and the Cayman Islands Companies Law" in this prospectus in respect of circumstances under which general meeting is required.

SHARE CAPITAL

GENERAL MANDATE TO ISSUE SHARES

Conditional on the fulfilment or waiver (as applicable) of the conditions set out in the section headed “Structure and Conditions of the Share Offer – Conditions of the Share Offer” in this prospectus, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with an aggregate nominal value of not more than the sum of:

- (a) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the Share Offer; and
- (b) the aggregate nominal value of the share capital of our Company repurchased by our Company, if any under the general mandate to repurchase Shares referred to in the paragraph headed “General mandate to repurchase Shares” below.

The allotment and issue of Shares under a rights issue, script dividend scheme or similar arrangement in accordance with the Articles do not generally require the approval of the Shareholders in general meeting and the aggregate nominal value of the Shares which our Directors are authorised to allot and issue under this mandate will not be reduced by the allotment and issue of such Shares.

This general mandate will expire at the earliest of:

- (a) the conclusion of our Company’s next annual general meeting;
- (b) the expiration of the period within which our Company is required by applicable laws or the Articles to hold its next annual general meeting; and
- (c) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed “Statutory and General Information – A. Further information about our Company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018” in Appendix IV to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Conditional on the fulfilment or waiver (as applicable) of the conditions set out in the section headed “Structure and Conditions of the Share Offer – Conditions of the Share Offer” in this prospectus, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of the share capital of our Company in issue following completion of the Capitalisation Issue and the Share Offer.

SHARE CAPITAL

This mandate only relates to repurchases made on the Stock Exchange, or any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), which are made in accordance with all applicable laws and requirements of the GEM Listing Rules. Further information required by the Stock Exchange to be included in this prospectus regarding the repurchase of Shares is set out in the paragraph headed “Statutory and General Information – A. Further information about our Company and our subsidiaries – 6. Repurchase of our Shares by our Company of its own securities” in Appendix IV to this prospectus.

This general mandate will expire at the earliest of:

- (a) the conclusion of our Company’s next annual general meeting;
- (b) the expiration of the period within which our Company is required by applicable laws or the Articles to hold its next annual general meeting; and
- (c) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed “Statutory and General Information – A. Further information about our Company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018” in Appendix IV to this prospectus.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. Details of the principal terms of the Share Option Scheme are summarised in the paragraph headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV to this prospectus.

Our Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into our Shares as at the Latest Practicable Date.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Companies Law and the terms of the Memorandum and the Articles, our Company may from time to time by ordinary resolutions of shareholders (i) increase its capital; (ii) consolidate its capital into Shares of larger amount; (iii) divide its Shares into several classes; (iv) subdivide its Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may, subject to the provisions of the Companies Law, reduce its share capital by a special resolution passed by our Shareholders. For more details, please refer to the paragraph headed “Summary of the constitution of our Company and Cayman Islands Companies Law – 2. Articles of Association – 2.5 Alteration of capital” in Appendix III to this prospectus.

SHARE CAPITAL

Pursuant to the terms of the Memorandum and the Articles, if at any time our share capital is divided into different classes of Shares, all or any of the special rights attached to any class of our Shares (unless otherwise provided for in the terms of issue of the Shares of that class) may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of our Shares of that class. For more details, please refer to the paragraph headed “Summary of the constitution of our Company and Cayman Islands Companies Law – 2. Articles of Association – 2.4 Variation of rights of existing shares or classes of shares” in Appendix III to this prospectus.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information and notes thereto set forth in the Accountants' Report included as Appendix I and our selected historical consolidated financial information and operating data included elsewhere in this prospectus. Our consolidated financial information has been prepared in accordance with HKFRSs as adopted by the HKICPA.

The following discussion and analysis contain certain forward-looking statements that reflect our current views with respect to future events and our financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. Please refer to the sections headed "Risk Factors" and "Forward-looking Statements" for discussions of those risks and uncertainties.

OVERVIEW

We are a digital media company and our principal business activity is to provide online advertising services which comprise (i) social viral service; (ii) engager service; (iii) mass blogging service; and (iv) other services. For the years ended 31 March 2016 and 2017 and for the eight months ended 30 November 2016 and 2017, our revenue was approximately HK\$21.8 million, HK\$26.3 million, HK\$16.9 million and HK\$19.3 million, respectively. Our profit for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 was approximately HK\$8.0 million, HK\$12.3 million and HK\$6.7 million, respectively, while we recorded a loss of approximately HK\$3.0 million for the eight months ended 30 November 2017.

During the Track Record Period, our online advertising services are primarily conducted in Hong Kong and Taiwan. For the years ended 31 March 2016 and 2017 and for the eight months ended 30 November 2016 and 2017, 58.6%, 49.7%, 48.4% and 55.1% of our total revenue was derived from our projects in Hong Kong whereas 41.4%, 50.3%, 51.6% and 42.8% of our revenue was derived from our projects in Taiwan, respectively. In 2017, we have expanded our business operation in Malaysia and Singapore.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 22 May 2017. In preparation of the Listing, our Group underwent the Reorganisation, as detailed in the section headed "Our History, Reorganisation and Corporate Structure" in this prospectus. As a result of Reorganisation, our Company has become the holding company of the companies now comprising our Group on 15 June 2017.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of our Group for the Track Record Period have been prepared to present the results and cash flows of the companies now comprising our Group (or where the companies were incorporated at a date later than 1 April 2015, for the period from the date of incorporation

FINANCIAL INFORMATION

to 30 November 2017) as if the current group structure had been in existence and remained unchanged throughout the Track Record Period. The consolidated statements of financial position of our Group as at 31 March 2016 and 2017 and 30 November 2017 have been prepared to present the state of affairs of the companies comprising our Group as at respective dates as if the Reorganisation had occurred as at the respective dates.

As the companies now comprising our Group were controlled by the same Controlling Shareholders both before and after the Reorganisation and the control is not transitory, there was a continuation of the risks and benefits to the Controlling Shareholders and therefore, the Reorganisation is considered to be a combination of entities and business under common control. The historical financial information has been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA and there was no change in the economic substance of the business of our Group. Accordingly, the historical financial information has been prepared as if the Reorganisation had been completed as at the beginning of the Track Record Period with the group structure remained unchanged throughout the Track Record Period. The assets and liabilities of the combining companies are recorded using their respective book values from the perspective of the Controlling Shareholders.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

In preparing our financial information we make estimates, assumptions and judgments that can have significant impact on the reported amounts of assets, liabilities, income and expenses on our financial information. Actual results may differ from these estimates. Some of our significant accounting policies, estimates and judgments, as set out in Note 2 and Note 3 to the Accountants’ Report included in Appendix I, involve subjective estimates and assumptions, as well as complex judgments in relation to accounting items. We believe that the estimates, assumptions, and judgments involved in the accounting policies described below have the greatest potential impact on our financial information, so we consider these to be our critical accounting policies.

Revenue Recognition

Revenue is recognised when it is probable that economic benefits will flow to our Group and when the revenue can be measured reliably. Upon completion of our engagement, our revenue after deduction of any trade discounts and rebates from the provision of online advertising services is recognised upon issue of our invoice to our client. For interest income, it is recognised as it accrues using the effective interest method.

JAG Point programme

Our Group operates a JAG Point programme. Our Members accumulate JAG Points by completing Missions related to the advertising campaigns held by the Group or Group’s clients. JAG Points accumulated by the Members can be redeemed for Rewards.

Provisions are recognised for the JAG Points accumulated under the programme at fair value, which is determined by a number of assumptions arising from the redemption of JAG Points, including historical experience and estimated future redemption pattern.

FINANCIAL INFORMATION

SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The selected financial information from our consolidated statements of financial position as at 31 March 2016 and 2017 and 30 November 2017 and our consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 set forth below are extracted from our Accountants' Report included in Appendix I to this prospectus, and should be read in conjunction with the accountants' report set forth in Appendix I to this prospectus.

Consolidated statements of profit or loss and other comprehensive income

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	21,768	26,342	16,853	19,336
Cost of services	(8,067)	(7,185)	(6,223)	(6,285)
Gross profit	13,701	19,157	10,630	13,051
Other income	6	6	5	7
Selling and distribution costs	(1,698)	(1,911)	(1,159)	(1,485)
Administrative and other operating expenses	(2,306)	(2,482)	(1,448)	(3,843)
Listing expenses	–	–	–	(9,332)
Change in fair value of Convertible Bond	–	–	–	(46)
Profit/(loss) from operations	9,703	14,770	8,028	(1,648)
Finance costs	(46)	(17)	(15)	–
Profit/(loss) before taxation	9,657	14,753	8,013	(1,648)
Income tax	(1,648)	(2,493)	(1,360)	(1,353)
Profit/(loss) for the year/period	8,009	12,260	6,653	(3,001)
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>				
Foreign currency translation differences for foreign operations	(196)	(12)	(38)	11
Total comprehensive income for the year/period	7,813	12,248	6,615	(2,990)

FINANCIAL INFORMATION

Consolidated statements of financial position

	As at 31 March		As at 30
	2016	2017	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	100	20	74
Deferred tax assets	397	550	548
	497	570	622
Current assets			
Inventories	1,141	472	670
Trade and other receivables	5,939	9,015	13,185
Amounts due from Controlling Shareholders	69	223	–
Tax recoverable	–	111	–
Cash and cash equivalents	3,924	7,397	16,779
	11,073	17,218	30,634
Current liabilities			
Trade and other payables	7,133	7,408	9,050
Amounts due to Controlling Shareholders	315	–	–
Bank loan	393	34	–
Tax payable	1,365	1,224	1,251
Convertible Bond	–	–	15,046
	9,206	8,666	25,347
Net current assets	1,867	8,552	5,287
Total assets less current liabilities	2,364	9,122	5,909
Non-current liability			
Bank loan	34	–	–
Net Assets	2,330	9,122	5,909
Capital and reserves			
Share capital	403	384	1
Reserves	1,927	8,738	5,908
Total Equity	2,330	9,122	5,909

FINANCIAL INFORMATION

Consolidated statements of cash flows

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(unaudited)	
Cash and cash equivalents at the beginning of the year/period	<u>3,126</u>	<u>3,924</u>	<u>3,924</u>	<u>7,397</u>
Net cash generated from/(used in) operating activities	9,453	9,939	2,073	(2,619)
Net cash (used in)/generated from investing activities	(30)	1	–	(73)
Net cash (used in)/generated from financing activities	<u>(8,581)</u>	<u>(6,398)</u>	<u>(274)</u>	<u>12,019</u>
Net increase in cash and cash equivalents	842	3,542	1,799	9,327
Effect of foreign exchange rate changes	<u>(44)</u>	<u>(69)</u>	<u>16</u>	<u>55</u>
Cash and cash equivalents at the end of the year/period	<u><u>3,924</u></u>	<u><u>7,397</u></u>	<u><u>5,739</u></u>	<u><u>16,779</u></u>

MAJOR FACTORS AFFECTING THE RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The operating results and financial conditions of our Group have been and will continue to be affected by a number of factors including those set out below and in the section headed “Risk Factors” in this prospectus.

Change of overall economic conditions in territories where we operate which might affect the online marketing budgets of local and international brands

We experienced a growth in our revenue during the Track Record Period. Our revenue from social viral service, engager service, mass blogging service, and other services recorded approximately HK\$13.2 million, HK\$6.1 million, HK\$2.1 million and HK\$0.4 million for the year ended 31 March 2016, representing approximately 60.6%, 28.2%, 9.6% and 1.6% of our total revenue for the same period, respectively; our revenue from social viral service, engager service, mass blogging service, and other services recorded approximately HK\$17.1 million, HK\$6.5 million, HK\$2.3 million and HK\$0.4 million for the year ended 31 March 2017, representing approximately 64.9%, 24.5%, 9.1% and 1.5% of total revenue for the same period, respectively. Our revenue from social viral service, engager service, mass blogging service and other services recorded approximately HK\$11.3 million, HK\$3.8 million, HK\$1.6 million and HK\$83,000 for the eight months ended 30 November 2016, representing approximately 67.0%, 22.8%, 9.7% and 0.5% of our total

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revenue for the same period, respectively; and our revenue from social viral service, engager service, mass blogging service and other services recorded approximately HK\$11.7 million, HK\$5.8 million, HK\$1.4 million and HK\$0.4 million for the eight months ended 30 November 2017, representing approximately 60.3%, 30.2%, 7.4% and 2.1% of our total revenue for the same period, respectively. As budgets of advertising agencies and Brand Owners are closely related to the economic trend, our Group is indirectly exposed to the economic factors and risks that affect such brand owners, the general industry trend of our clients, the consumption behaviour of consumers and government policies. Therefore, our revenue is dependent on the budgets of Brand Owners and our clients of advertising agencies, any change in such budget would adversely affect our financial results.

Our ability to maintain our competitiveness and keep up with the rapid changes in the technological developments in the online advertising industry

We operate in a market with competitors that provide similar services to us. We compete with our competitors in various aspects including price and service quality. The level of competition also impacts our ability to price our services at a desired level so as to achieve our targeted profitability. In addition, our future success will also depend upon our ability to introduce new online advertising services that keep pace with the latest developments in the online advertising industry and the emerging and evolving industry standards, and meet the ever-changing demands of our clients. Should our Group be unable to keep up with the technological developments in the online advertising industry, our financial performance and results of operation may be adversely affected.

Our ability to retain existing and major clients

We provide services to our clients on a project-by-project basis and generally do not enter into long-term agreements with them. Accordingly, the volume of work our clients engage us may vary and they have no obligation to re-engage us in future projects. We cannot guarantee that we will be successful in retaining sufficient number of clients to maintain our existing financial performance. Our success in retaining existing clients depends on a number of factors, including our quality of services, online advertising strategies, the market demand for our services, and the competition in the online advertising industry, some of which are not under our control.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, we had total of 120, 122, 101 and 128 clients respectively, of which 56, 64, 63 and 57 clients were recurring clients respectively. During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, revenue generated from our recurring clients amounted to approximately HK\$19.2 million, HK\$21.3 million, HK\$15.2 million and HK\$13.9 million, respectively, representing approximately 88.0%, 80.7%, 90.2% and 71.7% of our total revenue respectively.

Pricing of our project

Our revenue depends on the prices we are able to charge our clients. Our results of operations are affected by the composition of our online advertising services and the pricing of our services. Different services and services within different geographic locations have

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different gross profit margins. We provide a variety of online advertising services that are specified for our clients. The type of services and the resources required for each project vary based on a number of factors such as the performance targets specified by our clients, scale of the project, industry of the client involved and potential future business opportunities with the client. If our clients require our Members to involve substantial time and effort in the Missions, we would be able to have more pricing power. Therefore, we are able to achieve a higher margin.

Market competition

We face competition from other media service players. According to the CIC Report, the online advertising industry in Hong Kong, Taiwan, Malaysia and Singapore are highly fragmented. We provide our online advertising services with our self-developed Platforms and diversified network of Members, our Group competes primarily with our competitors or potential competitors for quality online advertisement exposure. If we fail to achieve the performance targets and marketing objectives of our clients, we could lose clients and our revenue and financial results can be adversely affected.

Taxation

Due to our business nature, we are subject to income tax in Hong Kong, Taiwan, Malaysia and Singapore. The amount of income tax expense for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 amounted to HK\$1.6 million, HK\$2.5 million, HK\$1.4 million and HK\$1.4 million, respectively, representing effective tax rate of 17.1%, 16.9%, 17.0% and -82.1% respectively. Excluding the impact of Listing expenses, the effective tax rate for the eight months ended 30 November 2017 would be approximately 17.6%. In addition to the current tax, we are also required to measure the deferred tax based on the tax laws that are enacted as of the balance sheet date. We are required to constantly monitor our tax compliance. In the future, we could be adversely affected by any material increase in taxation or any new type of material taxation in any of the territories where we operate.

Seasonality

Our business may be affected by seasonality. Revenue fluctuations are common in the online advertising industry and are primarily the result of fluctuations in advertising expenditures. A large proportion of advertising expenditures is concentrated on product launches and promotion campaigns of our clients. Based on our past experience and in general, January to February, is a relatively low season as our clients usually avoid new product launches around Chinese New Year.

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Sensitivity Analysis

The following sensitivity analysis table sets out the impacts of the hypothetical changes of the profit before tax in relation to the percentage changes to (i) cost of Rewards, (ii) staff costs and (iii) price of our advertising service fee, assuming all other factors remained unchanged, based on the historical fluctuations during the Track Record Period.

	Impact on profit/(loss) before taxation			
	Year ended 31 March		Eight months ended	
	2016	2017	30 November	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Sensitivity analysis on cost of Rewards</i>				
Cost of Rewards				
increase/(decrease) by:				
15%/(15%)	(1,108)/1,108	(1,213)/1,213	(873)/873	(901)/901
10%/(10%)	(738)/738	(809)/809	(582)/582	(601)/601
5%/(5%)	(369)/369	(404)/404	(291)/291	(300)/300
<i>Sensitivity analysis on staff costs</i>				
Staff costs increase/				
(decrease) by:				
15%/(15%)	(373)/373	(456)/456	(264)/264	(460)/460
10%/(10%)	(249)/249	(304)/304	(176)/176	(307)/307
5%/(5%)	(124)/124	(152)/152	(88)/88	(153)/153
<i>Sensitivity analysis on price of our advertising service</i>				
Prices of our advertising				
service increase/				
(decrease) by:				
15%/(15%)	3,265/(3,265)	3,951/(3,951)	2,528/(2,528)	(2,900)/2,900
10%/(10%)	2,177/(2,177)	2,634/(2,634)	1,685/(1,685)	(1,934)/1,934
5%/(5%)	1,088/(1,088)	1,317/(1,317)	843/(843)	(967)/967

The following sensitivity analysis tables sets out the impact of changes in key assumptions in the JAG Points provision on our gross profit and gross profit margin, assuming all other factors remained unchanged, based on the historical fluctuations during the Track Record Period.

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Impact on gross profit

	Year ended 31 March		Eight months ended	
			30 November	
	2016	2017	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Sensitivity analysis on cost of Rewards</i>				
Cost of Rewards increased/(decreased) by:				
15%/(15%)	(1,108)/1,108	(1,213)/1,213	(873)/873	(901)/901
10%/(10%)	(738)/738	(809)/809	(582)/582	(601)/601
5%/(5%)	(369)/369	(404)/404	(291)/291	(300)/300

Sensitivity analysis on the conversion ratio

JAG Points required to redeem Rewards increased/(decreased) by:				
15%/(15%)	963/(963)	1,055/(1,055)	759/(759)	783/(783)
10%/(10%)	671/(671)	735/(735)	529/(529)	546/(546)
5%/(5%)	352/(352)	385/(385)	277/(277)	286/(286)

Impact on gross profit margin

	Year ended 31 March		Eight months ended	
			30 November	
	2016	2017	2016	2017
	<i>% point</i>	<i>% point</i>	<i>% point</i>	<i>% point</i>
<i>Sensitivity analysis on cost of Rewards</i>				
Cost of Rewards increased/(decreased) by:				
15%/(15%)	(5.1)/5.1	(4.6)/4.6	(5.2)/5.2	(4.7)/4.7
10%/(10%)	(3.4)/3.4	(3.1)/3.1	(3.5)/3.5	(3.1)/3.1
5%/(5%)	(1.7)/1.7	(1.5)/1.5	(1.7)/1.7	(1.6)/1.6

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Impact on gross profit margin

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	<i>% point</i>	<i>% point</i>	<i>% point</i>	<i>% point</i>
<i>Sensitivity analysis on the conversion ratio</i>				
JAG Points required to redeem Rewards increased/(decreased) by:				
15%/(15%)	4.4/(4.4)	4.0/(4.0)	4.5/(4.5)	4.1/(4.1)
10%/(10%)	3.1/(3.1)	2.8/(2.8)	3.1/(3.1)	2.8/(2.8)
5%/(5%)	1.6/(1.6)	1.5/(1.5)	1.6/(1.6)	1.5/(1.5)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR GROUP

Revenue

During the Track Record Period, our revenue was mainly generated from the provision of online advertising services which comprise social viral service, engager service, mass blogging service and other services. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, our revenue was approximately HK\$21.8 million, HK\$26.3 million, HK\$16.9 million and HK\$19.3 million, respectively.

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The following table sets out a breakdown of our revenue by geographic locations and by the types of services for the years indicated:

	Year ended 31 March						Eight months ended 30 November					
	2016			2017			2016			2017		
	Number of projects	Revenue HK\$'000	% of total revenue	Number of projects	Revenue HK\$'000	% of total revenue	Number of projects	Revenue HK\$'000	% of total revenue	Number of projects	Revenue HK\$'000	% of total revenue
(unaudited)												
By geographic locations												
Hong Kong												
Social viral service	200	6,917	31.8	192	7,266	27.6	140	4,819	28.6	168	6,031	31.3
Engager service	224	5,078	23.3	201	4,668	17.7	128	2,733	16.2	142	3,972	20.5
Mass blogging service	17	426	2.0	24	1,074	4.1	15	572	3.4	17	465	2.4
Other services	15	339	1.5	8	88	0.3	3	30	0.2	19	183	0.9
<i>Sub-total</i>	456	12,760	58.6	425	13,096	49.7	286	8,154	48.4	346	10,651	55.1
Taiwan												
Social viral service	261	6,278	28.8	279	9,817	37.3	207	6,474	38.4	148	5,299	27.4
Engager service	39	1,067	4.9	66	1,800	6.8	40	1,103	6.6	56	1,828	9.5
Mass blogging service	69	1,653	7.6	53	1,314	5.0	45	1,069	6.3	40	914	4.7
Other services	2	10	0.1	14	311	1.2	12	53	0.3	10	227	1.2
<i>Sub-total</i>	371	9,008	41.4	412	13,242	50.3	304	8,699	51.6	254	8,268	42.8
Malaysia												
Social viral service	-	-	-	1	4	0.0	-	-	-	20	313	1.5
Engager service	-	-	-	-	-	-	-	-	-	9	31	0.2
Mass blogging service	-	-	-	-	-	-	-	-	-	2	51	0.3
<i>Sub-total</i>	-	-	-	1	4	0.0	-	-	-	31	395	2.0
Singapore												
Social viral service	-	-	-	-	-	-	-	-	-	1	21	0.1
Engager service	-	-	-	-	-	-	-	-	-	1	1	0.0
<i>Sub-total</i>	-	-	-	-	-	-	-	-	-	2	22	0.1
Overall												
Social viral service	461	13,195	60.6	472	17,087	64.9	347	11,293	67.0	337	11,664	60.3
Engager service	263	6,145	28.2	267	6,468	24.5	168	3,836	22.8	208	5,832	30.2
Mass blogging service	86	2,079	9.6	77	2,388	9.1	60	1,641	9.7	59	1,430	7.4
Other services	17	349	1.6	22	399	1.5	15	83	0.5	29	410	2.1
Total	827	21,768	100	838	26,342	100	590	16,853	100	633	19,336	100

Our revenue was mainly generated from Hong Kong and Taiwan. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, the revenue generated from Hong Kong was approximately 58.6%, 49.7%, 48.4% and 55.1% of total revenue, and the revenue generated from Taiwan was approximately 41.4%, 50.3%,

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51.6% and 42.8% of total revenue, respectively. The proportion of revenue generated from Taiwan to total revenue increased from approximately 41.4% for the year ended 31 March 2016 to approximately 50.3% for the year ended 31 March 2017 mainly due to the amount of revenue generated from Hong Kong was relatively stable while the revenue generated from Taiwan increased by approximately HK\$4.2 million or 46.7% from approximately HK\$9.0 million for the year ended 31 March 2016 to approximately HK\$13.2 million for the year ended 31 March 2017 mainly due to the growing business in the market and the increase in number of projects. The proportion of revenue generated from Hong Kong to total revenue increased from approximately 48.4% for the eight months ended 30 November 2016 to approximately 55.1% for the eight months ended 30 November 2017, mainly due to the increase in revenue generated from Hong Kong from approximately HK\$8.2 million to approximately HK\$10.7 million, while the amount of revenue generated from Taiwan decreased from approximately HK\$8.7 million to approximately HK\$8.3 million, for the corresponding periods.

During the Track Record Period, the percentage of revenue generated from each type of service to our total revenue were relatively stable, except for (a) the increase in proportion of social viral service to total revenue by approximately 4.3 percentage points from approximately 60.6% for the year ended 31 March 2016 to approximately 64.9% for the year ended 31 March 2017 was mainly attributable to the increase in revenue from social viral service in Taiwan, mainly resulting from (i) the increase in number of projects from clients in food and beverage and household products sectors; and (ii) increase in average service fee per project for social viral service; (b) the decrease in proportion of engager service to total revenue by approximately 3.7 percentage points from approximately 28.2% for the year ended 31 March 2016 to approximately 24.5% for the year ended 31 March 2017 which was mainly attributable to the decrease in revenue from engager service in Hong Kong due to the decrease in number of projects with relatively stable average service fee per project; (c) the decrease in the proportion of social viral service to total revenue by approximately 6.7 percentage points from approximately 67.0% for the eight months ended 30 November 2016 to approximately 60.3% for the eight months ended 30 November 2017 was mainly attributable to the decrease in revenue from social viral service in Taiwan, mainly due to the decrease in number of projects from clients in beauty products, food and beverage and information technology sectors, partially offset by the increase in revenue from the social viral service in Hong Kong, mainly resulting from the increase in number of projects from clients in baby products and food and beverage sectors; (d) the increase in the proportion of engager service to total revenue by approximately 7.4 percentage points from approximately 22.8% for the eight months ended 30 November 2016 to 30.2% for the eight months ended 30 November 2017 was mainly attributable to the increase in revenue from engager services in Hong Kong mainly due to (i) the increase in average service fee per project in entertainment and food and beverage sectors in Hong Kong; and (ii) the increase in number of projects from clients in financial sectors.

The average service fee per project was mainly driven by a number of factors, such as (i) the type of online advertising services; (ii) the required number of Members participating in the Mission, and (iii) our estimated cost in terms of the number of JAG Points to reward our Members to complete the Missions.

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The table below sets forth a breakdown of our Group's revenue by different types of clients during the Track Record Period:

Types of clients	Year ended 31 March						Eight months ended 30 November					
	2016		2017		2016		2017		2016		2017	
	<i>Number of clients</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>Number of clients</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>Number of clients</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>Number of clients</i>	<i>HK\$'000</i>	<i>% of total revenue</i>
Advertising agencies	74	19,129	87.9	76	21,985	83.5	67	15,135	89.8	77	14,147	73.2
Brand Owners	46	2,639	12.1	46	4,357	16.5	34	1,718	10.2	51	5,189	26.8
Total	120	21,768	100	122	26,342	100	101	16,853	100	128	19,336	100

The majority of our revenue was generated from advertising agency clients as majority of regional brand companies would deal with us through their designated advertising agencies, as they have engaged such advertising agencies to manage their overall advertising strategies. The revenue from advertising agencies increased by approximately HK\$2.9 million or 15.2% from HK\$19.1 million for the year ended 31 March 2016 to approximately HK\$22.0 million for the year ended 31 March 2017, mainly due to the increase in number of our advertising agency clients and the increase in number of projects for their clients in retail and personal care sectors. The revenue from advertising agencies decreased by approximately HK\$1.0 million or 6.6% from approximately HK\$15.1 million for the eight months ended 30 November 2016 to approximately HK\$14.1 million for the eight months ended 30 November 2017, mainly due to the decrease in number of projects for their clients in beauty products sector. During the Track Record Period, all of our top five clients were advertising agencies, which accounted for approximately 41.8%, 37.6% and 28.5% of our total revenue for the years ended 31 March 2016 and 2017 and for the eight months ended 30 November 2017, respectively.

The proportion of revenue generated from Brand Owners to total revenue increased by approximately 4.4 percentage points from 12.1% for the year ended 31 March 2016 to 16.5% for the year ended 31 March 2017, mainly due to we were able to secure more business from Brand Owner clients in entertainment, household products, baby products and jewelry sectors for the year ended 31 March 2017. The proportion of revenue generated from Brand Owners to total revenue increased by approximately 16.6 percentage points from 10.2% for the eight months ended 30 November 2016 to 26.8% for the eight months ended 30 November 2017, mainly due to the increase in number of projects from Brand Owner clients in personal care, food and beverage and jewellery sectors.

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Costs of services

The following table sets out a breakdown of our cost of services by nature during the Track Record Period:

Cost of services by nature	Year ended 31 March 2016			2017		Eight months ended 30 November 2017			
	HK\$'000	%	HK\$'000	% ¹	HK\$'000	%	HK\$'000	% ¹	
					(unaudited)				
JAG Points provision	7,385	91.5	8,085	92.5	5,821	93.5	6,006	91.1	
Server cost	400	5.0	399	4.6	260	4.2	348	5.3	
System maintenance cost	282	3.5	252	2.9	142	2.3	240	3.6	
Cost of services before reversal of JAG Points provision	8,067	100	8,736	100	6,223	100	6,594	100	
Reversal of JAG Points provision	–	–	(1,551)	N/A	–	–	(309)	N/A	
Total	8,067	100	7,185	N/A	6,223	100	6,285	N/A	

Note:

- This represents the percentage to cost of services before reversal of JAG Points provision.

During the Track Record Period, our costs incurred for the provision of our online advertising services mainly consist of (i) JAG Points provision, (ii) server cost, and (iii) system maintenance cost. JAG Points provision was the largest component of our cost of services, which accounted for approximately HK\$7.4 million, HK\$8.1 million, HK\$5.8 million and HK\$6.0 million for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively. Provision is determined based on the best estimate of the cost of Rewards arising from the redemption of JAG Points. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, the increase in our JAG Points provision was in line with the increase in revenue from the provision of online advertising services during the relevant periods. For movement of the JAG Points provision during the Track Record Period, please refer to the paragraph headed “Financial Information – Certain items of consolidated statements of financial position – Trade and other payables” in this prospectus. Server cost represents costs of hosting server for the operation of our Platforms. System maintenance cost represents the cost of engaging third party service providers for system maintenance services. During the Track Record Period and up to 2 February 2017, we had engaged Mr. Leung Wai Lun, a then Independent Third Party as one of such service providers. Since 15 February 2017, we have recruited him as the information technology director of JAG Hong Kong, and he was appointed as an executive Director of our Group on 15 August 2017.

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Reversal of JAG Points provision represents reversal of provision in relation to JAG Points, historically distributed to Members who have not logged into our Platforms for a continuous period of one year.

The following table sets out a breakdown of our cost of services before reversal of JAG Points provision by different types of services during the Track Record Period:

Types of services	Year ended 31 March		Year ended 31 March		Eight months ended 30 November		Eight months ended 30 November	
	2016	2017	2016	2017	2016	2017	2016	2017
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
Social viral service	5,181	64.2	5,863	67.1	4,286	68.8	4,065	61.7
Engager service	2,129	26.4	2,178	24.9	1,436	23.1	2,039	30.9
Mass blogging service	727	9.0	678	7.8	498	8.0	478	7.2
Other services	30	0.4	17	0.2	3	0.1	12	0.2
Cost of services before reversal of JAG Points provision	<u>8,067</u>	<u>100</u>	<u>8,736</u>	<u>100</u>	<u>6,223</u>	<u>100</u>	<u>6,594</u>	<u>100</u>

The change in proportion of cost of services attributable to our online advertising services was in line with the change in proportion of revenue from the respective type of online advertising services.

Gross profit and gross profit margin

The following table sets out a breakdown of our gross profit and gross profit margin by the types of services during the Track Record Period:

Types of services	Year ended 31 March		Year ended 31 March		Eight months ended 30 November		Eight months ended 30 November	
	2016	2017	2016	2017	2016	2017	2016	2017
	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
Social viral service	8,014	60.7	11,224	65.7	7,007	62.0	7,599	65.1
Engager service	4,016	65.4	4,290	66.3	2,400	62.6	3,793	65.0
Mass blogging service	1,352	65.0	1,710	71.6	1,143	69.7	952	66.6
Other services	319	91.4	382	95.7	80	96.4	398	97.1
Gross profit before reversal of JAG Points provision	<u>13,701</u>	<u>62.9</u>	<u>17,606</u>	<u>66.8</u>	<u>10,630</u>	<u>63.1</u>	<u>12,742</u>	<u>65.9</u>
Reversal of JAG Points provision	<u>-</u>	<u>N/A</u>	<u>1,551</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>309</u>	<u>N/A</u>
Total	<u>13,701</u>	<u>62.9</u>	<u>19,157</u>	<u>72.7</u>	<u>10,630</u>	<u>63.1</u>	<u>13,051</u>	<u>67.5</u>

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Our overall gross profit was approximately HK\$13.7 million, HK\$19.2 million, HK\$10.6 million and HK\$13.1 million for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively, with our overall gross profit margins of approximately 62.9%, 72.7%, 63.1% and 67.5% for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively.

Generally, higher gross profit margins could be set for the provision of our engager service and mass blogging service as the Missions set by our clients under these services usually require our Members to spend more efforts and time to complete and accordingly more JAG Points are required to reward our Members' participation.

The gross profit margins for other services were relatively higher as these were mainly complementary services to our provision of social viral service and engagers service, such as website hosting and development of websites for publishing the advertising contents of our clients which had minimal costs.

The following table sets out a breakdown of our gross profit and gross profit margin by the category of our clients during the Track Record Period:

	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Advertising agencies	11,938	62.4	14,377	65.4	9,578	63.3	8,969	63.4
Brand Owners	1,763	66.8	3,229	74.1	1,052	61.2	3,773	72.7
Gross profit before reversal of JAG Points provision	13,701	62.9	17,606	66.8	10,630	63.1	12,742	65.9

Our gross profit from advertising agencies increased by approximately HK\$2.5 million or 21.0% from HK\$11.9 million for the year ended 31 March 2016 to HK\$14.4 million for the year ended 31 March 2017. The increase was in line with the increase in our revenue from advertising agencies. Our gross profit margin from advertising agencies increased from approximately 62.4% for the year ended 31 March 2016 to approximately 65.4% for the year ended 31 March 2017, mainly due to the increase in average service fee per project.

Our gross profit from advertising agencies decreased by approximately HK\$0.6 million or 6.3% from HK\$9.6 million for the eight months ended 30 November 2016 to HK\$9.0 million for the eight months ended 30 November 2017. The decrease was in line with the decrease in our revenue from advertising agencies. Our gross profit margin from advertising agencies remained relatively stable at approximately 63.3% for the eight months ended 30 November 2016 and approximately 63.4% for the eight months ended 30 November 2017.

Our gross profit from Brand Owners increased by approximately HK\$1.4 million or 77.8% from HK\$1.8 million for the year ended 31 March 2016 to HK\$3.2 million for the year ended 31 March 2017, which was in line with the increase in our revenue from Brand

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Owners. Our gross profit margin from Brand Owners increased from 66.8% for the year ended 31 March 2016 to 74.1% for the year ended 31 March 2017 primarily due to we were able to charge higher gross profit margins for certain Brand Owner clients in entertainment, household products, baby products and jewelry business sectors which we provided value-added services such as formulating marketing strategies and designing advertising contents for the year ended 31 March 2017.

Our gross profit from Brand Owners increased by approximately HK\$2.7 million or 245.5% from HK\$1.1 million for the eight months ended 30 November 2016 to HK\$3.8 million for the eight months ended 30 November 2017, which was in line with the increase in our revenue from Brand Owners. Our gross profit margin from Brand Owners increased from 61.2% for the eight months ended 30 November 2016 to 72.7% for the eight months 30 November 2017 primarily due to the higher gross profit margin for certain Brand Owner clients in entertainment and food and beverage sectors which we provided value-added services such as formulating marketing strategies and designing advertising contents for the eight months ended 30 November 2017.

The following table sets out a breakdown of our gross profit and gross profit margin by geographic locations during the Track Record Period:

	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	Gross profit HK\$'000	Gross profit margin %	Gross profit HK\$'000	Gross profit margin %	Gross profit HK\$'000	Gross profit margin %	Gross profit HK\$'000	Gross profit margin %
	(unaudited)							
Hong Kong	7,783	61.0	8,306	63.4	4,855	59.5	6,726	63.1
Taiwan	5,918	65.7	9,313	70.3	5,775	66.4	5,765	69.7
Malaysia	–	–	(13)	N/A	–	–	231	58.5
Singapore	–	–	–	–	–	–	20	90.9
Gross profit before reversal of JAG Points provision	<u>13,701</u>	<u>62.9</u>	<u>17,606</u>	<u>66.8</u>	<u>10,630</u>	<u>63.1</u>	<u>12,742</u>	<u>65.9</u>

During the Track Record Period, our gross profit margin in Taiwan market was relatively higher. There was a gross loss in Malaysia for the year ended 31 March 2017 as we commenced our business operation in Malaysia in February 2017 and we offered trial-price to attract new clients for our advertising services. For the eight months ended 30 November 2017, we recorded a gross profit of approximately HK\$0.2 million in Malaysia market. The relatively lower gross profit margin in Malaysia was consistent with our strategy to offer trial-price to attract new clients in the newly expanding market.

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Other income

The following table sets out a breakdown of our other income for the periods indicated:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	1	1	–	–
Sundry income	<u>5</u>	<u>5</u>	<u>5</u>	<u>7</u>
 Total	 <u><u>6</u></u>	 <u><u>6</u></u>	 <u><u>5</u></u>	 <u><u>7</u></u>

Our interest income consists of interest from our bank accounts. Our sundry income consist of rebates from our company credit cards.

Selling and distribution costs

The following table sets out a breakdown of our selling and distribution costs for the periods indicated:

	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Staff costs	1,215	71.6	1,489	77.9	901	77.7	1,131	76.2
Promotional expenses:								
on other media								
platforms	60	3.5	–	–	–	–	90	6.1
on our Platforms	<u>423</u>	<u>24.9</u>	<u>422</u>	<u>22.1</u>	<u>258</u>	<u>22.3</u>	<u>264</u>	<u>17.7</u>
 Total	 <u><u>1,698</u></u>	 <u><u>100</u></u>	 <u><u>1,911</u></u>	 <u><u>100</u></u>	 <u><u>1,159</u></u>	 <u><u>100</u></u>	 <u><u>1,485</u></u>	 <u><u>100</u></u>

Our selling and distribution costs mainly include (i) staff costs from our sales team; (ii) promotional expenses on other media platforms such as placement of advertisements; and (iii) promotional expenses on our Platforms in terms of JAG Points distributed to existing Members for referral of new Members and brand promotion of our Group.

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Administrative and other operating expenses

The following table sets out a breakdown of our administrative and other operating expenses for Track Record Period:

	Year ended 31 March				Eight months ended 30 November			
	2016		2017		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
Staff costs	1,274	55.2	1,529	61.6	858	59.3	1,807	47.0
Allowance for doubtful debts	-	-	-	-	-	-	428	11.1
Office rent	228	9.9	220	8.9	148	10.2	201	5.2
Office supplies & stationary	390	16.9	371	15.0	260	18.0	235	6.1
Depreciation	102	4.4	80	3.2	54	3.7	19	0.5
Auditors' remuneration	22	1.0	26	1.0	18	1.2	587	15.3
Legal and professional fee	54	2.3	80	3.2	39	2.7	213	5.5
Telecommunication	52	2.3	36	1.5	28	1.9	36	0.9
Others	184	8.0	140	5.6	43	3.0	317	8.4
Total	2,306	100	2,482	100	1,448	100	3,843	100

Our administrative and other operating expenses were approximately HK\$2.3 million, HK\$2.5 million, HK\$1.4 million and HK\$3.8 million for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 respectively. Staff costs mainly consist of salaries, bonuses, mandatory provident fund payments and medical insurances of our staff. For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, staff costs was the largest component of our administrative and other operating expenses, amounting to approximately HK\$1.3 million, HK\$1.5 million, HK\$0.9 million and HK\$1.8 million representing approximately 55.2%, 61.6%, 59.3% and 47.0% of our total administrative and other operating expenses, respectively. Others mainly include travelling expenses, team building events for staff and bank charges.

Change in fair value of Convertible Bond

For the eight months ended 30 November 2017, we had recorded a loss of approximately HK\$46,000 on the change in fair value of the Convertible Bond.

Finance costs

Finance costs represent interest expense on bank borrowings. The decrease in finance costs during the Track Record Period was in line with the average balance of our bank borrowings over the same period.

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Income tax

Income tax expenses represent income tax of our subsidiaries incorporated in Hong Kong and Taiwan, which is subject to income tax at the rate of 16.5% and 17.0%, respectively. During the Track Record Period, the increase in the income tax expenses was in line with the increase in the taxable profits of our subsidiaries over the same period. The effective tax rate was approximately 17.1%, 16.9%, 17.0% and -82.1%, for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017, respectively. The negative effective tax rate of -82.1% for the eight months ended 30 November 2017 was mainly due to the incurring of Listing expenses which were non-tax deductible. Excluding the effect of Listing expenses, the profit before taxation would be approximately HK\$7.7 million and the effective tax rate would be approximately 17.6%.

PERIOD TO PERIOD COMPARISON OF OPERATING RESULTS

Eight months ended 30 November 2016 compared to eight months ended 30 November 2017

Revenue

Our overall revenue increased by approximately HK\$2.4 million or 14.2% from approximately HK\$16.9 million for the eight months ended 30 November 2016 to approximately HK\$19.3 million for the eight months ended 30 November 2017.

By geographic locations

The increase in revenue in Hong Kong was primarily attributable to (i) the increase in revenue from social viral service resulting from the increase in number of projects from clients in food and beverage and personal care sectors and (ii) the increase in revenue from engager service resulting from the increase in number of projects from clients in entertainment sector, partially offset by the decrease in revenue from mass blogging service resulting from a decreased number of projects from clients in beauty sector.

The decrease in revenue in Taiwan was primarily attributable to the decrease in revenue from social viral service resulting from the decrease in number of projects from clients in food and beverage and information technology sectors, partially offset by the increase in revenue from engager service resulting from the increase in number of projects from clients in food and beverage and baby products sectors.

By types of services

Our social viral service was the largest component of our revenue during the Track Record Period. Our revenue from social viral service increased by approximately HK\$0.4 million or 3.5% from approximately HK\$11.3 million for the eight months ended 30 November 2016 to approximately HK\$11.7 million for the eight months ended 30 November 2017. Such increase was mainly due to the increase in the number of projects in Hong Kong

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from clients in food and beverage and personal care sectors, partially offset by the decrease in the number of projects in Taiwan from clients in food and beverage and information technology sectors.

Our revenue from engager service increased by approximately HK\$2.0 million or 52.6% from approximately HK\$3.8 million for the eight months ended 30 November 2016 to approximately HK\$5.8 million for the eight months ended 30 November 2017, mainly due to the increase in revenue from engager service from clients in entertainment sector in Hong Kong and from clients in baby products sector in Taiwan as a result of (i) the increase in the number of projects and (ii) the increase in average service fee per project.

Our revenue from mass blogging service decreased by approximately HK\$0.2 million or 12.5% from approximately HK\$1.6 million for the eight months ended 30 November 2016 to approximately HK\$1.4 million for the eight months ended 30 November 2017. Such decrease was mainly due to the decrease in revenue from such service in both Hong Kong and Taiwan resulting from the decrease in number of projects from clients in beauty and personal care sectors.

Cost of services

Our cost of services increased by approximately HK\$0.1 million or 1.6% from approximately HK\$6.2 million for the eight months ended 30 November 2016 to approximately HK\$6.3 million for the eight months ended 30 November 2017. Such increase was mainly due to the reversal of JAG Points provision in relation to JAG Points historically distributed to Members, of approximately HK\$0.3 million for the eight months ended 30 November 2017.

Gross profit and gross profit margin

Our overall gross profit increased by approximately HK\$2.5 million or 23.6% from approximately HK\$10.6 million for the eight months ended 30 November 2016 to approximately HK\$13.1 million for the eight months ended 30 November 2017.

Our overall gross profit margin increased by approximately 4.4 percentage points from 63.1% for the eight months ended 30 November 2016 to 67.5% for the eight months ended 30 November 2017. Such increase was mainly due to (i) the increase in the gross profit margins in our social viral service and engager service; and (ii) the reversal of JAG Points provision in relation to JAG Points historically distributed to Members.

Gross profit and gross profit margin of our social viral service

Gross profit attributable to our social viral service was the largest component of our gross profit during the Track Record Period. Gross profit of our social viral service increased by approximately HK\$0.6 million or 8.6% from approximately HK\$7.0 million for the eight months ended 30 November 2016 to approximately HK\$7.6 million for the eight months ended 30 November 2017. Such increase was in line with the increase in revenue

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from social viral service resulting from the increase in the number of projects and average service fee per project in Hong Kong, partially offset by the decrease in the number of projects in Taiwan.

Gross profit margin for our social viral service increased from approximately 62.0% for the eight months ended 30 November 2016 to approximately 65.1% for the eight months ended 30 November 2017. The increase was mainly due to the increase in average service fee per project, particularly for Taiwan market.

Gross profit and gross profit margin of our engager service

Gross profit attributable to our engager service increased by approximately HK\$1.4 million or 58.3% from approximately HK\$2.4 million for the eight months ended 30 November 2016 to approximately HK\$3.8 million for the eight months ended 30 November 2017. Such increase was in line with the increase in revenue from engager service resulting from the increase in average service fee per project and the overall number of projects.

Gross profit margin for our engager service increased from approximately 62.6% for the eight months ended 30 November 2016 to approximately 65.0% for the eight months ended 30 November 2017. The increase was mainly due to the increase in average service fee per project in Hong Kong and Taiwan markets.

Gross profit and gross profit margin of our mass blogging service

Gross profit attributable to our mass blogging service decreased by approximately HK\$0.1 million or 9.1% from approximately HK\$1.1 million for the eight months ended 30 November 2016 to approximately HK\$1.0 million for the eight months ended 30 November 2017. Such decrease was in line with the decrease in revenue from mass blogging service resulting from the decrease in the average service fee per project.

Gross profit margin for our mass blogging service decreased from approximately 69.7% for the eight months ended 30 November 2016 to approximately 66.6% for the eight months ended 30 November 2017. Such decrease was mainly due to the decrease in average service fee per project, particularly in Hong Kong market.

Other income

Our other income were relatively stable during the period from the eight months ended 30 November 2016 to 30 November 2017.

Selling and distribution costs

Our selling and distribution costs increased by approximately HK\$0.3 million or 25.0% from approximately HK\$1.2 million for the eight months ended 30 November 2016 to approximately HK\$1.5 million for the eight months ended 30 November 2017. Such increase was mainly due to the increase in staff cost as a result of salary increment.

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Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately HK\$2.4 million or 171.4% from approximately HK\$1.4 million for the eight months ended 30 November 2016 to approximately HK\$3.8 million for the eight months ended 30 November 2017. Such increase was mainly due to (i) the increase in staff cost; (ii) the increase in allowance for doubtful debts of approximately HK\$0.4 million for a client which had failed to settle our invoices after they have become due. For details regarding the potential litigation with the client, please refer to the paragraph headed “Business – Legal proceedings and compliance – Legal proceedings” in this prospectus; and (iii) the increase in auditors’ remuneration.

Finance costs

Our finance costs decreased by approximately HK\$15,000 for the eight months ended 30 November 2016 to nil for the eight months ended 30 November 2017, was mainly due to the repayment of our bank borrowings.

Income tax

Our income tax expenses was relatively stable of approximately HK\$1.4 million for the eight months ended 30 November 2016 and for the eight months ended 30 November 2017.

Profit for the period and net profit margin

Our profit for the eight months ended 30 November 2017 decreased by approximately HK\$9.7 million or 144.8% from approximately HK\$6.7 million for the eight months ended 30 November 2016 to a loss of approximately HK\$3.0 million for the eight months ended 30 November 2017. Such decrease was mainly due to the effect of Listing expenses, the allowance for doubtful debts and the increase in staff costs. Excluding the effect of Listing expenses, the net profit and the net profit margin for the eight months ended 30 November 2017 would be approximately HK\$6.3 million and approximately 32.7%, respectively.

Year ended 31 March 2016 compared to year ended 31 March 2017

Revenue

Our overall revenue increased by approximately HK\$4.5 million or 20.6% from approximately HK\$21.8 million for the year ended 31 March 2016 to approximately HK\$26.3 million for the year ended 31 March 2017.

By geographic locations

The revenue in Hong Kong was relatively stable for the years ended 31 March 2016 and 2017 primarily attributable to the combined effect of (i) the increase in revenue from social viral service resulting from the increase in number of projects from clients in entertainment and information and technology sectors; and (ii) the increase in mass blogging service resulting from the increase in the number of projects from clients in beauty products

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and personal care sectors, partially offset by (i) the decrease in revenue from engager service resulting from the decrease in number of projects from clients in financial sector; and (ii) the decrease in other services mainly due to the decrease in overall number of projects for the year.

The increase in revenue in Taiwan was primarily attributable to (i) the increase in revenue from social viral service and engager service resulting from the increase in number of projects from clients in financial, household products and personal care sectors; and (ii) the increase in revenue from other services resulting from the increase in number of projects in Taiwan, partially offset by the decrease in revenue from mass blogging service resulting from a decreased number of projects from clients in beauty products sector.

By types of services

Our social viral service was the largest component of our revenue during the Track Record Period. Our revenue from social viral service increased by approximately HK\$3.9 million or 29.5% from approximately HK\$13.2 million for the year ended 31 March 2016 to approximately HK\$17.1 million for the year ended 31 March 2017. Such increase was mainly due to (i) the increase in average service fee per project from food and beverage sectors in Taiwan; (ii) the increase in the number of projects from clients in entertainment sector; and (iii) the overall increase in revenue from household products sector in Taiwan.

Our revenue from engager service increased by approximately HK\$0.4 million or 6.6% from approximately HK\$6.1 million for the year ended 31 March 2016 to approximately HK\$6.5 million for the year ended 31 March 2017 mainly due to the increase in revenue from engager service in Taiwan as a result of the increase in average service fee per project from financial sector, partially offset by the decrease in revenue from such service in Hong Kong as a result of decrease in the number of projects from clients in food and beverage sector.

Our revenue from mass blogging service increased by approximately HK\$0.3 million or 14.3% from approximately HK\$2.1 million for the year ended 31 March 2016 to approximately HK\$2.4 million for the year ended 31 March 2017. Such increase was mainly due to the increase in revenue from mass blogging service in Hong Kong as a result of the increase in the number of projects from clients in personal care and beauty products sectors, partially offset by the decrease in revenue from such service in Taiwan resulting from decrease in number of projects from clients in beauty products sector.

Cost of services

Our cost of services decreased by approximately HK\$0.9 million or 11.1% from approximately HK\$8.1 million for the year ended 31 March 2016 to approximately HK\$7.2 million for the year ended 31 March 2017. Such decrease was mainly due to the reversal of JAG Points provision in relation to JAG Points historically distributed to Members, of approximately HK\$1.6 million for the year ended 31 March 2017. The increase in cost of JAG Points provision was in line with the increase in revenue from the provision of online advertising services. Server cost and system maintenance cost were relatively stable.

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Gross profit and gross profit margin

Our overall gross profit increased by approximately HK\$5.5 million or 40.1% from approximately HK\$13.7 million for the year ended 31 March 2016 to approximately HK\$19.2 million for the year ended 31 March 2017.

Our overall gross profit margin increased by approximately 9.8 percentage points from 62.9% for the year ended 31 March 2016 to 72.7% for the year ended 31 March 2017. Such increase was mainly due to (i) the increase in the overall gross profit margins in our online advertising services; and (ii) the reversal of JAG Points provision in relation to JAG Points historically distributed to Members.

Gross profit and gross profit margin of our social viral service

Gross profit attributable to our social viral service was the largest component of our gross profit during the Track Record Period. Gross profit of our social viral service increased by approximately HK\$3.2 million or 40.0% from approximately HK\$8.0 million for the year ended 31 March 2016 to approximately HK\$11.2 million for the year ended 31 March 2017. Such increase was in line with the increase in revenue from social viral service resulting from (i) the increase in average service fee per project in Hong Kong and Taiwan; and (ii) the increase in the number of projects in Taiwan.

Gross profit margin for our social viral service increased from approximately 60.7% for the year ended 31 March 2016 to approximately 65.7% for the year ended 31 March 2017. The increase was mainly due to the increase in average service fee per project, particularly for Taiwan market.

Gross profit and gross profit margin of our engager service

Gross profit attributable to our engager service increased by approximately HK\$0.3 million or 7.5% from approximately HK\$4.0 million for the year ended 31 March 2016 to approximately HK\$4.3 million for the year ended 31 March 2017. Such increase was in line with the increase in revenue from the provision of engager service resulting from the increase in average service fee per project and the overall number of projects.

Gross profit margin for our engager service remained relatively stable at approximately 65.4% and 66.3% for the years ended 31 March 2016 and 2017, respectively.

Gross profit and gross profit margin of our mass blogging service

Gross profit attributable to our mass blogging service increased by approximately HK\$0.3 million or 21.4% from approximately HK\$1.4 million for the year ended 31 March 2016 to approximately HK\$1.7 million for the year ended 31 March 2017. Such increase was in line with the increase in revenue from the provision of mass blogging service resulting from the increase in average service fee per project in Hong Kong.

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The gross profit margin for our mass blogging service increased from approximately 65.0% for the year ended 31 March 2016 to approximately 71.6% for the year ended 31 March 2017 as we were able to secure certain advertising campaigns with higher gross margin from advertising agencies for their clients in personal care sector for the year ended 31 March 2017.

Other income

Our other income were relatively stable for the years ended 31 March 2016 and 2017.

Selling and distribution costs

Our selling and distribution costs increased by approximately HK\$0.2 million or 11.8% from approximately HK\$1.7 million for the year ended 31 March 2016 to approximately HK\$1.9 million for the year ended 31 March 2017. Such increase was mainly due to the increase in staff costs as a result of salary increment.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately HK\$0.2 million or 8.7% from approximately HK\$2.3 million for the year ended 31 March 2016 to approximately HK\$2.5 million for the year ended 31 March 2017, mainly due to the increase in staff costs.

Finance costs

The decrease in finance costs by approximately HK\$29,000 or 63.0% from approximately HK\$46,000 for the year ended 31 March 2016 to approximately HK\$17,000 for the year ended 31 March 2017, was mainly due to the decrease of the average balance of our bank borrowings.

Income tax

Our income tax expenses increased by approximately HK\$0.9 million or 56.3% from approximately HK\$1.6 million for the year ended 31 March 2016 to approximately HK\$2.5 million for the year ended 31 March 2017, which was in line with the increased profit before tax.

Profit for the year and net profit margin

Our profit for the year increased by approximately HK\$4.3 million or 53.8% from approximately HK\$8.0 million for the year ended 31 March 2016 to approximately HK\$12.3 million for the year ended 31 March 2017. Such increase was in line with the increase in gross profit.

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Our net profit margin, being profit for the year divided by the revenue for the year, increased from 36.8% for the year ended 31 March 2016 to 46.5% for the year ended 31 March 2017. Such increase was in line with the increase in gross profit margin.

LIQUIDITY AND CAPITAL RESOURCES

Financial resources

During the Track Record Period, our financial resources of cash was primarily cash generated from operating activities. We mainly use our cash on financing our operations and meeting working capital requirements and capital expenditures. We regularly monitor our liquidity requirements to ensure that we maintain sufficient cash resources for our working capital and capital expenditure needs.

Cash flow

As at 31 March 2016 and 2017 and 30 November 2016 and 2017, we record cash and cash equivalents of approximately HK\$3.9 million, HK\$7.4 million, HK\$5.7 million and HK\$16.8 million respectively. The table below sets out a summary of our consolidated statements of cash flows during the Track Record Period:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(unaudited)	
Cash and cash equivalents at the beginning of the year/period	3,126	3,924	3,924	7,397
Net cash generated from/(used in) operating activities	9,453	9,939	2,073	(2,619)
Net cash (used in)/generated from investing activities	(30)	1	–	(73)
Net cash (used in)/generated from financing activities	(8,581)	(6,398)	(274)	12,019
Net increase in cash and cash equivalents	842	3,542	1,799	9,327
Effect of foreign exchange rate changes	(44)	(69)	16	55
Cash and cash equivalents at the end of the year/period	<u>3,924</u>	<u>7,397</u>	<u>5,739</u>	<u>16,779</u>

Cash flows from operating activities

During the Track Record Period, we mainly generated our cash inflow from the provision of our online advertising services. Our cash used in operating activities was primarily for the (i) payment of Rewards; (ii) payment of operating expenses; and (iii) payment of income tax.

For the year ended 31 March 2016, we recorded net cash generated from operating activities of approximately HK\$9.5 million, mainly due to (i) our profit before tax of approximately HK\$9.7 million which was primarily adjusted for finance costs of

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approximately HK\$46,000 due to interest expenses on bank loan, depreciation of approximately HK\$0.1 million, interest income of approximately HK\$1,000, net exchange gain of approximately HK\$0.2 million; (ii) increase in trade and other payables of approximately HK\$2.1 million mainly due to increase in provision for JAG Points distribution to our Members; partially offset by (iii) the increase in inventories of approximately HK\$0.6 million to cope with the redemption from our Members; (iv) the increase in trade and other receivables of approximately HK\$0.9 million which was in line with the increase in our revenue; and (v) the income tax paid of approximately HK\$0.8 million.

For the year ended 31 March 2017, we recorded net cash generated from operating activities of approximately HK\$9.9 million, mainly due to (i) our profit before tax of approximately HK\$14.8 million which was primarily adjusted for finance costs of approximately HK\$17,000 due to interest expenses on bank loan, depreciation of approximately HK\$0.1 million, interest income of approximately HK\$1,000, net exchange loss of approximately HK\$0.2 million, reversal of JAG Points provision of approximately HK\$1.6 million; (ii) decrease in inventories of approximately HK\$0.7 million mainly due to redemption of JAG Points for Reward by our Members; (iii) increase in trade and other payables of approximately HK\$1.7 million due to increase in provision for JAG Points distribution to our Members; partially offset by (iv) the increase in trade and other trade receivables of approximately HK\$3.0 million which was in line with the increase of our revenue; (v) the income tax paid of approximately HK\$2.9 million.

For the eight months ended 30 November 2016, we recorded net cash generated from operating activities of approximately HK\$2.1 million, mainly due to (i) our profit before tax of approximately HK\$8.0 million which was primarily adjusted for finance costs of approximately HK\$15,000 due to interest expenses on bank loan, depreciation of approximately HK\$53,000, exchange gain of approximately HK\$30,000; (ii) decrease in inventories of approximately HK\$0.4 million mainly due to redemption of JAG Points for Reward by our Members; (iii) increase in trade and other payables of approximately HK\$1.4 million due to the increase of other payables and accruals; partially offset by (iv) the increase in trade and other trade receivables of approximately HK\$6.8 million which was in line with the increase in our revenue; and (v) the income tax paid of approximately HK\$1.0 million.

For the eight months ended 30 November 2017, we recorded net cash used in operating activities of approximately HK\$2.6 million, mainly due to (i) our loss before taxation of approximately HK\$1.6 million which was primarily adjusted for depreciation of approximately HK\$19,000, exchange gain of approximately HK\$50,000, reversal of JAG Points provision of approximately HK\$0.3 million, allowance for doubtful debts of approximately HK\$0.4 million; change in fair value of Convertible Bond of approximately HK\$46,000; (ii) increase in inventories of approximately HK\$0.2 million to cope with the redemption from our Members; (iii) increase in trade and other receivables of approximately HK\$1.6 million; and partially offset by (iv) increase in trade and other payables of approximately HK\$1.9 million, which mainly due to increase of other payables and accruals.

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Cash flows from investing activities

During the Track Record Period, we mainly derive our cash generated from investing activities from bank interest income and proceeds from issuance of shares while the cash used in investing activities from the purchase of office equipment.

For the year ended 31 March 2016, we recorded net cash used in investing activities of approximately HK\$30,000, mainly due to the payment for the purchase of office equipment which was partially offset by the proceeds from issuance of shares of approximately HK\$10,000 and interest received from bank deposit.

For the year ended 31 March 2017, we recorded net cash generated from investing activities of approximately HK\$1,000, mainly due to the interest received from bank deposit.

For the eight months ended 30 November 2016, we recorded no cash movement from investing activities.

For the eight months ended 30 November 2017, we recorded net cash used in investing activities of approximately HK\$73,000, mainly due to the leasehold improvements cost for the new office of approximately HK\$63,000 and payment for computer equipment of approximately HK\$10,000.

Cash flows from financing activities

For the year ended 31 March 2016, we recorded net cash used in financing activities of approximately HK\$8.6 million, mainly due to the repayment of bank loan of approximately HK\$0.4 million and bank overdrafts of approximately HK\$13,000, payment of bank loan interest of approximately HK\$46,000, payment of dividends to shareholders of approximately HK\$8.1 million, increase in amounts due from Controlling Shareholders of approximately HK\$66,000, and payment to the then Controlling Shareholders for acquisition of subsidiaries of approximately HK\$9,000.

For the year ended 31 March 2017, we recorded net cash used in financing activities of approximately HK\$6.4 million, mainly due to the repayment of bank loan of approximately HK\$0.4 million, payment of bank loan interest of approximately HK\$17,000, payment of dividends to shareholders of approximately HK\$5.4 million, increase in amounts due from Controlling Shareholders of approximately HK\$0.5 million, and payment to the then Controlling Shareholders for acquisition of subsidiaries of approximately HK\$19,000.

For the eight months ended 30 November 2016, we recorded net cash used in financing activities of approximately HK\$0.3 million, mainly due to the repayment of bank loan of approximately HK\$0.3 million and interest paid of approximately HK\$15,000.

For the eight months ended 30 November 2017, we recorded net cash generated from financing activities of approximately HK\$12.0 million, mainly due to the proceeds from issuance of Convertible Bond of approximately HK\$15.0 million, partially offset by the repayment of bank loan of approximately HK\$34,000, and payment for Listing expenses of approximately HK\$2.9 million.

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CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets forth the summary of our current assets and current liabilities as at the date indicated:

	As at 31 March		As at 30 November 2017	As at 31 January 2018
	2016	2017	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
				(unaudited)
Current assets				
Inventories	1,141	472	670	811
Trade and other receivables	5,939	9,015	13,185	15,136
Amounts due from Controlling Shareholders	69	223	–	–
Tax recoverable	–	111	–	–
Cash and cash equivalents	<u>3,924</u>	<u>7,397</u>	<u>16,779</u>	<u>15,297</u>
Total current assets	<u>11,073</u>	<u>17,218</u>	<u>30,634</u>	<u>31,244</u>
Current liabilities				
Trade and other payables	7,133	7,408	9,050	9,035
Amounts due to Controlling Shareholders	315	–	–	–
Bank loan	393	34	–	–
Tax payable	1,365	1,224	1,251	761
Convertible Bond	<u>–</u>	<u>–</u>	<u>15,046</u>	<u>15,046</u>
Total current liabilities	<u>9,206</u>	<u>8,666</u>	<u>25,347</u>	<u>24,842</u>
Net current assets	<u><u>1,867</u></u>	<u><u>8,552</u></u>	<u><u>5,287</u></u>	<u><u>6,402</u></u>

Net current assets

Our current assets composed of (i) inventories; (ii) trade and other receivables; (iii) amounts due from Controlling Shareholders; (iv) tax recoverable; and (v) cash and cash equivalents. As at 31 March 2016 and 2017 and 30 November 2017, our current assets were approximately HK\$11.1 million, HK\$17.2 million and HK\$30.6 million, respectively. The increase in our current assets by approximately HK\$6.1 million or 55.0% as at 31 March 2017 was mainly due to increase in trade and other receivables and cash and cash equivalents as a result of the increase in revenue. The increase in our current assets by approximately HK\$13.4 million or 77.9% as at 30 November 2017 was mainly due to increase in cash and cash equivalents as a result of the proceeds from issuance of Convertible Bond. Our current assets then increased by approximately HK\$0.6 million or 2.0% to approximately HK\$31.2 million as at 31 January 2018 due to increase in trade and other receivables as a result of increase in revenue.

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Our current liabilities composed of (i) trade and other payables; (ii) amounts due to Controlling Shareholders; (iii) bank loan; and (iv) tax payable. As at 31 March 2016 and 2017 and 30 November 2017, our current liabilities were approximately HK\$9.2 million, HK\$8.7 million and HK\$25.3 million, respectively. The decrease in our current liabilities by approximately HK\$0.5 million or 5.4% as at 31 March 2017 was mainly due to (i) decrease in tax payable due to payment of tax; (ii) settlement of the amounts due to Controlling Shareholders; and (iii) repayment of the bank loan, partially offset by the increase in other payables and accruals which mainly represents sales rebate with certain advertising agencies in Taiwan's operation. The increase in our current liabilities by approximately HK\$16.6 million or 190.8% as at 30 November 2017 was mainly due to (i) the increase in Convertible Bond of approximately HK\$15.0 million and (ii) the increase in other payables and accruals. Our current liabilities then decreased by approximately HK\$0.5 million or 2.0% to approximately HK\$24.8 million as at 31 January 2018 due to the settlement of tax payable.

Accordingly, our net current assets increased by approximately HK\$6.7 million or 352.6% from approximately HK\$1.9 million as at 31 March 2016 to approximately HK\$8.6 million as at 31 March 2017. Such increase was mainly due to the increase in cash and cash equivalents of approximately HK\$3.5 million from approximately HK\$3.9 million as at 31 March 2016 to HK\$7.4 million as at 31 March 2017 and the increase in trade and other receivables of approximately HK\$3.1 million from approximately HK\$5.9 million as at 31 March 2016 to HK\$9.0 million as at 31 March 2017 as a result of the increase in revenue. Our net current assets then decreased by approximately HK\$3.3 million or 38.4% to approximately HK\$5.3 million as at 30 November 2017 due to the issuance of Convertible Bond. Our net current assets then increased by approximately HK\$1.1 million or 20.8% to approximately HK\$6.4 million as at 31 January 2018 due to increase in trade and other receivables as a result of increase in revenue.

CERTAIN ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, plant and equipment

Our property, plant and equipment mainly composed of (i) office equipment; (ii) computer equipment; (iii) leasehold improvements; and (iv) furniture and fixtures. As at 31 March 2016 and 2017 and 30 November 2017, the net carrying amount of our property, plant and equipment were approximately HK\$0.1 million, HK\$20,000 and HK\$74,000, respectively. The decrease was mainly due to the depreciation of the equipment. For further details, please refer to note 12 of the Accountants' Report in Appendix I to this prospectus.

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Inventories

The following table sets out the breakdown of inventories as at 31 March 2016 and 2017 and 30 November 2017:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2017</i>
Coupons	1,133	435	612
Others (<i>Note</i>)	8	37	58
Total	1,141	472	670

Note: Others mainly represent other Rewards such as consumer products.

Inventories include Rewards for redemption of JAG Points from our Members. Our inventories decreased by approximately HK\$0.6 million or 54.5% from approximately HK\$1.1 million as at 31 March 2016 to approximately HK\$0.5 million as at 31 March 2017 mainly due to increase in redemption of JAG Points by our Members for the year ended 31 March 2017. Our inventories increased to approximately HK\$0.7 million as at 30 November 2017 as we expanded our business operations to Malaysia and Singapore in 2017.

The following table sets out our average inventory turnover days for the periods indicated:

	Year ended 31 March		Eight
	2016	2017	months
			ended 30
			November
			2017
Average inventory turnover			
days (<i>Note</i>)	39	41	22

Note: The average inventory turnover days for the Track Record Period is calculated by the average of the balances of our inventories at the beginning and at the end for the relevant year/period (i) divided by cost of services for the relevant year/period; and (ii) multiplied by the number of days in the relevant year/period.

Our average inventory turnover days remained relatively stable for the years ended 31 March 2016 and 2017. Our average inventory turnover days decreased to 22 days for the eight months ended 30 November 2017 mainly due to the decrease in the balance of inventories as at 31 March 2017 compared with 31 March 2016 as a result of the increase in redemption of JAG Points by our Members. As of 31 January 2018, the subsequent utilisation of our inventory balance as at 30 November 2017 was approximately HK\$0.5 million or 71.1%.

FINANCIAL INFORMATION

Trade and other receivables

The following table sets out the breakdown of trade and other receivables as at the dates specified:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	5,892	8,675	10,255
Less: allowance for doubtful debts	<u>—</u>	<u>—</u>	<u>(428)</u>
	5,892	8,675	9,827
Deposits, prepayments and other receivables	<u>47</u>	<u>340</u>	<u>3,358</u>
Total	<u>5,939</u>	<u>9,015</u>	<u>13,185</u>

Trade receivables represent the receivables from our clients arising from the provision of our online advertising services. The credit terms with our clients are generally 60 to 130 days. The balances were mainly settled by cheques or bank transfer during the Track Record Period.

The balance of our trade receivables increased from approximately HK\$5.9 million as at 31 March 2016 to approximately HK\$8.7 million as at 31 March 2017. Such increase was mainly due to the increase in our revenue for the year ended 31 March 2017. The balance of our trade receivables increased to approximately HK\$9.8 million as at 30 November 2017, mainly due to the increase in revenue. The increase in deposits, prepayments and other receivables as at 30 November 2017 was primarily attributable to the prepayment of expenses in relation to the Listing amounted to approximately HK\$2.9 million.

The following table sets forth the ageing analysis of our trade receivables based on the invoice date as at the dates indicated:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	1,638	3,905	5,013
31 days to 60 days	923	1,592	1,616
61 days to 90 days	1,012	1,153	1,095
91 days to 180 days	1,827	1,625	1,508
Over 180 days	<u>492</u>	<u>400</u>	<u>595</u>
Total	<u>5,892</u>	<u>8,675</u>	<u>9,827</u>

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The following table sets forth the ageing analysis of our trade receivables that are neither individually nor collectively considered to be impaired as at the dates indicated:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2017</i>
Neither past due nor impaired	3,737	6,778	7,671
Less than 30 days past due	410	546	318
31 to 90 days past due	842	869	1,149
91 to 180 days past due	518	392	435
Over 180 days past due	<u>385</u>	<u>90</u>	<u>254</u>
Total	<u>5,892</u>	<u>8,675</u>	<u>9,827</u>

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. Our Group does not hold any collateral over these balances.

The table below sets forth our average trade receivable turnover days during the Track Record Period:

	Year ended 31 March		Eight
	2016	2017	months
			ended 30
Average trade receivable turnover days (<i>Note</i>)	91	101	November
			2017
			119

Note: The average trade receivable turnover days for the Track Record Period is calculated by the average of the balances of our trade receivables at the beginning and at the end for the relevant year/period (i) divided by revenue for the relevant year/period; and (ii) multiplied by the number of days in the relevant year/period.

Our average trade receivable turnover days for each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were 91 days, 101 days and 119 days, respectively. The increase in the average trade receivable turnover days for the years ended 31 March 2016 and 2017 was mainly due to the increase in revenue for the year ended 31 March 2017. Our average trade receivable turnover days increased to 119 days for the eight months ended 30 November 2017 mainly due to the increase in the trade receivables balance as at 31 March 2017 as a result of the increase in our revenue for the year ended 31 March 2017. The trade receivable turnover days were consistent with our usual credit period granted to our clients ranging from 60 to 130 days.

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During the Track Record Period, Client X has failed to settle our invoices in the aggregate sum of approximately HK\$428,000 after they have become due and we have made allowance for doubtful debt of such amount.

Excluding the impact of default payment from Client X that is deducting the trade receivables of Client X of HK\$428,000 from the gross trade receivables at the beginning and at the end for the relevant period, our average trade receivable turnover days for the eight months ended 30 November 2017 would be 114 days.

As at 5 February 2018, approximately HK\$6.5 million representing approximately 66.4% of the trade receivable balances as at 30 November 2017, has been subsequently settled. Having considered the general repayment pattern of trade receivables from our clients during the Track Record Period, our Directors are of the opinion that no provision for impairment is necessary in respect of the outstanding trade receivable balances as the balances are still considered fully recoverable.

Amounts due from/to Controlling Shareholders

Amounts due from Controlling Shareholders mainly represented Share Capital of our subsidiaries paid on behalf of Controlling Shareholders by our Group companies. Amounts due to Controlling Shareholders mainly represented short term advance by Controlling shareholders for financing the operation of our Group. The amounts due from and due to Controlling Shareholders are non-trade in nature, interest-free, unsecured and recoverable/repayable on demand, all balances with Controlling Shareholders have been settled in June 2017.

Trade and other payables

Our trade payables with our suppliers mainly relate to the purchase of server hosting space and Rewards. As at 31 March 2016 and 2017 and 30 November 2017, the trade payables balance with our suppliers were nil, nil and nil respectively as they were settled as at the end of the said periods. The credit terms offered by our suppliers are generally cash-on-delivery or 30 days.

The table below sets out the breakdown of trade and other payables as at the dates specified:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
JAG Points provision	6,271	6,095	6,965
Receipt in advance	–	21	21
Other payables and accruals	<u>862</u>	<u>1,292</u>	<u>2,064</u>
Total	<u><u>7,133</u></u>	<u><u>7,408</u></u>	<u><u>9,050</u></u>

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JAG Points provision

JAG Points provision represents the balance of JAG Points accumulated by Members which can be redeemed for Rewards. A provision for JAG Points is recognised when Members completed Missions related to the advertising campaigns of our clients. The table below sets forth the movement of the JAG Points provision during the Track Record Period:

	Year ended 31 March		Eight months ended 30 November
	2016	2017	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at beginning of the year/period	4,791	6,271	6,095
Exchange adjustments	51	207	50
Distribution for the year/period (<i>Note</i>)	7,808	8,507	6,270
Redemption during the year/period	(6,379)	(7,339)	(5,141)
Reversal during the year/period	<u>–</u>	<u>(1,551)</u>	<u>(309)</u>
 Balance at end of the year/period	 <u>6,271</u>	 <u>6,095</u>	 <u>6,965</u>

Note: This represents the total of (i) JAG Points provision in costs of services and (ii) promotional expenses on our Platforms in terms of JAG Points distributed to existing Members.

JAG Points provision is recognised for the JAG Points accumulated by our Members under the JAG Point Programme at fair value, which is determined by a number of assumptions with key variables arising from the redemption of JAG Points, including historical redemption pattern (such as the types of Rewards our Members redeemed), the purchase costs of Rewards, the conversion ratios of JAG Points into Rewards and the estimated future redemption pattern. Our Group monitors and compiles the historical JAG Points redemption pattern and purchase costs of Rewards through reports generated from our Integrated Information Management System which (i) records details of each redemption of our Members such as the date and the types of Rewards our Members redeemed; and (ii) reveals the data we input such as the types, quantities and purchase costs of Rewards. We perform analysis on the JAG Points redemption pattern and the purchase costs of Rewards on a regular basis.

The fair value of the JAG Points was subsequently adjusted based on (i) any change of fair value of unit JAG Points and (ii) the amount of JAG Points which are not probable to be redeemed as a result of the revised membership terms of service in March 2016.

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The table below sets forth the ageing analysis of JAG Points provision as at 31 March 2016 and 2017 and 30 November 2017:

	As at 31 March				As at 30 November	
	2016		2017		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Within 30 days	576	9.2	774	12.7	1,241	17.8
Over 30 days but within 180 days	1,685	26.9	1,893	31.1	1,836	26.4
Over 180 days but within 1 year	1,280	20.4	1,310	21.5	1,218	17.5
Over 1 year but within 2 years	1,206	19.2	1,275	20.9	1,550	22.2
Over 2 years	<u>1,524</u>	<u>24.3</u>	<u>843</u>	<u>13.8</u>	<u>1,120</u>	<u>16.1</u>
	<u>6,271</u>	<u>100</u>	<u>6,095</u>	<u>100</u>	<u>6,965</u>	<u>100</u>

The balance of JAG Points aged over 2 years has decreased by approximately HK\$0.7 million as at 31 March 2017 which was mainly due to reversal of provision in relation to JAG Points historically distributed to Members who have not logged into the Platforms for a continuous period of one year. The amount of JAG Points that may be forfeited equals to the amount of JAG Points accumulated by Members who have not logged into the Platforms for a continuous period of one year.

The table below sets forth our redemption rates during the Track Record Period:

	Year ended 31 March		Eight months ended 30 November 2016	Eight months ended 30 November 2017
	2016	2017	(Unaudited)	(Unaudited)
Redemption rates	50.6%	55.5%	46.7%	51.3%

Note: The redemption rates for the Track Record Period is calculated by (i) dividing the JAG Points redeemed during the relevant period by the sum of JAG Points at the beginning of the year/period and the JAG Points distributed during the relevant year/period and net of reversal of JAG Points during the relevant year/period, on an annualised basis, and (ii) multiplied by 100%.

Our redemption rates for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 were 50.6%, 55.5%, 46.7% and 51.3%, respectively. A higher redemption rate for the year ended 31 March 2017 was observed after the enactment of the revised membership terms of services on the expiry of Member's accumulated but not redeemed JAG Points if such Member does not log into our Platform for a continuous period of one year.

Reversal represents reversal of provision in relation to JAG Points historically distributed to Members. Since March 2016, pursuant to our revised membership terms of services, the accumulated but not redeemed JAG Points are valid for redemption for one

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year from the last login date on our Platform by our Members. Therefore, as at 31 March 2017, being more than one year from the revision of membership terms of services, provision in relation to JAG Points awarded to Members who have not logged into our Platforms for a continuous period of at least one year have been reversed. Excluding the effect of the reversal of approximately HK\$1.6 million, the balance of JAG Points provision increased by approximately HK\$1.3 million or 20.6% from approximately HK\$6.3 million as at 31 March 2016 to approximately HK\$7.6 million as at 31 March 2017, which was in line with the increase in revenue.

For the sensitivity analysis on the impact of changes in key assumptions in the JAG Points provision on our gross profit and gross profit margin, please refer to the paragraph headed “Financial Information – Sensitivity analysis” in this prospectus.

Receipt in advance and other payables and accruals

Our receipts in advance mainly represented the amounts received from our clients as deposit at the commencement of engagements.

Other payables and accruals mainly represent sales rebates in Taiwan’s operation and the increase was in line with the increase in revenue during the Track Record Period. For details regarding sales rebates, please refer to the paragraph headed “Business – Our clients – Relationship among certain advertising agencies” in this prospectus.

The balances of our other payables and accruals increased by approximately HK\$0.4 million or 44.4% from approximately HK\$0.9 million as at 31 March 2016 to approximately HK\$1.3 million as at 31 March 2017, respectively. Such increase was mainly due to sales rebates offered to clients in Taiwan resulting from the increase in revenue in Taiwan. The balance of our other payables and accruals increased by approximately HK\$0.8 million or 61.5% from approximately HK\$1.3 million as at 31 March 2017 to approximately HK\$2.1 million as at 30 November 2017, mainly due to the accrued auditors’ remuneration.

Bank loan

As at 31 March 2016 and 2017 and 30 November 2017, the unsecured bank loan was repayable as follow:

	As at 31 March		As at 30
	2016	2017	November
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Within 1 year or on demand	393	34	–
After 1 year but within 2 years	34	–	–
Total	427	34	–

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The balances of our bank loan decreased from approximately HK\$0.4 million as at 31 March 2016 to approximately HK\$34,000 as at 31 March 2017, and further decreased to nil as at 30 November 2017. Such decrease was mainly due to the repayment of bank loan.

ANALYSIS OF KEY FINANCIAL RATIOS

	Year ended/as at 31 March		Eight months ended/as at 30 November
	2016	2017	2017
Net profit margin ⁽¹⁾	36.8%	46.5%	32.7%
Current ratio ⁽²⁾	1.2	2.0	1.2
Quick ratio ⁽³⁾	1.1	1.9	1.2
Gearing ratio ⁽⁴⁾	31.8%	0.4%	254.6%
Debt to equity ratio ⁽⁵⁾	Net cash position	Net cash position	Net cash position
Interest coverage ratio ⁽⁶⁾	210.9	868.8	N/A
Return on total assets ⁽⁷⁾	69.2%	68.9%	30.3%
Return on equity ⁽⁸⁾	343.7%	134.4%	160.3%

Notes:

1. Net profit margin equals profit for the period divided by revenue for the period. Net profit margin for the eight months ended 30 November 2017 equals profit for the period before Listing expenses divided by revenue for the period.
2. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective period end.
3. Quick ratio is calculated by current assets (excluding inventory) over current liabilities as at the end of the respective period.
4. Gearing ratio is calculated based on the sum of amounts due to Controlling Shareholders, bank loan and Convertible Bond divided by the total equity as at the respective period end and multiplied by 100%.
5. Debt to equity ratio is calculated by the net debt (all borrowings net of cash and cash equivalents) divided by the total equity as at the respective period end and multiplied by 100%. Net debts are defined to include all borrowings net of cash and cash equivalents.
6. Interest coverage ratio is calculated by the profit before Listing expenses, interest and tax for the period divided by the finance cost for the respective period.
7. Return on total assets is calculated by the profit for the period divided by the total assets as at the respective period end and multiplied by 100%. Return on total assets for the eight months ended 30 November 2017 is calculated by dividing profit after taxation before Listing expenses for the period by total assets, on an annualised basis and multiplied by 100%.
8. Return on equity is calculated by the profit for the period divided by the total equity as at the respective period end and multiplied by 100%. Return on equity for the eight months ended 30 November 2017 is calculated by dividing profit after taxation before Listing expenses for the period by total equity, on an annualised basis and multiplied by 100%.

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Net profit margin

Our net profit margin increased from approximately 36.8% for the year ended 31 March 2016 to approximately 46.5% for the year ended 31 March 2017, which was in line with the increase of gross profit margin. Our adjusted net profit margin decreased to approximately 32.7% for the eight months ended 30 November 2017, mainly due to the increase in administrative and other operating expenses resulting from the allowance for doubtful debts and the increase in staff costs.

Current ratio

Our current ratio increased from approximately 1.2 times as at 31 March 2016 to approximately 2.0 times as at 31 March 2017, which was mainly attributable to the increase in trade and other receivables and cash and cash equivalents due to the increase of our operating profit and the decrease in dividend paid for the year ended 31 March 2017 as compared to the year ended 31 March 2016. Our current ratio decreased to approximately 1.2 times as at 30 November 2017, which was mainly attributable to (i) the increase in cash and cash equivalents was net off by the increase in Convertible Bond; and (ii) the increase in other payables and accruals.

Quick ratio

Our quick ratio increased from 1.1 times as at 31 March 2016 to 1.9 times as at 31 March 2017 and decreased to 1.2 times as at 30 November 2017 which was similar to the movement of current ratio as we did not have significant amount of inventories.

Gearing ratio

Our gearing ratio decreased from approximately 31.8% as at 31 March 2016 to approximately 0.4% as at 31 March 2017, which was mainly attributable to (i) the repayment of bank loan and amounts due to Controlling Shareholders; and (ii) the increase in total equity as a result of the increase of the operating profit for the year ended 31 March 2017. Our gearing ratio increased to 254.6% as at 30 November 2017 mainly attributable to the Convertible Bond pursuant to the Pre-IPO Investment.

Debt to equity ratio

We recorded net cash position as at 31 March 2016 and 2017 and 30 November 2017.

Interest coverage ratio

Our interest coverage ratio increased from 210.9 times for the year ended 31 March 2016 to 868.8 times for the year ended 31 March 2017. The increase was primarily due to (i) the increase in our operating profit; and (ii) the decrease in our finance costs due to repayment of bank loan. For the eight months ended 30 November 2017, there is no finance costs due to the full repayment of bank loan during the relevant period.

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Return on total assets

Our return on total assets remained relatively stable at approximately 69.2% for the year ended 31 March 2016 and approximately 68.9% for the year ended 31 March 2017, primarily due to the increase in both operating profit and total assets. Total assets increased by approximately 53.7% mainly due to the increase in trade and other receivables and cash and cash equivalents, partially offset by the increase in our profit for the year ended 31 March 2017 of approximately 53.1%, mainly due to our growth in revenue and profitability during the Track Record Period. Our adjusted return on total assets then decreased to approximately 30.3% for the eight months ended 30 November 2017, primarily due to the increase in administrative and other operating expenses resulting from the allowance for doubtful debts and the increase in staff costs.

Return on equity

Our return on equity decreased from approximately 343.7% for the year ended 31 March 2016 to approximately 134.4% for the year ended 31 March 2017, which was mainly attributable to the increase in our total equity as a result of (i) the increase of profit for the year ended 31 March 2017; and (ii) the decrease in the amount of dividend paid for the year ended 31 March 2017 as compared to the year ended 31 March 2016. Our return on equity then increased to approximately 160.3% for the eight months ended 30 November 2017, primarily due to the decrease in equity resulting from the Listing expenses incurred during the period.

INDEBTEDNESS

The following table sets out the indebtedness of our Group as at the dates indicated:

	As at 31 March		As at 31
	2016	2017	January
	HK\$'000	HK\$'000	2018
			HK\$'000
Amounts due to Controlling Shareholders	315	–	–
Bank loan	427	34	–
Total indebtedness	742	34	–

Our amounts due to Controlling Shareholders are non-trade in nature, unsecured, interest-free and repayable on demand. All of the amounts due to Controlling Shareholders were settled in June 2017.

As at 31 March 2016 and 2017 and 31 January 2018, we have unsecured bank loan of approximately HK\$0.4 million, HK\$34,000, and nil respectively, which was mainly due to the repayment of bank loan. Our bank loan was denominated in HK\$, subject to finance costs at 0.33% per monthly flat rate and personal guarantees given by the Controlling

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Shareholders during the Track Record Period. The Controlling Shareholders' personal guarantees were subsequently released upon maturity of the bank loan. As at Latest Practicable Date, we have no unutilized banking facilities.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that they had not defaulted in payment of bank and other borrowings, and any breach of any of the covenants contained in our bank loan constituting any event of default. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulties in obtaining bank loan.

Save as disclosed above, we did not have, as at 31 January 2018, any debt securities or loan capital issued and outstanding and authorised or otherwise created but unissued, term loans, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade invoices) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guaranteed, unguaranteed, secured (whether the security is provided by our Group or by third parties) or unsecured borrowings and debt, mortgages, charges, guarantees or other material contingent liabilities. Save as disclosed and the Convertible Bond which will be converted into Shares pursuant to the Pre-IPO Investment Agreement, our Directors confirmed that there has not been any material change in our indebtedness and contingent liabilities since 30 November 2017 and up to the Latest Practicable Date.

As at the Latest Practicable Date, we did not have any plan for material external debt financing.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, we did not have any contingent liabilities that will have a material adverse effect on the financial position, liquidity or result of operation of our Group.

WORKING CAPITAL

The Directors are of the opinion that, taking into consideration the financial resources presently available to us, including anticipated cash flow from our operating activities, existing cash and cash equivalents, internal resources, and the estimated net proceeds from the Share Offer, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

CAPITAL EXPENDITURE

Our capital expenditure related to our purchase of property, plant and equipment. We have funded our historical capital expenditure primarily through cash flows generated from operating activities. For the year ended 31 March 2016, the amount of capital expenditure on office equipment, computer equipment and furniture and fixtures was approximately HK\$2,000, HK\$38,000 and HK\$1,000, respectively. There was no capital expenditure for the year ended 31 March 2017. For the eight months ended 30 November 2017, the amount of capital expenditure on computer equipment and leasehold improvements was approximately

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HK\$10,000 and HK\$63,000 respectively. As we continue expanding our business, we plan to (i) enhance functionality of the Integrated Information Management System, (ii) revamp user interfaces of mobile applications and websites and (iii) upgrade information technology equipment. Accordingly, we may incur additional capital expenditures. For further details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

We expect to fund any contractual commitment and planned capital expenditure outlined above primarily through the net proceeds we receive from the Share Offer, cash generated from operating activities and proceeds from the Pre-IPO investment. We believe these sources of funding will be sufficient to finance any contractual commitment and capital expenditure needs for the next 12 months.

Our Group’s projected capital expenditures are subject to revision based upon any future changes in our business plan, market conditions, and economic and regulatory environment. Please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus for further information.

COMMITMENTS

Capital commitments

We did not have any capital commitments as at 30 November 2017.

Operating lease commitments

As we lease certain office properties and equipment under operating lease arrangements, we incurred operating lease commitments during the Track Record Period. Such leases for properties, being our office premises, were for terms within 1 year and the lease payments are fixed during the leases. None of such leases include contingent rentals. The table below sets forth our outstanding commitments in respect of future minimum lease payments under non-cancellable operating leases at the end of each reporting period:

	As at 31 March		As at 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
			HK\$'000
Within 1 year	98	110	215
After 1 year but within 5 years	<u>–</u>	<u>–</u>	<u>200</u>

For further details, please refer to note 23 of the Accountants’ Report in Appendix I to this prospectus.

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SUBSEQUENT EVENT

The following significant events took place subsequent to 30 November 2017:

Conversion of the Convertible Bond

Pursuant to the Pre-IPO Investment Agreement and a conversion notice dated 28 February 2018, VMI exercised the conversion right in full to convert the whole of the principal amount of the Convertible Bond into shares of the Company. A total of 31,250 shares of the Company was issued and allotted to VMI, representing approximately 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion Shares.

Capitalisation issue

Pursuant to the written resolutions of the equity Shareholders of the Company passed on 7 March 2018 as detailed in the paragraph headed “Statutory and General Information – A. Further information about our company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018” in Appendix IV to this prospectus, the directors of the Company were authorised to allot and issue a total of 149,868,750 shares credited as fully paid at par to the Shareholders as appearing on the register of members of the Company, by way of capitalisation of the sum of HK\$1,498,687.50 standing to the credit of the share premium account of the Company on the date of the initial listing of shares of the Company on GEM of the Stock Exchange.

OFF-BALANCE SHEET ARRANGEMENT

As at the Latest Practicable Date, our Group did not have off-balance sheet commitments and arrangements.

CAPITAL MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

We have managed our capital to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximise our Shareholders’ value. We manage our capital structure and make adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets of our Group. We may also adjust the dividend payment to our Shareholders, return capital to our Shareholders, or issue new shares in order to maintain or adjust our capital structure. We are not subject to any externally imposed capital requirements and no change has been made to the objectives, policies or processes for managing our capital during the Track Record Period. We monitor our capital structure based on our gearing ratio. As at 31 March 2016 and 2017 and 30 November 2017, our gearing ratio was approximately 31.8%, 0.4% and 254.6%, respectively.

Financial risk management

We are exposed to market risks from changes in market rates and prices, such as credit risk, foreign currency risk, interest rate risk and liquidity risk.

Credit risk

The credit risk of our Group mainly arises from bank deposits and trade and other receivables. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

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Majority of bank deposits are placed with reputable banks and financial institutions. Our Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future.

For trade and other receivables, the credit quality of the counterparties is assessed by considering their financial position, credit history and other factors. Given the past repayment history, the Directors are of the opinion that the risk of default by these counterparties is not significant.

Our Group has concentration of credit risk. As at 31 March 2016 and 2017 and 30 November 2017, 7%, 14% and 8% of the total trade receivables was due from our Group's largest client respectively and 34%, 29% and 26% of the total trade receivables was due from our Group's five largest clients, respectively.

The carrying values of these balances represent our Group's maximum exposure to credit risk in relation to our financial statements.

Foreign currency risk

The functional currency and reporting currency for our Company and its subsidiaries is HK\$, except that the functional currency of certain subsidiaries are NT\$, MYR and S\$.

Our Directors are of the view that our Group did not have any significant foreign exchange liabilities and did not have any significant exposure to foreign exchange risk during the Track Record Period.

Interest rate risk

Our Group's interest rate risk arises from bank balances at floating interest rates and bank loan. Our Group has no significant exposure to interest rate risks as the bank loan of our Group is a fixed rate borrowing. The bank deposits placed with banks generate interest at the prevailing market interest rates.

Liquidity risk

Ultimate responsibility for liquidity risk management rest with our management, which has built an appropriate liquidity risk management framework for the management of our Group's short, medium and long-term funding and liquidity management requirements. Our Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Details of the maturity profile of our financial liabilities are set out in note 22 of the Accountants' Report in Appendix I to this prospectus.

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LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission, SFC transaction levy and Stock Exchange trading fee incurred in connection with the Share Offer and the Listing. Assuming an Offer Price of HK\$1.15 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Offer Size Adjustment Option is not exercised, our total Listing expenses is estimated to be approximately HK\$26.1 million, of which HK\$9.1 million is directly attributable to the issue of new Shares and to be accounted for as a deduction from the equity and the remaining amount of HK\$17.0 million will be reflected in our consolidated statements of profit or loss and other comprehensive income for the year ending 31 March 2018. Out of this amount, HK\$9.3 million had been charged to our consolidated statements of profit or loss and other comprehensive income for the eight months ended 30 November 2017 and the remaining amount of approximately HK\$7.7 million is expected to be recognised as expenses in our consolidated statements of profit or loss and other comprehensive income for the year ending 31 March 2018. The actual amounts to be recognised to the profit and loss of our Group or to be capitalised are subject to adjustments based on audit and changes in variables and assumptions. **Prospective investors should note that our financial results for the year ending 31 March 2018 will be adversely affected by the non-recurring Listing expenses described above, and may not be comparable to the financial performance of our Group in the past.**

TAXATION

Our Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law on 22 May 2017. Accordingly, we are exempted from the payment of the Cayman Islands income tax.

In respect of our subsidiaries that are incorporated in the BVI as BVI business companies under the BVI Business Companies Act 2004, we are exempted from payment of income tax of BVI.

For our subsidiaries incorporated in Hong Kong, Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit for the Track Record Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the territories in which our Group operates.

Our Directors confirm that we had made all required tax filings in all relevant territories and paid all tax liabilities that had become due. We are not subject to any dispute or potential dispute with any tax authorities. For the income tax expense recognised by our Group during the Track Record Period, please refer to note 7 in the Accountants' Report as set out in Appendix I to this prospectus.

RELATED PARTY TRANSACTIONS

During the Track Record Period, (i) Couponmall was one of our five largest suppliers mainly supplying coupons for our Group and (ii) Tai Fong Studio Company Limited was one of our Reward suppliers of photography equipment.

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Since February 2017, we have unilaterally ceased to source coupons from Couponmall and, from such date onwards, we obtained similar coupons from related coupon issuers directly to be distributed to our Members when they redeem their JAG Points accumulated through participating in Missions, for further details regarding the reasons of ceasing our business relationship with Couponmall, please refer to the paragraph headed “Business – Our suppliers – Our major suppliers” in this prospectus.

Since May 2017, we have unilaterally ceased to source photography equipment from Tai Fong Studio Company Limited and, from such date onwards, we source similar photography equipment from independent third party suppliers.

DIVIDEND

Dividend in the amount of approximately HK\$0.2 million has been declared by our Company on 23 June 2017 and has been settled against the amount due from the then Shareholders of our Company on 30 June 2017. During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, subsidiaries of our Company declared and paid dividend to their then Shareholders amounting to approximately HK\$8.1 million, HK\$5.4 million and HK\$0.2 million, respectively.

We currently do not have any plans to distribute regular dividends immediately after the Listing. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. The recommendation of the payment of dividend is subject to the absolute discretion of our Board, and, after Listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders. Our Group does not have any dividend policy or fixed dividend payout ratio. Our Directors may recommend a payment of dividend in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and the Companies Law, including the approval of our Shareholders. Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please see the section headed “Unaudited Pro Forma Financial Information” included as Appendix II to this prospectus for details.

DISTRIBUTABLE RESERVES

The Company was incorporated on 22 May 2017. There were no reserves available for distribution to equity Shareholders of the Company as at 31 March 2017.

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The Company's reserves available for distribution include retained profits and capital reserve. Accordingly, the Company's reserves available for distribution to equity Shareholders of the Company as at 30 November 2017 amounted to HK\$337,000.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances which would have given rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RECENT DEVELOPMENTS

We will record a net loss for the year ending 31 March 2018. Our overall gross profit margin is expected to decrease slightly due to the expected lower gross profit margin derived from the newly expanding business in Malaysia and Singapore since (a) our Group would offer trial-price to attract new clients; and (b) more JAG Points would be distributed to attract new Members to enhance our market position. Our expected net loss is due to (i) the non-recurring Listing expenses of approximately HK\$17.0 million (assuming an Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised); (ii) the fair value loss on the Convertible Bond; (iii) the anticipated increase in expenses including staff costs to cope with our business expansion and remuneration for executive and independent non-executive Directors after the Listing; and (iv) the estimated increase in auditors' remuneration after the Listing.

The impact of the Listing expenses on the consolidated statements of profit or loss and other comprehensive income will pose a material adverse change in the financial or trading position or prospect of our Group since 30 November 2017 (being the date of the latest audited consolidated financial statements were made up). For further details regarding Listing expenses, please refer to the paragraph headed "Financial Information – Listing expenses" in this prospectus. Prospective investors should be aware of the impact of the Listing expenses on the financial performance of our Group for the year ending 31 March 2018.

We will record a loss on the change in fair value of the Convertible Bond of approximately HK\$18.5 million (assuming an Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range, and that the Offer Size Adjustment Option is not exercised) for the year ending 31 March 2018. The fair value loss is a non-cash item. Before the completion of the Share Offer, the Convertible Bond will be converted into Shares pursuant to the Pre-IPO Investment Agreement. There will be no fair value loss associated with the Convertible Bond for any financial period after 31 March 2018 on the assumption that our Listing will be completed on or before 31 March 2018. Any fair value loss on the Convertible Bond for the year ending 31 March 2018 could have an adverse impact on our profit for that year.

Save for the above, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position of our Group since 30 November 2017, being the end of the period reported in the Accountants' Report in Appendix I to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

The principle business strategies of our Group are to achieve sustainable growth and increase long-term shareholders' value by maintaining our competitiveness and position as a digital media company in Hong Kong and Taiwan and build our network and presence in Malaysia and Singapore. Please refer to the section headed "Business – Business objectives and strategies" in this prospectus for our Group's business objectives and strategies.

REASONS FOR THE LISTING

Our Directors believe that the Listing is beneficial to our future growth and will increase the long-term value to our Group for the following reasons:

(i) Facilitate the implementation of our business strategies

Our Directors recognise the need for further capital to expand our business in order to maintain our position in the competitive online advertising industry in the territories we operate. According to the CIC Report, online advertising industry in Hong Kong and Taiwan has been and will continue to grow at a steady rate of CAGR of 13.9% and 10.4% from 2016 to 2021, respectively. Our Directors believe that we will be able to strengthen our competitiveness in the industry albeit intense competition in the industry by effective implementation of our business strategies.

Following the Listing, we believe that our Group will open up new channels to raise funds in order to facilitate the implementation of our business strategies as set out in the paragraph headed "Business – Business strategies" in this prospectus.

(ii) Enhance our Group's corporate profile, credibility and brand awareness

Our Directors believe that the Listing would enhance our corporate profile, credibility and brand awareness as our Company having a listing status will be required to conform with the GEM Listing Rules, and this in turn results in greater transparency and better corporate governance practices.

(iii) Enhance market status amongst clients, suppliers and staff

Our Directors believe that a listing status will enhance our credibility with our suppliers and clients and thus, enhance our level of competitiveness in competing for and carrying out our online advertising services. With such status, our Group can be differentiated from other competitors in the online advertising industry and we can enhance our ability to attract and engage potential clients.

In addition, the Listing will enable us to offer an equity-based incentive programme (such as Share Option Scheme) to our employees through which our employees would be able to share our success and achievement and be committed to the performance and continual development of our Group. In turn, we will be able to provide better quality services to our clients and Members.

FUTURE PLANS AND USE OF PROCEEDS

(iv) Ease of raising funds in capital market for future business development

Whilst our Group was able to expand our business using internally generated funds and bank borrowings during the Track Record Period and had been able to repay bank borrowings, our Group still plans to seek equity or equity-linked financing as it would ease our cash flow.

The Listing, which allows us to access the capital market for fund raising, will assist our future business development and strengthen our competitiveness; following such, we will be able to use secondary fund raising methods after Listing for our future expansion plans and when necessary, through the issuance of equity and/or debt securities.

By strengthening our financial position through fund-raising, we will have more bargaining power and collaborations when negotiating terms with our business partners. Our Group will then be able to maintain a lower level of gearing ratio which benefits our Group and Shareholders as a whole, and enhance our capital structure. Our Directors therefore believe that the use of equity financing would avoid the risk of high interest rate generally associated with debt financing which exposes our Group to increasing financial costs in the future.

(v) Diversification of shareholder base and more liquidity in trading of Shares

Our Directors believe that the Listing will enhance the liquidity of our Shares which will be freely traded on the Stock Exchange when compared to the limited liquidity of the shares that are privately held before the Listing. Hence, our Directors consider that the Listing will enlarge and diversify our shareholder base and potentially lead to a more liquid market in the trading of our Shares.

Although the Listing expenses represent a significant proportion of the gross proceeds from the Listing, such expenses are non-recurring by nature.

For the reasons stated above, our Directors believe that the Listing is beneficial to us in the long run.

FUTURE PLANS AND USE OF PROCEEDS

USE OF PROCEEDS

For the period from the Listing Date to 30 September 2020, our net proceeds from the Share Offer will be used as follows:

Proceed usage	Implementation activities	Total amount required for implementing the plans (a) HK\$'000	Use of proceeds						Approximate percentage of net proceeds %	From internal resources (a-b) HK\$'000
			From the Listing to 30 September 2018 HK\$'000	For the six months ended				Total (b) HK\$'000		
				31 March 2019 HK\$'000	30 September 2019 HK\$'000	31 March 2020 HK\$'000	30 September 2020 HK\$'000			
Build brand, develop client base and network of Members										
- Enhance brand image	(i) Engage spokesperson(s)	1,800	500	-	500	-	500	1,500	4.8%	300
- Build brand awareness	(i) Place advertisement									
	(a) Hong Kong	520	80	80	80	80	80	400	1.3%	120
	(b) Taiwan	520	80	80	80	80	80	400	1.3%	120
	(c) Malaysia	545	84	84	84	84	84	420	1.3%	125
	(d) Singapore	365	56	56	56	56	56	280	0.9%	85
	Subtotal	1,950	300	300	300	300	300	1,500	4.8%	450
- Client development	(i) Sponsor events									
	(a) Hong Kong	450	150	-	150	-	150	450	1.4%	0
	(b) Taiwan	450	150	-	150	-	150	450	1.5%	0
	(c) Malaysia	600	-	75	-	150	-	225	0.7%	375
	(d) Singapore	300	-	75	-	150	-	225	0.7%	75
	Subtotal	1,800	300	150	300	300	300	1,350	4.3%	450
	(ii) Conduct seminars									
	(a) Hong Kong	840	186	-	187	-	187	560	1.8%	280
	(b) Taiwan	525	117	-	116	-	117	350	1.1%	175
	(c) Malaysia	390	87	-	87	-	86	260	0.8%	130
	(d) Singapore	495	110	-	110	-	110	330	1.1%	165
	Subtotal	2,250	500	-	500	-	500	1,500	4.8%	750
- Enhance membership development	(i) Organise events for Members									
	(a) Hong Kong	699	63	62	63	80	114	382	1.2%	317
	(b) Taiwan	619	62	63	62	81	66	334	1.1%	285
	(c) Malaysia	423	38	37	38	65	54	232	0.7%	191
	(d) Singapore	459	37	38	37	74	66	252	0.8%	207
	Subtotal	2,200	200	200	200	300	300	1,200	3.8%	1,000
	Subtotal	10,000	1,800	650	1,800	900	1,900	7,050	22.5%	2,950
Upgrade information technology systems										
	(i) Enhance functionality of the Integrated Information Management System	4,357	764	791	439	868	496	3,358	10.7%	999
	(ii) Revamp user interface of mobile applications and websites	2,500	240	240	640	240	640	2,000	6.4%	500
	(iii) Upgrade information technology equipment	280	173	60	10	10	10	263	0.8%	17
	Subtotal	7,137	1,177	1,091	1,089	1,118	1,146	5,621	17.9%	1,516
Strengthen talent pool and workforce and improve work environment										
	(i) Expand workforce	7,475	1,039	1,315	1,315	1,417	1,417	6,503	20.7%	972
	(ii) Staff development	342	-	250	-	-	-	250	0.8%	92
	(iii) Renovation and expand offices	1,722	90	170	120	546	396	1,322	4.2%	400
	Subtotal	9,539	1,129	1,735	1,435	1,963	1,813	8,075	25.7%	1,464

FUTURE PLANS AND USE OF PROCEEDS

Proceed usage	Implementation activities	Total amount required for implementing the plans (a)	Use of proceeds						Approximate percentage of net proceeds	From internal resources (a-b)
			From the Listing to 30 September 2018	For the six months ended				Total (b)		
				31 March 2019	September 2019	31 March 2020	September 2020			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000	
Pursue growth through selective acquisitions	(i) Conduct due diligence and background search	200	100	-	100	-	-	200	0.6%	-
	(ii) Acquire digital media companies or advertising companies	9,800	-	3,650	-	3,650	-	7,300	23.3%	2,500
	Subtotal	10,000	100	3,650	100	3,650	-	7,500	23.9%	2,500
General working capital		4,076	3,138	-	-	-	-	3,138	10.0%	938
Total		40,752	7,344	7,126	4,424	7,631	4,859	31,384	100.0%	9,368

The net proceeds from the Share Offer based on the Offer Price of HK\$1.15 per Offer Share (being the mid-point of the Offer Price range, assuming that the Offer Size Adjustment Option is not exercised) are estimated to be approximately HK\$31.4 million after deducting the estimated underwriting commission and total expenses, paid and payable by our Company from the gross proceeds of the Share Offer.

The above allocation of the net proceeds of the Share Offer will be adjusted on a pro-rata basis in the event that the Offer Price is determined at a higher or lower level compared to the mid-point of the Offer Price range, assuming that the Offer Size Adjustment Option is not exercised.

Assuming that the Offer Price is determined at HK\$1.30 (being the high-end of the Offer Price range, assuming that the Offer Size Adjustment Option is not exercised), our Company will receive additional net proceeds of approximately HK\$7.0 million. We currently intend to apply such additional net proceeds to the above proposed ways of use of proceeds on a pro-rata basis.

Assuming that the Offer Price is determined at HK\$1.00 (being the low-end of the Offer Price range, assuming that the Offer Size Adjustment Option is not exercised) the net proceeds our Company receives will be reduced by approximately HK\$7.0 million. We currently intend to reduce the net proceeds to the above proposed ways of use of proceeds on a pro-rata basis.

Assuming that the Offer Price is determined at HK\$1.30 (being the high-end of the Offer Price range, assuming that the Offer Size Adjustment Option is exercised in full), our Company will receive additional net proceeds of approximately HK\$16.2 million. We currently intend to apply approximately HK\$9.4 million of such additional net proceeds to the above proposed ways of use of proceeds on a pro-rata basis, and the remaining of approximately HK\$6.8 million will be applied mainly in brand building and development of client base and network of Members to further strengthen our business and operations, and

FUTURE PLANS AND USE OF PROCEEDS

in our general working capital, in addition to the implementation plans of our Group set forth in the paragraph headed “Future Plans and Use of Proceeds – Implementation plans” in this section. Breakdown of our intended additional implementation activities during the indicated periods are disclosed in the following table:

Proceed usage	Implementation activities	Use of proceeds					Total HK\$'000
		For the six months ended					
		From the Listing to 30 September 2018 HK\$'000	31 March 2019 HK\$'000	30 September 2019 HK\$'000	31 March 2020 HK\$'000	30 September 2020 HK\$'000	
Build brand, develop client base and network of Members							
- Enhance brand image	(i) Engage spokesperson(s)	-	500	-	500	-	1,000
- Build brand awareness	(ii) Place advertisement						
	(a) Hong Kong	97	97	99	99	99	491
	(b) Taiwan	97	97	99	99	99	491
	(c) Malaysia	101	101	101	102	102	507
	(d) Singapore	65	65	65	66	66	327
	Subtotal	360	360	364	366	366	1,816
- Client development	(i) Sponsor events						
	(a) Hong Kong	-	150	-	150	-	300
	(b) Taiwan	-	150	-	150	-	300
	(c) Malaysia	75	-	150	-	150	375
	(d) Singapore	75	-	150	-	150	375
	Subtotal	150	300	300	300	300	1,350
	(ii) Conduct seminars						
	(a) Hong Kong	-	187	-	187	-	374
	(b) Taiwan	-	117	-	117	-	234
	(c) Malaysia	-	86	-	86	-	172
	(d) Singapore	-	110	-	110	-	220
	Subtotal	-	500	-	500	-	1,000
- Enhance membership development	(i) Organise events for Members						
	(a) Hong Kong	63	63	63	63	63	315
	(b) Taiwan	62	62	62	62	62	310
	(c) Malaysia	38	38	38	38	38	190
	(d) Singapore	37	37	37	37	37	185
	Subtotal	200	200	200	200	200	1,000
General working capital		136	136	136	136	136	680
Total		846	1,996	1,000	2,002	1,002	6,846

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term deposits with licensed banks or authorised financial institutions for so long as it is in our best interests.

FUTURE PLANS AND USE OF PROCEEDS

Should our Directors decide to reallocate the intended use of proceeds to other business plans and/or new project of our Group to a material extent and/or there is to be any material modification to the use of proceeds as described above, our Group will issue an announcement in accordance with the GEM Listing Rules.

IMPLEMENTATION PLANS

In pursuance of the above business objectives, the implementation plans of our Group are set forth below from Listing Date to 31 March 2018 and for each of the six-month periods until 30 September 2020. Investors should note that the following implementation plans are formulated on the bases and assumptions referred to in the paragraph headed “Future Plans and Use of Proceeds – Bases and assumptions” in this prospectus. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk Factors” in this prospectus.

(a) From the Listing Date to 30 September 2018

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Build brand, develop client base and network of Members		
– Enhance brand image	<ul style="list-style-type: none"> ● Engage spokesperson(s) <ul style="list-style-type: none"> – Represent our Group covering all territories where we operate, to promote our brand by increasing our awareness and credibility 	500
– Build brand awareness	<ul style="list-style-type: none"> ● Place advertisement <ul style="list-style-type: none"> – Mainly online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing 	300
– Client development	<ul style="list-style-type: none"> ● Sponsor events <ul style="list-style-type: none"> – Sponsor one advertising awards ceremony in each of Hong Kong and Taiwan to reach out to potential advertising agency clients and Brand Owners ● Conduct seminars <ul style="list-style-type: none"> – Conduct one seminar on topics such as online advertising trend in each of Hong Kong, Taiwan, Malaysia and Singapore to invite potential advertising agency clients and Brand Owners to attend 	300 500

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds HK\$'000
– Enhance membership development	<ul style="list-style-type: none"> ● Organise events for Members <ul style="list-style-type: none"> – Members' events such as festive gatherings and performance events 	200
Upgrade information technology systems	<ul style="list-style-type: none"> ● Enhance the functionality of the Integrated Information Management System <ul style="list-style-type: none"> – Introduce new online advertising services – Enhance the analytical capability of data collected from our clients' advertising campaigns for understanding the prevailing market trends and behaviours of our Members – Implement enriched segmentations of information of our Members for the Integrated Information Management System ● Revamp the user interfaces of our mobile applications and websites <ul style="list-style-type: none"> – Improve the appearance of user interfaces and customised wordings with localised languages preferences ● Upgrade information technology equipment <ul style="list-style-type: none"> – Purchase information technology equipment for our existing and new staff 	764 240 173
Strengthen talent pool and workforce and improve working environment	<ul style="list-style-type: none"> ● Expand workforce <ul style="list-style-type: none"> – Recruitment of one human resources team member, one finance team member and one information technology team member in Hong Kong for our Group – Recruitment of two sales team members in Hong Kong – Recruitment of two sales team members in Taiwan – Recruitment of two sales team members in Malaysia ● Renovation and expand offices <ul style="list-style-type: none"> – Renovation and additional lease costs for our Taiwan office 	1,039 90
Pursue growth through selective acquisitions	<ul style="list-style-type: none"> ● Conduct due diligence and background search on acquisition target(s) 	100
General working capital		<u>3,138</u>
Total		<u><u>7,344</u></u>

FUTURE PLANS AND USE OF PROCEEDS

(b) For the six months ending 31 March 2019

Business Strategies	Implementation activities	From net proceeds HK\$'000
Build brand, develop client base and network of Members		
– Build brand awareness	<ul style="list-style-type: none"> ● Place advertisement <ul style="list-style-type: none"> – Mainly online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing 	300
– Client development	<ul style="list-style-type: none"> ● Sponsor events <ul style="list-style-type: none"> – Sponsor one advertising awards ceremony in each of Malaysia and Singapore to reach out potential advertising agency clients and Brand Owners 	150
– Enhance membership development	<ul style="list-style-type: none"> ● Organise events for Members <ul style="list-style-type: none"> – Members' events such as festive gatherings and performance events 	200
Upgrade information technology systems		
	<ul style="list-style-type: none"> ● Enhance the functionality of the Integrated Information Management System <ul style="list-style-type: none"> – Introduce new online advertising services – Enhance the analytical capability of data collected from our clients' advertising campaigns for understanding the prevailing market trends and behaviours of our Members 	791
	<ul style="list-style-type: none"> ● Revamp the user interfaces of our mobile applications and websites <ul style="list-style-type: none"> – Improve the appearance of user interfaces and customised wordings with localised languages preferences 	240
	<ul style="list-style-type: none"> ● Upgrade information technology equipment <ul style="list-style-type: none"> – Purchase information technology equipment for our existing and new staff 	60

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Strengthen talent pool and workforce and improve work environment	<ul style="list-style-type: none"> ● Expand workforce <ul style="list-style-type: none"> – Recruitment of one information technology team member in Hong Kong for our Group – Recruitment of one sales team member in Hong Kong – Recruitment of one sales team member in Taiwan – Recruitment of one sales team member in Malaysia – Retain nine new recruitments in the previous period ● Staff development <ul style="list-style-type: none"> – Training courses for our sales team members in Hong Kong, including course fees, examination fees, hotel and travel fees for our Taiwan and Malaysia staff ● Renovation and expand offices <ul style="list-style-type: none"> – Additional lease costs for our Taiwan office – Renovation and additional lease costs for our Malaysia office 	<p>1,315</p> <p>250</p> <p>170</p>
Pursue growth through selective acquisitions	<ul style="list-style-type: none"> ● Acquire digital media companies having a broad member base in territories which we operate or advertising companies with advertisement production capabilities 	<p>3,650</p>
Total		<p style="border-top: 1px solid black; border-bottom: 3px double black;">7,126</p>

(c) For the six months ending 30 September 2019

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Build brand, develop client base and network of Members <ul style="list-style-type: none"> – Engage brand image 	<ul style="list-style-type: none"> ● Engage spokesperson(s) <ul style="list-style-type: none"> – Represent our Group covering all territories where we operate, to promote our brand by increasing our awareness and credibility 	<p>500</p>

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
– Build brand awareness	<ul style="list-style-type: none"> ● Place advertisement <ul style="list-style-type: none"> – Mainly online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing 	300
– Client development	<ul style="list-style-type: none"> ● Sponsor events <ul style="list-style-type: none"> – Sponsor one advertising awards ceremony in each of Hong Kong and Taiwan to reach out potential advertising agency clients and Brand Owners ● Conduct seminars <ul style="list-style-type: none"> – Conduct one seminar on topics such as online advertising trend in each of Hong Kong, Taiwan, Malaysia and Singapore to invite potential advertising agency clients and Brand Owners to attend 	300 500
– Enhance membership development	<ul style="list-style-type: none"> ● Organise events for Members <ul style="list-style-type: none"> – Members’ events such as festive gatherings and performance events 	200
Upgrade information technology systems	<ul style="list-style-type: none"> ● Enhance the functionality of the Integrated Information Management System <ul style="list-style-type: none"> – Introduce new online advertising services – Enhance the analytical capability of data collected from our clients’ advertising campaigns for understanding the prevailing market trends and behaviours of our Members – Implement enriched segmentations of information of our Members for the Integrated Information Management System ● Revamp the user interfaces of our mobile applications and websites <ul style="list-style-type: none"> – Improve the appearance of user interfaces and customised wordings with localised languages preferences ● Upgrade information technology equipment <ul style="list-style-type: none"> – Purchase information technology equipment for our existing and new staff 	439 640 10

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Strengthen talent pool and workforce and improve working environment	● Expand workforce – Retain 13 new recruitments in the previous period	1,315
	● Renovation and expand offices – Additional lease costs for our Taiwan office – Additional lease costs for our Malaysia office	120
Pursue growth through selective acquisitions	● Conduct due diligence and background search on acquisition target(s)	100
Total		<u>4,424</u>

(d) For the six months ending 31 March 2020

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Build brand, develop client base and network of Members – Build brand awareness	● Place advertisement – Mainly online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing	300
	– Client development	● Sponsor events – Sponsor two advertising awards ceremonies in Malaysia and one advertising awards ceremony in Singapore to reach out potential advertising agency clients and Brand Owners
– Enhance membership development	● Organise events for Members – Members' events such as festive gatherings and performance events	300

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Upgrade information technology systems	<ul style="list-style-type: none"> ● Enhance the functionality of the Integrated Information Management System <ul style="list-style-type: none"> – Introduce new online advertising services – Enhance the analytical capability of data collected from our clients' advertising campaigns for understanding the prevailing market trends and behaviours of our Members 	868
	<ul style="list-style-type: none"> ● Revamp the user interfaces of our mobile applications and websites <ul style="list-style-type: none"> – Improve the appearance of user interfaces and customised wordings with localised languages preferences 	240
	<ul style="list-style-type: none"> ● Upgrade information technology equipment <ul style="list-style-type: none"> – Purchase information technology equipment for our existing and new staff 	10
Strengthen talent pool and workforce and improve working environment	<ul style="list-style-type: none"> ● Expand workforce <ul style="list-style-type: none"> – Recruitment of one sales team member in Hong Kong – Retain 13 new recruitments in the previous periods 	1,417
	<ul style="list-style-type: none"> ● Renovation and expand offices <ul style="list-style-type: none"> – Renovation and additional lease costs for our Hong Kong office – Additional lease costs for our Taiwan office – Additional lease costs for our Malaysia office 	546
Pursue growth through selective acquisitions	<ul style="list-style-type: none"> ● Acquire digital media companies having a broad member base in territories which we operate or advertising companies with advertisement production capabilities 	3,650
Total		<hr style="width: 100%;"/> 7,631 <hr style="width: 100%;"/>

FUTURE PLANS AND USE OF PROCEEDS

(e) For the six months ending 30 September 2020

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
Build brand, develop client base and network of Members		
– Enhance brand image	<ul style="list-style-type: none"> ● Engage spokesperson(s) <ul style="list-style-type: none"> – Represent our Group covering all territories where we operate, to promote our brand by increasing our awareness and credibility 	500
– Build brand awareness	<ul style="list-style-type: none"> ● Place advertisement <ul style="list-style-type: none"> – Mainly online advertising campaigns include social media marketing, placing of display advertisements and search engine marketing 	300
– Client development	<ul style="list-style-type: none"> ● Sponsor events <ul style="list-style-type: none"> – Sponsor one advertising awards ceremony in each of Hong Kong, Taiwan and Malaysia to reach out potential advertising agency clients and Brand Owners ● Conduct seminars <ul style="list-style-type: none"> – Conduct one seminar on topics such as online advertising trend in each of Hong Kong, Taiwan, Malaysia and Singapore to invite potential advertising agency clients and Brand Owners to attend 	300 500
– Enhance membership development	<ul style="list-style-type: none"> ● Organise events for Members <ul style="list-style-type: none"> – Members’ events such as festive gatherings and performance events 	300
Upgrade information technology systems	<ul style="list-style-type: none"> ● Enhance the functionality of the Integrated Information Management System <ul style="list-style-type: none"> – Introduce new online advertising services – Enhance the analytical capability of data collected from our clients’ advertising campaigns for understanding the prevailing market trends and behaviours of our Members – implement enriched segmentations of information of our Members for the Integrated Information Management System 	496

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	From net proceeds <i>HK\$'000</i>
	<ul style="list-style-type: none"> ● Revamp the user interfaces of our mobile applications and websites <ul style="list-style-type: none"> – Improve the appearance of user interfaces and customised wordings with localised languages preferences ● Upgrade information technology equipment <ul style="list-style-type: none"> – Purchase information technology equipment for our existing and new staff 	640 10
Strengthen talent pool and workforce and improve working environment	<ul style="list-style-type: none"> ● Expand workforce <ul style="list-style-type: none"> – Retain 14 new recruitments in the previous periods ● Renovation and expand offices <ul style="list-style-type: none"> – Additional lease costs for our Hong Kong office – Additional lease costs for our Taiwan office – Additional lease costs for our Malaysia office 	1,417 396
Total		<hr style="width: 100%;"/> 4,859 <hr style="width: 100%;"/>

BASES AND ASSUMPTIONS

Our Directors have adopted the following principal assumptions in the preparation of the implementation plan up to 30 September 2020:

- (a) Our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate.
- (b) There will be no material change in the funding requirement for each of our Group's future plans described in this prospectus from the amount as estimated by our Directors.
- (c) There will be no material change in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates.
- (d) There will be no change in the effectiveness of the licenses, permits and qualifications obtained by our Group.
- (e) There will be no material changes in the bases or rates of taxation applicable to the activities of our Group.

FUTURE PLANS AND USE OF PROCEEDS

- (f) Our Group will be able to retain our clients and suppliers.
- (g) Our Group will be able to retain key staff in the management and staff in different functional teams.
- (h) There will be no disasters, natural, political or otherwise, which would materially disrupt the businesses or operations of our Group.
- (i) Our Group will not be materially affected by the risk factors as set out under the section headed “Risk Factors” in this prospectus.

UNDERWRITING

UNDERWRITERS

Public Offer Underwriters

Sole Bookrunner and Joint Lead Manager

Ping An Securities Limited

Joint Lead Manager

HK Monkey Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is offering the Public Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to, among other matters, the Listing Division granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and to the satisfaction of certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) may in their sole and absolute discretion, upon giving written notice to our Company, terminate the Public Offer Underwriting Agreement with immediate effect if any of the following events occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date:

- (a) there has come to the notice of the Sole Sponsor and the Sole Bookrunner:
 - (i) any statement contained in this prospectus, the formal notice, any submission(s), document(s) or information provided to the Sole Sponsor and the Sole Bookrunner, any announcement(s) or document(s) issued by our Company in connection with the Share Offer (including any supplement(s) or amendment(s) thereto) (the “**Share Offer Documents**”), considered by any of the Sole Sponsor or the Sole Bookrunner in its opinion was, when it was issued, or has become, or has been discovered to be untrue, incorrect, inaccurate or misleading in any material respect, or any forecasts, expressions of opinion, intention or expectation expressed in any of the Share Offer Documents are not, in the opinion of the Sole Sponsor and the Sole Bookrunner, fair, honest and made in good faith and based on reasonable assumptions, when taken as a whole;

UNDERWRITING

- (ii) any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, constitute a material omission therefrom;
- (iii) any material breach of any of the warranties, obligations or undertakings given by or imposed upon any party to the Public Offer Underwriting Agreement (other than any of the Underwriters) or any matter or event showing any of such warranties, obligations or undertakings to be untrue, incorrect, inaccurate or misleading or having been breached in any material respect when given or repeated;
- (iv) any matter, event, act or omission which gives or is likely to give rise to any liability of any of our Company and Controlling Shareholders pursuant to the indemnity provisions under the Public Offer Underwriting Agreement;
- (v) any event, series of events, matter or circumstance occurs or arises on or after the date of this prospectus and prior to 8:00 a.m. on the Listing Date, would have rendered any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement, in the opinion of the Sole Sponsor and the Sole Bookrunner, untrue, incorrect, inaccurate or misleading in any material respect;
- (vi) approval by the Stock Exchange of the listing of, and permission to deal in, the Shares in issue and to be issued or sold under the Share Offer is refused or not granted on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (vii) our Company withdraws the Share Offer Documents or the Share Offer;
- (viii) any expert whose consent is required for the issue of any of the Share Offer Documents with inclusion of its reports and/or letters (as the case may be) and references to its name in the form and context in which they appear has withdrawn or sought to withdraw its consent to the issue of any of the Share Offer Documents;
- (ix) any material adverse change or development involving a prospective change or development (whether or not permanent) in the earnings, business, operations, assets, liabilities, conditions, business affairs, prospects, profits, losses, results of operations or in the financial or trading position or performance of any member of our Group or the industry the Group is operating in or the macroeconomics relevant to the Group's operations; or
- (x) any information, matter or event which in the opinion of the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) (A) is inconsistent in any material respect with any information or declaration provided by any Director in the relevant Director's declaration, undertaking

UNDERWRITING

and acknowledgment (Appendix 6, Form A of the GEM Listing Rules), or (B) would cast any serious doubt on the integrity or reputation of any Director or the reputation of our Group.

- (b) there shall develop, occur, happen, exist or come into effect:
- (i) any change or development involving a prospective change, or any event or series of events, matters or circumstances likely to result in or represent any change or development involving a prospective change or development, in the local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market or exchange control conditions or any monetary or trading settlement system (including, without limitation, any conditions affecting stock and bond markets, money and foreign exchange markets, investment markets, credit markets and inter-bank markets, or a change in the system under which the value of the currency of Hong Kong is linked to that of the United States, or a material fluctuation in the exchange rate of Hong Kong dollar against any foreign currency, or any interruption in securities settlement or clearance or procedures) in or affecting Hong Kong, Taiwan, Malaysia, Singapore, the United States, the European Union, BVI, the Cayman Islands or any other jurisdiction in which any Group Company is incorporated, operates or conducts business (collectively, the “**Relevant Jurisdictions**” and each a “**Relevant Jurisdiction**”); or
 - (ii) any event, or series of events, in the nature of force majeure including, without limitation, acts of government or orders of any court, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not was is or has been declared) or other states of emergency or calamity or crisis, acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, epidemics, pandemics, outbreak of diseases (including, without limitation, SARS, H1N1, H5N1 and other related/mutated forms), labour disputes, strikes, lock-outs (whether or not covered by insurance), acts of God, fire, explosion, flooding, accident, interruption or delay in transportation in or affecting any of the Relevant Jurisdictions; or
 - (iii) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any of the Relevant Jurisdictions;
 - (iv) the imposition of economic sanctions or changes in existing economic sanctions, in whatever form, directly or indirectly, by the United States or by the European Union (or any member thereof) on any of the Relevant Jurisdictions;

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- (v) the change or development involving a prospective change in taxation or exchange control, currency exchange rates or foreign investment laws or regulations or the implementation of any exchange control in any of the Relevant Jurisdictions;
- (vi) any change or development involving a prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus;
- (vii) any litigation, legal action, or claim or legal proceedings of any third party being threatened or instigated against any member of our Group, any Director or any of the Controlling Shareholders;
- (viii) any Director being charged with an indictable offence or prohibited by operation of law or regulation or otherwise disqualified from taking part in the management of a company;
- (ix) the commencement by any governmental, judicial or regulatory or political body or organisation of any action against any Director or member of our Group or an announcement by any governmental, judicial or regulatory or political body or organisation of any intention to take any such action;
- (x) any contravention by any member of our Group of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Law, the GEM Listing Rules, the SFO or any applicable law(s) and regulation(s);
- (xi) any prohibition on our Company from allotting the Offer Shares pursuant to the terms of the Share Offer for whatever reason;
- (xii) non-compliance of this prospectus (and/or any other documents used in connection with the subscription of the Offer Shares) or any aspect of the Share Offer with the GEM Listing Rules or any other applicable law(s) and regulation(s);
- (xiii) other than with the written approval of the Sole Sponsor and the Sole Bookrunner, the issue or requirement to issue by our Company of a supplement or amendment to any of the Share Offer Documents (and/or any other documents used in connection with the subscription of the Offer Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Law, the GEM Listing Rules, the SFO or any applicable law(s) and regulation(s), or any requirement or request of the Stock Exchange and/or the SFC;
- (xiv) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or any of the Controlling Shareholders or in respect of which any member of our Group or any of the Controlling Shareholders is liable prior to its stated maturity;

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- (xv) any loss or damage sustained by any member of our Group or any of the Controlling Shareholders (howsoever caused and whether or not the subject of any insurance or claim against any person);
- (xvi) any change or prospective change in the earnings, results of operations, business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of our Group taken as a whole;
- (xvii) any petition or order is presented for the winding up or liquidation of any member of our Group or any of the Controlling Shareholders or any composition or arrangement made by any member of our Group or any of the Controlling Shareholders with its creditors or any scheme of arrangement entered into by any member of our Group or any of the Controlling Shareholders, or any resolution being or having been passed for the winding-up of any member of our Group or any of the Controlling Shareholders or the appointment of any provisional liquidator, receiver or manager over all or part of any material assets or undertaking of any member of our Group or any of the Controlling Shareholders, or anything analogous thereto having occurred in respect of any member of our Group or any of the Controlling Shareholders;
- (xviii) a disruption in or any general moratorium on commercial banking activities or foreign exchange trading or securities settlement, or payment or clearance services or procedures in or affecting any of the Relevant Jurisdictions; or
- (xix) the imposition of any moratorium, suspension, limitation or restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the New York Stock Exchange, the Nasdaq Global Market, the London Stock Exchange, or any other major international stock exchanges;

which each case or in aggregate in the opinion of the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters):

- (A) has or will or may have a material adverse effect on the business, results of operations, financial, trading or other condition or prospects of the Company or the Group as a whole;
- (B) has or will have or may have a material adverse effect on the success of the Share Offer or the level of applications under the Share Offer;
- (C) makes or will or may make it inadvisable, inexpedient or impracticable to proceed with or to market the Share Offer or the delivery of the Offer Shares on the terms and in the manner contemplated in this prospectus, the Application Forms and the Underwriting Agreements; or

UNDERWRITING

- (D) has or will or may have the effect of making any part of the Public Offer Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the Public Offer Underwriting Agreement.

Undertakings to the Stock Exchange pursuant to the GEM Listing Rules

By our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by our Company or form the subject of any agreement to such an issue by our Company within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as prescribed under Rule 17.29 of the GEM Listing Rules.

By our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company respectively that, except pursuant to the Share Offer, it/he/she shall not and shall procure that the relevant registered shareholder(s) shall not:

- (a) in the period commencing on the date by reference to which disclosure of its/his/her shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in which it/he/she is shown by this prospectus to be the beneficial owners; or
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of our Controlling Shareholders would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company.

UNDERWRITING

Pursuant to Rule 13.19 of the GEM Listing Rules, each of the Controlling Shareholders has also undertaken to the Stock Exchange, our Company and the Sole Bookrunner that, within the period commencing on the date by reference to which disclosure of its/his/her shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will:

- (a) when it/he/she pledges or charges any direct or indirect interest in any securities of our Company beneficially owned by it/him/her in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company details of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when it/he/she receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares or securities or interests in any securities of our Company will be disposed of, immediately inform our Company and the Sole Bookrunner of such indications.

Our Company shall inform the Stock Exchange in writing as soon as it has been informed of any of the matters referred to above (if any) by our Controlling Shareholders and disclose such matters by way of an announcement to be published in accordance with the GEM Listing Rules as soon as possible.

Undertakings pursuant to the Public Offer Underwriting Agreement

By our Company

Except pursuant to the Capitalisation Issue, the Share Option Scheme and the Share Offer (including pursuant to the Offer Size Adjustment Option), during the First Six-Month Period, our Company has undertaken to each of the Sole Bookrunner, the Public Offer Underwriters and the Sole Sponsor not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Bookrunner (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor and unless in compliance with the requirements of the GEM Listing Rules:

- (i) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of its affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or

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- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities; or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer or agree to do any of the foregoing transactions and publicly disclose any intention to effect such transaction,

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

By our Controlling Shareholders

Each of our Controlling Shareholders has also undertaken to each of our Company, the Sole Bookrunner, the Public Offer Underwriters and the Sole Sponsor that, save as (i) pursuant to the Share Offer; or (ii) permitted under the GEM Listing Rules, without the prior written consent of the Sole Bookrunner (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor:

- (a) it/he/she will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);

UNDERWRITING

- (b) it/he/she will not, during the Second Six-Month Period, enter into any of the transactions specified in (i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company; and
- (c) without prejudice to the undertakings as referred to in paragraphs (a) and (b) above, during the period commencing on the date by reference to which disclosure of its direct or indirect shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she shall:
- (1) when it/he/she pledges or charges or otherwise create any rights of encumbrances over any Shares or other securities of our Company beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company, the Sole Sponsor and the Sole Bookrunner details of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as may be reasonably requested by our Company, the Sole Sponsor and/or the Sole Bookrunner; and
 - (2) subsequent to the pledge or charge or creation of rights or encumbrances over the Shares (or interest therein) or other shares or interests as mentioned in subparagraph (1) above, when it/he/she receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged or encumbered securities as referred to in subparagraph (1) above will be disposed of, immediately inform our Company of such indications, and inform the Sole Sponsor and the Sole Bookrunner as soon as practicable thereafter (taking into account the requirements of applicable laws, rules and regulations) of such indications.

Voluntary lock-up undertaking by our Controlling Shareholders

Apart from satisfying the lock-up requirements under the GEM Listing Rules as set out in the paragraph headed “Undertakings to the Stock Exchange pursuant to the GEM Listing Rules” in this section, each of our Controlling Shareholders has voluntarily undertaken to our Company that, except pursuant to the Share Offer, it/he/she shall not, at any time during the 12 months from the expiry of the Second Six-Month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in which it/he/she is shown by this prospectus to be the beneficial owners, if immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of our Controlling

UNDERWRITING

Shareholders would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company. Such voluntary lock-up undertaking is irrevocable and may not be waived by our Company.

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below. Under the Placing Underwriting Agreement, the Placing Underwriters will severally agree to subscribe or procure subscribers for the Placing Shares being offered pursuant to the Placing.

The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated in accordance with its terms. It is expected that, pursuant to the Placing Underwriting Agreement, our Company and our Controlling Shareholders will give undertakings similar to those given pursuant to the Public Offer Underwriting Agreement, as described in the paragraph headed “Underwriting arrangements and expenses – Undertakings pursuant to the Public Offer Underwriting Agreement” in this section.

It is expected that each of our Controlling Shareholders will undertake to the Placing Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of our Shares held by it/him/her in our Company for a period similar to that given by them pursuant to the Public Offer Underwriting Agreement as described in the paragraph “Underwriting arrangements and expenses – Undertakings pursuant to the Public Offer Underwriting Agreement” in this section.

Commission and expenses

The Underwriters will receive a gross commission of 6.0% on the aggregate Offer Price of all the Offer Shares (including Shares to be issued pursuant to the Offer Size Adjustment Option) now being offered, out of which will, as the case may be, be applied to any sub-underwriting commissions and selling concession.

The underwriting commission, documentation fee, Stock Exchange listing fees, brokerage, Stock Exchange trading fee, SFC transaction levy, legal and other professional fees together with applicable printing and other expense relating to the Share Offer are estimated to be approximately HK\$26.1 million in aggregate (assuming an Offer Price of HK\$1.15 per Offer Share, being the mid-point of the indicative Offer Price range, and the assumption that the Offer Size Adjustment Option is not exercised) and is paid or payable by our Company.

UNDERWRITING

Underwriters' interests in our Company

Save for its interests and obligations under the Underwriting Agreements and save as disclosed in this prospectus, none of the Underwriters or any of its associates is interested beneficially or non-beneficially in any shares in any member of our Group nor has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares of any member of our Group.

Compliance Adviser

Our Company has appointed Giraffe Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of our annual report for the second full financial year commencing after the Listing Date.

Sole Sponsor's interest in our Company

Giraffe Capital Limited, being the Sole Sponsor, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save for the advisory and documentation fees to be paid to Giraffe Capital Limited as the Sole Sponsor to the Share Offer, its obligations under the Underwriting Agreements and any interests in securities that may be subscribed by it pursuant to the Share Offer, neither Giraffe Capital Limited nor any of its associates has or may, as a result of the Share Offer, have any interest in any class of securities of our Company or any other company in our Group (including options or rights or subscribe for such securities).

No director or employee of Giraffe Capital Limited who is involved in providing advice to our Company has or may, as a result of the Share Offer, have any interest in any class of securities of our Company or other company in our Group (including options or rights to subscribe for such securities but excluding interests in securities that may be subscribed for or purchased by any such director or employee pursuant to the Share Offer).

No director or employee of Giraffe Capital Limited has a directorship in our Company or any other company in our Group.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

STRUCTURE OF THE SHARE OFFER

The Share Offer comprises:

- (i) the Public Offer of an aggregate of 5,000,000 Public Offer Shares (subject to reallocation as mentioned below) in Hong Kong; and
- (ii) the Placing of 45,000,000 Placing Shares (subject to reallocation and the Offer Size Adjustment Option as mentioned below).

Investors may apply for the Offer Shares under the Public Offer or, if qualified to do so, apply for or indicate an interest for the Offer Shares under the Placing, but may not do both. The Offer Shares will represent approximately 25% of the enlarged issued share capital of our Company immediately after completion of the Share Offer and the Capitalisation Issue (but without taking into account any Shares which may be issued pursuant to the Offer Size Adjustment Option). The number of Offer Shares to be offered under the Public Offer and the Placing, respectively, may be subject to reallocation as mentioned below.

CONDITIONS OF THE SHARE OFFER

The Share Offer is conditional upon, among other things:

- (i) the Listing Division of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be allotted and issued as mentioned in this prospectus, and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (ii) the Offer Price having been duly determined; and
- (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Bookrunner (for itself and on behalf of the Underwriters)) and the Underwriting Agreements not being terminated in accordance with its terms,

in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the 30th day after the date of this prospectus.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Share Offer will be published by our Company on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.stream-ideas.com on the next business day following such lapse.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE PUBLIC OFFER

Number of Shares initially offered

We are initially offering 5,000,000 Public Offer Shares at the Offer Price, representing 10% of the Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to reallocation of Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Public Offer will represent approximately 2.5% of our Company's enlarged issued share capital immediately after completion of the Share Offer and the Capitalisation Issue, and without taking into account Shares which may be issued pursuant to the Offer Size Adjustment Option and upon exercise of options as may be granted under the Share Option Scheme. The Public Offer is open to members of the public in Hong Kong as well as to institutional professional and other investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing shares and other securities and corporate entities which regularly invest in shares and other securities. Completion of the Public Offer is subject to the conditions as set out in the paragraph headed "Conditions of the Share Offer" in this section.

Allocation

Allocation of the Offer Shares to investors under the Share Offer will be based solely on the level of valid applications received under the Share Offer. The basis of allocation may vary, depending on the number of the Public Offer Shares validly applied for by applicants. Allocation of the Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Multiple or suspected multiple applications under the Public Offer and any application for more than 5,000,000 Public Offer Shares initially available for subscription will be rejected. Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not received any Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The final Offer Price, the level of indication of interest in the Placing, level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be announced through a variety of channels as described in paragraph headed "How to apply for Public Offer Shares – 10. Publication of results" in this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE PLACING

Number of the Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the Placing will be 45,000,000 Shares, representing 90% of the total number of the Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Placing will represent approximately 22.5% of our Company's enlarged issued share capital immediately after the completion of the Share Offer and the Capitalisation Issue, but without taking into account Shares which may be issued pursuant to the Offer Size Adjustment Option and upon exercise of options as may be granted under the Share Option Scheme.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed by the Placing Underwriter. The Placing Shares will be selectively placed to certain professional and institutional and other investors, and are anticipated to have a sizeable demand in Hong Kong. The Placing is subject to the Public Offer being unconditional.

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the bookbuilding process described in the paragraph headed "Offer Price" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base so as to the benefit of our Company and our Shareholders as a whole.

The Sole Bookrunner may require any investor who has been offered Placing Shares under the Placing, and who has made an application under the Public Offer, to provide sufficient information to the Sole Bookrunner so as to allow them to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

REALLOCATION BETWEEN THE PLACING AND THE PUBLIC OFFER

Pursuant to Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, the allocation of Offer Shares between the Public Offer and the Placing is subject to reallocation on the following basis:

- (a) In the event that the Placing Shares are fully subscribed or oversubscribed under the Placing:
 - (i) if the Public Offer Shares are undersubscribed, the Sole Bookrunner will have the discretion to reallocate all or any of the unsubscribed Public Offer Shares from the Public Offer to the Placing;

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- (ii) if the Public Offer Shares are fully subscribed or oversubscribed and the number of Shares validly applied for under the Public Offer represents less than 15 times of the initial number of the Public Offer Shares, then up to 5,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase up to 10,000,000 Shares, representing 20% of the number of the Offer Shares initially available under the Share Offer (before any exercise of the Offer Size Adjustment Option);
 - (iii) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times of the initial number of the Public Offer Shares, then up to 10,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase to 15,000,000 Shares, representing 30% of the number of the Offer Shares initially available under the Share Offer (before any exercise of the Offer Size Adjustment Option);
 - (iv) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times of the initial number of the Public Offer Shares, then up to 15,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase to 20,000,000 Shares, representing 40% of the number of the Offer Shares initially available under the Share Offer (before any exercise of the Offer Size Adjustment Option); and
 - (v) if the number of Shares validly applied for under the Public Offer represents 100 times or more than the initial number of the Public Offer Shares, then up to 20,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase to 25,000,000 Shares, representing 50% of the number of the Offer Shares initially available under the Share Offer (before any exercise of the Offer Size Adjustment Option).
- (b) In the event that the Placing Shares are undersubscribed under the Placing:
- (i) if the Public Offer Shares are undersubscribed, the Share Offer shall not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Share Offer on the terms and conditions of this prospectus, the Application Forms and the Underwriting Agreements; and
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed irrespective of the number of times of the initial number of the Public Offer Shares, then up to 5,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase up to 10,000,000 Shares, representing 20% of the number of the Offer Shares initially available under the Share Offer (before any exercise of the Offer Size Adjustment Option).

In the event of reallocation of Offer Shares between the Placing and the Public Offer in the circumstances where (x) the Placing Shares are fully subscribed or oversubscribed and the Public Offer Shares are fully subscribed or oversubscribed by less than 15 times under paragraph (a)(ii) above or (y) the Placing Shares are undersubscribed and the Public Offer Shares are fully subscribed or oversubscribed under paragraph (b)(ii) above, the Offer Price shall be fixed at HK\$1.00 per Offer Share (being the low-end of the indicative Offer Price range stated in this prospectus).

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

In all cases, the number of Offer Shares allocated to the Placing will be correspondingly reduced. Details of any reallocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Share Offer, which is expected to be published on Tuesday, 27 March 2018.

OFFER PRICE

Determination of the Offer Price

The Offer Price will be fixed by the Price Determination Agreement on the Price Determination Date, which is expected to be on or around Thursday, 22 March 2018. If the Sole Bookrunner (for itself and on behalf of the other Underwriters) and our Company are unable to reach an agreement on the Offer Price on or before Monday, 26 March 2018, the Share Offer will not become unconditional and will not proceed. The Sole Bookrunner (for itself and on behalf of the other Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range lower than that stated in this prospectus at any time prior to the Price Determination Date. In such a case, our Company will, as soon as practicable following the decision to make such reduction, cause to be published on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.stream-ideas.com* an announcement of such change on or before the Price Determination Date. Prospective investors of the Offer Shares should be aware that the Offer Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative Offer Price range stated in this prospectus.

If for any reason the Price Determination Date is changed, our Company will as soon as practicable cause to be published on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.stream-ideas.com* a notice of the change and if applicable the revised date.

Offer Price range

The Offer Price will not be more than HK\$1.30 per Offer Share and is expected to be not less than HK\$1.00 per Offer Share. The Offer Price will fall within the indicative Offer Price range as stated in this prospectus unless otherwise announced.

Price payable on application

Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK\$1.30 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, amounting to a total of HK\$2,626.20 per board lot of 2,000 Offer Shares. If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$1.30 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

ANNOUNCEMENT OF OFFER PRICE AND BASIS OF ALLOCATION

Announcement of the final Offer Price, together with the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares is expected to be published on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.stream-ideas.com* on Tuesday, 27 March 2018.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence on Wednesday, 28 March 2018. The Shares will be traded in board lots of 2,000 Shares each. The GEM stock code for the Shares is 8401.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus. If the Stock Exchange grants the listing of and permission to deal in the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or, under contingent situation, any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interest.

Details of the Share Offer will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

OFFER SIZE ADJUSTMENT OPTION

The Sole Bookrunner (for itself and on behalf of the Placing Underwriters) can exercise the Offer Size Adjustment Option solely to cover any over-allocation in the Placing. Pursuant to the Offer Size Adjustment Option, our Company may be required to allot and issue up to an aggregate of 7,500,000 additional Shares at the Offer Price, representing approximately 15% of the Offer Shares initially available under the Share Offer and approximately 3.6% of our Company's total enlarged number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue. The Offer Size Adjustment Option can only be exercised at any time before 5:00 p.m. on the business day immediately before the date of the announcement of the results of allocation and the basis of allocation of the Public Offer Shares, otherwise it will lapse. Any such additional Shares to

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

be issued pursuant to the Offer Size Adjustment Option will not be used for price stabilisation purpose and is not subject to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

In the event that the Offer Size Adjustment Option is exercised in full, 7,500,000 additional Placing Shares will be issued resulting in a total number of 57,500,000 Shares in issue.

If the Offer Size Adjustment Option is exercised in full, we estimate that the additional net proceeds to be received by our Company will be approximately HK\$8.1 million, after deducting all related expenses (including underwriting fees), assuming an Offer Price of HK\$1.15 per Offer Share.

For details of our use of the net proceeds, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

Our Company will disclose in the announcement of the results of allocations and the basis of allocation of the Public Offer Shares whether, and to what extent, the Offer Size Adjustment Option has been exercised. In the event that the Offer Size Adjustment Option has not been exercised by the Sole Bookrunner (for itself and on behalf of the Placing Underwriters), our Company will confirm in such announcement that the Offer Size Adjustment Option has lapsed and cannot be exercised at any future date.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Bookrunner, and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company, the Sole Bookrunner may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares and/or any of our subsidiaries;
- a Director or chief executive officer of our Company and/or any of our subsidiaries;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- a connected person or a core connected person (as defined in the GEM Listing Rules) of our Company or will become a connected person or a core connected person of our Company immediately upon completion of the Share Offer;
- an associate or a close associate (as defined in the GEM Listing Rules) of any of the above; or
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 16 March 2018 to 12:00 noon on Wednesday, 21 March 2018 from:

- (i) the following office of the Joint Lead Managers:

Ping An Securities Limited
Unit 02, 2/F, China Merchants Building
152-155 Connaught Road Central
Hong Kong

HK Monkey Securities Limited
Unit 2307, Tower 1
Lippo Centre
89 Queensway, Admiralty
Hong Kong

- (ii) the following office of the Sole Sponsor:

Giraffe Capital Limited
22/F, China Hong Kong Tower
8-12 Hennessy Road
Hong Kong

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

(iii) any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

District	Branch Name	Address
Hong Kong Island	Central Branch	G/F, 1/F, 2/F and 27/F, Two Chinachem Central, 26 Des Voeux Road Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
Kowloon	Kwun Tong Branch	G/F & 1/F One Pacific Centre, 414 Kwun Tong Road, Kwun Tong
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
New Territories	Tseung Kwan O Branch	Shop G37-40, G/F, Hau Tak Shopping Centre East Wing, Hau Tak Estate, Tseung Kwan O

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 16 March 2018 until 12:00 noon on Wednesday, 21 March 2018 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited – Stream Ideas Group Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Friday, 16 March 2018	– 9:00 a.m. to 5:00 p.m.
Saturday, 17 March 2018	– 9:00 a.m. to 1:00 p.m.
Monday, 19 March 2018	– 9:00 a.m. to 5:00 p.m.
Tuesday, 20 March 2018	– 9:00 a.m. to 5:00 p.m.
Wednesday, 21 March 2018	– 9:00 a.m. to 12:00 noon

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, 21 March 2018, the last application day or such later time as described in the paragraph headed “9. Effect of bad weather on the opening of the applications lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, among other things, (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person of whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Bookrunner (or its agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Law, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Memorandum and Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;

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- (viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Sole Sponsor, the Sole Bookrunner, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Sole Bookrunner and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company and the Sole Bookrunner will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

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(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC; and (ii) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give electronic application instructions to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Public Offer Shares on your behalf.

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You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Bookrunner and our Hong Kong Branch Share Registrar.

Giving electronic application instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing;
 - (if the electronic application instructions are given for your benefit) declare that only one set of electronic application instructions has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors and the Sole Bookrunner will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

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- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Sole Bookrunner, the Underwriters and/or its respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;

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- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies Law, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Memorandum and Articles of Association of our Company; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 2,000 Public Offer Shares. Instructions for more than 2,000 Public

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Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

Friday, 16 March 2018 – 9:00 a.m. to 8:30 p.m. (Note)
Saturday, 17 March 2018 – 8:00 a.m. to 1:00 p.m. (Note)
Monday, 19 March 2018 – 8:00 a.m. to 8:30 p.m. (Note)
Tuesday, 20 March 2018 – 8:00 a.m. to 8:30 p.m. (Note)
Wednesday, 21 March 2018 – 8:00 a.m. (Note) to 12:00 noon

Note: These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Friday, 16 March 2018 until 12:00 noon on Wednesday, 21 March 2018 (24 hours daily, except on the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Wednesday, 21 March 2018, the last application day or such later time as described in the paragraph headed “9. Effect of bad weather on the opening of the application lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purpose of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 (as applied by Section 342E) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sole Bookrunner, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Sole Bookrunner and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of electronic application instructions, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Client Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Wednesday, 21 March 2018.

7. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC, is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and

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- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Public Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 2,000 Public Offer Shares. Each application or electronic application instruction in respect of more than 2,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure and Conditions of the Share Offer – Offer Price” in this prospectus.

9. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

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in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 21 March 2018.

Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, 21 March 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made in such event.

10. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Tuesday, 27 March 2018 on our Company’s website at *www.stream-ideas.com* and the website of the Stock Exchange at *www.hkexnews.hk*.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at *www.stream-ideas.com* and the Stock Exchange’s website at *www.hkexnews.hk* by no later than 8:00 a.m. on Tuesday, 27 March 2018;
- from the designated results of allocations website at *www.tricor.com.hk/ipo/result* with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Tuesday, 27 March 2018 to 12:00 midnight on Monday, 2 April 2018;
- by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Tuesday, 27 March 2018 to Tuesday, 3 April 2018 on a business day;
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, 27 March 2018 to Thursday, 29 March 2018 at the designated receiving bank branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure and Conditions of the Share Offer”.

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You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

11. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 (as applied by Section 342E) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or our agents exercise their discretion to reject your application:

Our Company, the Sole Bookrunner, and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

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(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Division of the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Sole Bookrunner believe that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 5,000,000 Public Offer Shares initially offered under the Public Offer.

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$1.30 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with "Structure and Conditions of the Share Offer – Conditions of the Share Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Tuesday, 27 March 2018.

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13. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Tuesday, 27 March 2018. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, 28 March 2018 provided that the Share Offer has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

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Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 27 March 2018 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Tuesday, 27 March 2018, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above for collection of refund cheque(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Tuesday, 27 March 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, 27 March 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)*

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS Participant.

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- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 27 March 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) *If you apply via Electronic Application Instructions to HKSCC*

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, 27 March 2018, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in the sub-paragraph headed "Publication of results" above in this section on Tuesday, 27 March 2018.

You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 27 March 2018 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

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- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, 27 March 2018. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, 27 March 2018.

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-46, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF STREAM IDEAS GROUP LIMITED AND GIRAFFE CAPITAL LIMITED

Introduction

We report on the historical financial information of Stream Ideas Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on page I-4 to I-46, which comprises the consolidated statements of financial position of the Group as at 31 March 2016 and 2017 and 30 November 2017 and the statement of financial position of the Company as at 30 November 2017, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-46 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 16 March 2018 (the "Prospectus") in connection with the initial listing of shares of the Company on GEM of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's financial position as at 31 March 2016 and 2017 and 30 November 2017, the Company's financial position as at 30 November 2017, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the eight months ended 30 November 2016 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 10 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

No financial statements have been prepared for the Company since its incorporation.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
16 March 2018

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

Consolidated statements of profit or loss and other comprehensive income

	Note	Year ended 31 March		Eight months ended 30 November	
		2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000
Revenue	4	21,768	26,342	16,853	19,336
Cost of services		(8,067)	(7,185)	(6,223)	(6,285)
Gross profit		13,701	19,157	10,630	13,051
Other income	5	6	6	5	7
Selling and distribution costs		(1,698)	(1,911)	(1,159)	(1,485)
Administrative and other operating expenses		(2,306)	(2,482)	(1,448)	(3,843)
Listing expenses		–	–	–	(9,332)
Change in fair value of convertible bond	19	–	–	–	(46)
Profit/(loss) from operations		9,703	14,770	8,028	(1,648)
Finance costs	6(a)	(46)	(17)	(15)	–
Profit/(loss) before taxation	6	9,657	14,753	8,013	(1,648)
Income tax	7(a)	(1,648)	(2,493)	(1,360)	(1,353)
Profit/(loss) for the year/period		8,009	12,260	6,653	(3,001)
Other comprehensive income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>					
Foreign currency translation differences for foreign operations		(196)	(12)	(38)	11
Total comprehensive income for the year/period		<u>7,813</u>	<u>12,248</u>	<u>6,615</u>	<u>(2,990)</u>
Earnings/(losses) per share	11				
– Basic		<u>HK\$ 80.09</u>	<u>HK\$122.60</u>	<u>HK\$ 66.53</u>	<u>HK\$ (30.01)</u>
– Diluted		<u>HK\$ 80.09</u>	<u>HK\$122.60</u>	<u>HK\$ 66.53</u>	<u>HK\$ (30.01)</u>

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

		At 31 March		At 30
		2016	2017	November
	Note	HK\$'000	HK\$'000	2017
				HK\$'000
Non-current assets				
Property, plant and equipment	12	100	20	74
Deferred tax assets	7(d)	397	550	548
		<u>497</u>	<u>570</u>	<u>622</u>
Current assets				
Inventories	14	1,141	472	670
Trade and other receivables	15	5,939	9,015	13,185
Amounts due from controlling shareholders	16	69	223	–
Tax recoverable	7(c)	–	111	–
Cash and cash equivalents	17	3,924	7,397	16,779
		<u>11,073</u>	<u>17,218</u>	<u>30,634</u>
Current liabilities				
Trade and other payables	18	7,133	7,408	9,050
Amounts due to controlling shareholders	16	315	–	–
Bank loan	20	393	34	–
Tax payable	7(c)	1,365	1,224	1,251
Convertible bond	19	–	–	15,046
		<u>9,206</u>	<u>8,666</u>	<u>25,347</u>
Net current assets		<u>1,867</u>	<u>8,552</u>	<u>5,287</u>
Total assets less current liabilities		<u>2,364</u>	<u>9,122</u>	<u>5,909</u>
Non-current liability				
Bank loan	20	<u>34</u>	<u>–</u>	<u>–</u>
NET ASSETS		<u>2,330</u>	<u>9,122</u>	<u>5,909</u>
CAPITAL AND RESERVES				
Share capital	21(b)	403	384	1
Reserves		<u>1,927</u>	<u>8,738</u>	<u>5,908</u>
TOTAL EQUITY		<u>2,330</u>	<u>9,122</u>	<u>5,909</u>

The accompanying notes form part of the Historical Financial Information.

Statement of financial position of the Company

		At
		30 November
		2017
	<i>Note</i>	<i>HK\$'000</i>
Non-current assets		
Interests in subsidiaries	<i>13</i>	15,384

Current liabilities		
Convertible bond	<i>19</i>	15,046

NET ASSETS		338
		=====
CAPITAL AND RESERVE		
Share capital	<i>21(b)</i>	1
Capital reserve	<i>21(c)</i>	383
Accumulated loss		(46)

TOTAL EQUITY		338
		=====

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

	Note	Attributable to equity shareholders of the Company			Total equity HK\$'000	
		Share capital HK\$'000 Note 21(b)	Capital reserve HK\$'000 Note 21(c)	Exchange reserve HK\$'000 Note 21(d)		Retained profits HK\$'000
At 1 April 2015		18	–	(47)	2,244	2,215
Changes in equity for the year ended 31 March 2016:						
Profit for the year		–	–	–	8,009	8,009
Other comprehensive income		–	–	(196)	–	(196)
Total comprehensive income		–	–	(196)	8,009	7,813
Issuance of shares	21(b)	394	–	–	–	394
Arising from the Reorganisation	21(b)	(9)	–	–	–	(9)
Dividends declared	10	–	–	–	(8,083)	(8,083)
At 31 March 2016 and 1 April 2016		403	–	(243)	2,170	2,330
Changes in equity for the year ended 31 March 2017:						
Profit for the year		–	–	–	12,260	12,260
Other comprehensive income		–	–	(12)	–	(12)
Total comprehensive income		–	–	(12)	12,260	12,248
Arising from the Reorganisation	21(b)	(19)	–	–	–	(19)
Dividends declared	10	–	–	–	(5,437)	(5,437)
At 31 March 2017 and 1 April 2017		384	–	(255)	8,993	9,122

	Note	Attributable to equity shareholders of the Company			Total equity HK\$'000	
		Share capital HK\$'000 Note 21(b)	Capital reserve HK\$'000 Note 21(c)	Exchange reserve HK\$'000 Note 21(d)		Retained profits HK\$'000
Changes in equity for the eight months ended 30 November 2017:						
Loss for the period		–	–	–	(3,001)	(3,001)
Other comprehensive income		–	–	11	–	11
Total comprehensive income		–	–	11	(3,001)	(2,990)
Issuance of shares	21(b)	–*	–	–	–	–*
Arising from the Reorganisation	21(b)	(383)	383	–	–	–
Dividend declared	10	–	–	–	(223)	(223)
At 30 November 2017		1	383	(244)	5,769	5,909
(Unaudited)						
At 1 April 2016		403	–	(243)	2,170	2,330
Changes in equity for the eight months ended 30 November 2016:						
Profit for the period		–	–	–	6,653	6,653
Other comprehensive income		–	–	(38)	–	(38)
Total comprehensive income		–	–	(38)	6,653	6,615
At 30 November 2016		403	–	(281)	8,823	8,945

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

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of cash flows

	Note	Year ended 31 March		Eight months ended 30 November	
		2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000
				(unaudited)	
Cash generated from/(used in) operations	17(b)	10,282	12,876	3,100	(1,399)
Hong Kong Profits Tax paid		(362)	(1,570)	–	–
Other jurisdiction tax paid		(467)	(1,367)	(1,027)	(1,220)
Net cash generated from/(used in) operating activities		9,453	9,939	2,073	(2,619)
Investing activities					
Payment for the purchase of property, plant and equipment		(41)	–	–	(73)
Proceeds from issuance of shares in relation to Reorganisation		10	–	–	–
Interest received		1	1	–	–
Net cash (used in)/generated from investing activities		(30)	1	–	(73)
Financing activities					
Repayment of bank loan		(364)	(393)	(259)	(34)
Repayment of bank overdrafts		(13)	–	–	–
Interest paid		(46)	(17)	(15)	–
Dividends paid to equity shareholders of the Company		(8,083)	(5,437)	–	–
Increase in amounts due from controlling shareholders		(66)	(532)	–	–
Payment for acquisition of subsidiaries in relation to Reorganisation		(9)	(19)	–	–
Payment for listing expenses		–	–	–	(2,947)
Proceeds from issuance of convertible bond		–	–	–	15,000

	<i>Note</i>	Year ended 31 March		Eight months ended 30 November	
		2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000
Net cash (used in)/generated from financing activities		<u>(8,581)</u>	<u>(6,398)</u>	<u>(274)</u>	<u>12,019</u>
Net increase in cash and cash equivalents		842	3,542	1,799	9,327
Cash and cash equivalents at the beginning of the year/period		3,126	3,924	3,924	7,397
Effect of foreign exchange rate changes		<u>(44)</u>	<u>(69)</u>	<u>16</u>	<u>55</u>
Cash and cash equivalents at the end of the year/period	17(a)	<u>3,924</u>	<u>7,397</u>	<u>5,739</u>	<u>16,779</u>

Major non-cash transactions

- (i) During the year ended 31 March 2016, 49,500 ordinary shares were issued by JAG Ideas Holding Company Limited for USD49,500 (equivalents to approximately HK\$384,000). The consideration was settled by the current accounts with the controlling shareholders.
- (ii) During the eight months ended 30 November 2017, interim dividend of HK\$223,000 payable to the controlling shareholders was used to set off against the current accounts with controlling shareholders.

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION**

Stream Ideas Group Limited (the “Company”) was incorporated in the Cayman Islands on 22 May 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the group reorganisation below. The principal business activity of the Company and its subsidiaries (together, the “Group”) is the provision of online advertising services.

The Group’s businesses were conducted principally through JAG Ideas Company Limited and JAG Ideas (Taiwan) Limited (the “Operating Subsidiaries”) during the Relevant Periods. These Operating Subsidiaries were controlled by Mr. Law Ka Kin (“Mr. Anakin Law”), Ms. Cheung Lee (“Ms. Jenny Cheung”) and Mr. Lee Wing Leung, Garlos (“Mr. Garlos Lee”) (together, the “Controlling Shareholders”).

To rationalise the corporate structure in preparation of the listing of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited, the Group underwent the reorganisation (the “Reorganisation”) as detailed in the section headed “Our History, Reorganisation and Corporate Structure” in the Prospectus.

Upon completion of the Reorganisation on 15 June 2017, the Company became the holding company of the companies now comprising the Group. The companies that took part in the Reorganisation were controlled and owned by the Controlling Shareholders before and after the Reorganisation. The control is not transitory and, consequently, there was a continuation of the risks and benefits to the Controlling Shareholders, therefore the Reorganisation is considered to be a business combination of entities under common control.

Accordingly, the Historical Financial Information has been prepared using the merger basis of accounting in accordance with the Accounting Guideline 5 “Merger Accounting Under Common Control Combinations” (“AG5”) issued by HKICPA as if the Group had always been in existence. The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group include the financial performance and cash flows of the Company and its subsidiaries for the Relevant Periods (or where the Company and its subsidiaries were incorporated/established at a date later than 1 April 2015, for the period from date of incorporation/establishment to 30 November 2017). The consolidated statements of financial position of the Group as at 31 March 2016 and 2017 and 30 November 2017 have been prepared to present the assets and liabilities of the Company and its subsidiaries as at those dates as if the Reorganisation was completed at the beginning of the Relevant Periods.

All material intra-group balances and transactions have been eliminated in full in preparing the Historical Financial Information.

As at the date of this report, no audited financial statements have been prepared for the Company and certain subsidiaries as described below, as they either have not carried on any business since the date of incorporation or are investment holding companies and not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation. The financial statements of the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies:

Name of company	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital	Paid up capital	Proportion of ownership interest Group's effective interest	Held by the Company	Principal activities	Name of statutory auditors
JAG Ideas Holding Company Limited	British Virgin Islands ("BVI")	21 August 2015	United States dollars ("USD") 49,500	USD49,500	100%	100%	Investment holding	Note 1
JAG Ideas (Taiwan) Company Limited	BVI	9 February 2017	USD50,000	USD50,000	100%	-	Investment holding	Note 1
JAG Ideas (Hong Kong) Company Limited	BVI	8 September 2015	USD50,000	USD50,000	100%	-	Investment holding	Note 1
JAG Ideas (Asia) Company Limited	BVI	20 December 2016	USD1,000	USD1,000	100%	-	Investment holding	Note 1
JAG Ideas (Singapore) Pte. Limited	Singapore	6 March 2017	Singapore dollar ("S\$") 100	S\$100	100%	-	Provision of advertisement services	Note 2
JAG Ideas (Malaysia) Sdn. Bhd.	Malaysia	8 February 2017	Malaysian Ringgit ("MYR") 50,000	MYR50,000	100%	-	Provision of advertisement services	Note 2
JAG Ideas (Taiwan) Limited	Hong Kong	9 August 2012	HK\$9,000	HK\$9,000	100%	-	Provision of advertisement services	Li Hin Lung, Certified Public Accountant
JAG Ideas Company Limited	Hong Kong	17 May 2010	HK\$9,000	HK\$9,000	100%	-	Provision of advertisement services	Li Hin Lung, Certified Public Accountant
JAG Ideas (SEA) Company Limited	Hong Kong	6 January 2017	HK\$10,000	HK\$10,000	100%	-	Investment holding	Li Hin Lung, Certified Public Accountant
JAG Creative Ideas Company Limited	Hong Kong	8 October 2015	HK\$9,900	HK\$9,900	100%	-	Inactive	Li Hin Lung, Certified Public Accountant

Notes:

- 1 No statutory financial statements have been prepared for these entities as they either have not carried on any business since the date of incorporation or are investment holding companies which are not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.
- 2 The statutory financial statements of these companies for the period/year ended 31 March 2017 were not yet issued as of the date of this report.

All companies now comprising the Group have adopted 31 March as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. Further details of the significant accounting policies adopted are set out in note 2.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised HKFRSs to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in note 26.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of measurement and use of estimates and judgements

The Historical Financial Information is presented in Hong Kong dollars, rounded to the nearest thousand. The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that derivative financial instrument is stated at its fair value (see Note 2(1)).

The preparation of Historical Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(b) Business combinations

The Historical Financial Information incorporate the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of common control combination.

Intra-group transactions, balances and unrealised gains on transactions between the combining entities or business are eliminated. Unrealised losses are eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of combining entities or business have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transaction costs, including professional fees, registration fees, cost of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as an expense in the period in which they are incurred.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is included in the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(f)).

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 2(f)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– Office equipment	3 ½ years
– Computer equipment	3 years
– Leasehold improvements	3 years
– Furniture and fixtures	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(e) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) *Operating lease charges*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(f) **Impairment of assets**

(i) *Impairment of trade and other receivables*

Trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years/periods.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment and interests in subsidiaries in the Company's statement of financial position may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years/periods. Reversals of impairment losses are credited to profit or loss in the year/period in which the reversals are recognised.

(g) **Inventories**

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(h) **Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(f)). In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(i) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(j) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Convertible bond

On issuance of the convertible bond, the entire proceeds are designated as a financial liability at fair value through profit or loss. The financial liability is subsequently carried at its fair value with fair value changes recognised in profit or loss. Gains or losses arising from changes in fair value of the “financial liability at fair value through profit or loss” are recognised in the profit or loss in the period in which they arise.

When an equity conversion option is exercised, the carrying amount of financial liability is derecognised with a corresponding recognition of share capital and share premium.

(l) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statements of cash flows.

(n) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year/period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(o) Income tax

Income tax for the year/period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year/period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years/periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available. Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Membership point programme

The Company operates a JAG membership point programme (the “Programme”). Members of the Programme accumulate points by completing missions related to the advertising campaigns held by the Group or Group’s customers. Points accumulated by the members can be redeemed for rewards, such as coupons and gifts.

Provisions are recognised for the points accumulated under the Programme at fair value, which is determined by a number of assumptions arising from the redemption of points, including historical experience and estimated future redemption pattern.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Service income

Revenue from provision of online advertising services is recognised upon the completion of such services. Revenue is after deduction of any trade discounts and rebates.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(s) Translation of foreign currencies

Foreign currency transactions during the periods are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of each reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(t) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(u) Related parties

(1) A person, or a close member of that person’s family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group’s parent.

- (2) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) *Impairment of trade and other receivables*

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and estimates allowances for doubtful debts as a result of the inability of the debtors to make required payments. The Group's estimation bases on the ageing of the trade receivables balance, credit-worthiness of the customer and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-off would be higher than estimated.

(ii) Estimation of provision

As explained in note 18(ii), the Group makes provision in relation with points awarded to members based on a number of assumptions including historical experience and estimated future redemption pattern. As the estimated future redemption pattern is continually changing as a result of change in members' preference, it is possible that the historical experience that is used in estimation is not indicative of estimated future redemption pattern. Any increase or decrease in the provision would affect profit or loss in the future years/periods.

(iii) Fair value of convertible bond at fair value through profit or loss

The directors use their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation technique commonly used by market practitioners are applied. In determining the fair value of convertible bond at fair value through profit or loss, assumptions are made based on quoted market rates adjusted for specific features of the instrument (see note 22(e) for details of the valuation technique adopted and inputs for fair value measurement).

(b) Sources of estimation uncertainty

Notes 18, 19 and 22 contain information about the assumptions and their risk factors relating to point provision, convertible bond and financial instruments.

4 REVENUE AND SEGMENT REPORTING**(a) Revenue**

The principal activity of the Group is the provision of online advertising services.

Revenue represents the service revenue from the provision of online advertising services.

The Group has one reportable segment which is the provision of online advertising services. The Group's chief operating decision maker, which has been identified as the Board of Directors, reviews the consolidated results of the Group for the purposes of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

The Group's customer base is diversified and includes one, one, one (unaudited) and nil customers with whom transactions had exceeded 10 percent of the Group's revenues, including revenue from entities which are known to the Group to be under common control with the customer, for the Relevant Periods presented as below:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Customer A	2,649	N/A*	N/A*	N/A*
Customer B	N/A*	3,231	2,200	N/A*

* Less than 10 percent of the Group's revenue for the corresponding reporting period.

Details of concentrations of credit risk arising from these customers are set out in note 22(a).

(b) Segment reporting

Geographic information

The following table sets out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("Specified non-current assets"). The geographical location of customers is based on the location at which the service was provided. The geographical location of the specified non-current assets is based on the physical location of the operation to which they are allocated.

	Revenue from external customers				Specified non-current assets		Specified non-current assets	
	Year ended 31 March		Eight months ended 30 November		As at 31 March		As at 30 November	
	2016	2017	2016	2017	2016	2017	2017	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
			(unaudited)					
Hong Kong	12,760	13,096	8,154	10,651	94	17	73	
Taiwan	9,008	13,242	8,699	8,268	6	3	1	
Others	–	4	–	417	–	–	–	
	<u>21,768</u>	<u>26,342</u>	<u>16,853</u>	<u>19,336</u>	<u>100</u>	<u>20</u>	<u>74</u>	

5 OTHER INCOME

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Interest income	1	1	–	–
Sundry income	5	5	5	7
	<u>6</u>	<u>6</u>	<u>5</u>	<u>7</u>

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000
			(unaudited)	
(a) Finance costs				
Interest on bank borrowings wholly repayable within five years	46	17	15	–
(b) Staff costs (including directors' remuneration)				
Salaries, wages and other benefits	2,384	2,895	1,674	2,883
Contributions to defined contribution retirement plans (notes (i) and (ii))	105	147	85	186
	<u>2,489</u>	<u>3,042</u>	<u>1,759</u>	<u>3,069</u>

Notes:

- (i) The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.
- (ii) The Group also operates a defined contribution retirement benefit scheme under the Labour Pension Act (the "Act") for its employees employed by the Group's operation in Taiwan. Based on the Act, the Group's monthly contribution to individual pension accounts of employees covered by the defined contribution plan is at 6% of monthly salaries and wages. The funds are deposited in individual labour pension accounts at the Bureau of Labour Insurance.
- (iii) The Group has no other material obligation for the payment of retirement benefits beyond the annual contribution described above.

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
(c) Other items				
Depreciation (note 12)	102	80	53	19
Allowance for doubtful debts (note 15(b))	–	–	–	428
Operating lease charges				
– minimum leases payments in respect of leasing of office premises	228	220	148	201
Auditors' remuneration	22	26	18	587
Exchange loss/(gain), net	–	30	1	(3)
Listing expenses	–	–	–	9,332
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7 INCOME TAX

(a) Income tax in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Current tax – Hong Kong				
Provision for the year/period	836	1,110	542	610
Current tax – Other jurisdiction				
Provision for the year/period	1,019	1,504	964	730
Deferred tax				
Origination and reversal of temporary differences	<u>(207)</u>	<u>(121)</u>	<u>(146)</u>	<u>13</u>
	<u>1,648</u>	<u>2,493</u>	<u>1,360</u>	<u>1,353</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.
- (ii) During the Relevant Periods, the provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits taking into account a reduction granted by the Government of the Hong Kong Special Administrative Region of 75% of the tax payable for the year of assessment 2016-17 subject to a maximum reduction of HK\$20,000 for each business (2016: a maximum reduction of HK\$20,000 was granted for the year of assessment 2015-16 and was taken into account in calculating the provision for 2016).
- (iii) In accordance with the relevant Taiwan rules and regulations, the Taiwan Corporate Income Tax rate applicable to the Group's subsidiary in Taiwan is principally 17% during the Relevant Periods.

(iv) The Group's subsidiaries operating in Malaysia and Singapore are subject to income tax at the rates prevailing in the respective regions.

(b) Reconciliation between income tax expense and accounting profit/(loss) before taxation at applicable tax rates:

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000
Profit/(loss) before taxation	<u>9,657</u>	<u>14,753</u>	<u>8,013</u>	<u>(1,648)</u>
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	1,616	2,474	1,346	(256)
Effect of non-deductible expenses	52	39	14	1,609
Statutory tax concession	<u>(20)</u>	<u>(20)</u>	<u>–</u>	<u>–</u>
Actual tax expense	<u>1,648</u>	<u>2,493</u>	<u>1,360</u>	<u>1,353</u>

(c) Income tax in the consolidated statements of financial position represents:

(i) Current taxation

	At 31 March		At 30
	2016 HK\$'000	2017 HK\$'000	November 2017 HK\$'000
Provision for Hong Kong Profits Tax for the year/period	836	1,110	610
Provisional Profits Tax paid	<u>(487)</u>	<u>(1,221)</u>	<u>(111)</u>
	<u>349</u>	<u>(111)</u>	<u>499</u>
Provision for corporate income tax in other jurisdiction	1,019	1,504	730
Provision for corporate income tax in other jurisdiction paid	(170)	(280)	–
Balance of corporate income tax provision in other jurisdiction relating to prior years	<u>167</u>	<u>–</u>	<u>22</u>
	<u>1,016</u>	<u>1,224</u>	<u>752</u>
	<u>1,365</u>	<u>1,113</u>	<u>1,251</u>

(ii) Reconciliation to the consolidated statements of financial position

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
			HK\$'000
Tax recoverable	–	(111)	–
Tax payable	1,365	1,224	1,251
	<u>1,365</u>	<u>1,113</u>	<u>1,251</u>

(d) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year/period are as follows:

Deferred tax assets arising from:	Point provision HK\$'000	Provision for sales rebate HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 April 2015	178	19	–	197
Credited to profit or loss	110	97	–	207
Exchange adjustments	(6)	(1)	–	(7)
At 31 March 2016 and 1 April 2016	282	115	–	397
Credited to profit or loss	54	67	–	121
Exchange adjustments	21	11	–	32
At 31 March 2017 and 1 April 2017	357	193	–	550
Credited/(charged) to profit or loss	28	(87)	46	(13)
Exchange adjustments	7	3	1	11
At 30 November 2017	<u>392</u>	<u>109</u>	<u>47</u>	<u>548</u>

8 DIRECTORS' REMUNERATION

Directors' remuneration during the Relevant Periods is as follows:

	Year ended 31 March 2016				
	Directors fee HK\$'000	Discretionary bonus HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Executive Directors					
Mr. Anakin Law	–	–	399	18	417
Ms. Jenny Cheung	–	–	399	18	417
Mr. Garlos Lee	–	–	–	–	–
Mr. Leung Wai Lun	–	–	–	–	–
	<u>–</u>	<u>–</u>	<u>798</u>	<u>36</u>	<u>834</u>

Year ended 31 March 2017

	Directors fee <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Retirement scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Executive Directors					
Mr. Anakin Law	–	–	395	17	412
Ms. Jenny Cheung	–	–	398	18	416
Mr. Garlos Lee	–	–	50	2	52
Mr. Leung Wai Lun	–	–	23	1	24
	–	–	866	38	904

Eight months ended 30 November 2016 (unaudited)

	Directors fee <i>HK\$'000</i> (unaudited)	Discretionary bonuses <i>HK\$'000</i> (unaudited)	Salaries, allowances and benefits in kind <i>HK\$'000</i> (unaudited)	Retirement scheme contributions <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Executive Directors					
Mr. Anakin Law	–	–	260	12	272
Ms. Jenny Cheung	–	–	266	12	278
Mr. Garlos Lee	–	–	–	–	–
Mr. Leung Wai Lun	–	–	–	–	–
	–	–	526	24	550

Eight months ended 30 November 2017

	Directors fee <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Retirement scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Executive Directors					
Mr. Anakin Law	–	–	272	11	283
Ms. Jenny Cheung	–	–	264	12	276
Mr. Garlos Lee	–	–	305	12	317
Mr. Leung Wai Lun	–	–	125	6	131
	–	–	966	41	1,007

Mr. Garlos Lee had not received any remuneration for the year ended 31 March 2016 and the eight months ended 30 November 2016.

Mr. Leung Wai Lun was appointed as executive director on 8 February 2017.

Certain directors of the Company received remuneration from the subsidiaries now comprising the Group during the Relevant Periods which was included in the staff costs as disclosed in note 6(b).

No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods. No director waived or agreed to waive any emoluments during the Relevant Periods.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five highest paid individuals of the Group during the Relevant Periods, two, two, two (unaudited) and three of these are directors for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016 and 2017 respectively, whose emoluments are disclosed in note 8. The emoluments in respect of the remaining individuals during the Relevant Periods are as follows:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Salaries, allowances and benefits in kind	680	739	506	574
Discretionary bonuses	56	69	–	–
Retirement scheme contributions	34	40	36	20
	<u>770</u>	<u>848</u>	<u>542</u>	<u>594</u>

The emoluments of the three, three, three (unaudited) and two individuals during the Relevant Periods are within the following bands:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	Number of Individuals	Number of Individuals	Number of Individuals	Number of Individuals
			(unaudited)	
Nil to HK\$1,000,000	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>

10 DIVIDENDS

No dividend was declared or paid by the Company in respect of the Relevant Periods to its equity shareholders.

During the year ended 31 March 2017, interim dividends of HK\$5,437,000 (2016: HK\$8,083,000) were declared by JAG Ideas Company Limited and JAG Ideas (Taiwan) Limited to their then shareholders.

During the eight months ended 30 November 2017, interim dividend of HK\$223,000 was declared by JAG Ideas Holding Company Limited to its then shareholders.

11 EARNINGS/(LOSSES) PER SHARE

The calculation of the basic earnings/(losses) per share during the Relevant Periods is based on the profit/(loss) for the year/period attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue and the assumption that the Reorganisation had been in effective on 1 April 2015. The weighted average number of ordinary shares in issue has not taken into account the capitalisation issue which will be completed upon listing.

The calculation of basic earnings/(losses) per share is based on:

	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings/(losses)			(unaudited)	
Profit/(loss) attributable to equity shareholders of the Company	<u>8,009</u>	<u>12,260</u>	<u>6,653</u>	<u>(3,001)</u>

	Number of shares			
	Year ended 31 March		Eight months ended 30 November	
	2016	2017	2016	2017
	'000	'000	'000	'000
			(unaudited)	
Shares				
Weighted average number of ordinary shares in issue	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

During the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2016, there were no dilutive potential ordinary shares in issue.

During the eight months ended 30 November 2017, the conversion of all potential ordinary shares outstanding would have an anti-dilutive effect on the loss per share. Hence, there was no dilutive effect on calculation of the diluted loss per share for the eight months ended 30 November 2017.

The amount of dilutive earnings/(losses) per share is the same as basic earnings/(losses) per share for the Relevant Periods.

12 PROPERTY, PLANT AND EQUIPMENT

	Office equipment <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:					
At 1 April 2015	10	245	18	58	331
Additions	<u>2</u>	<u>38</u>	<u>–</u>	<u>1</u>	<u>41</u>
At 31 March 2016	-----12	-----283	-----18	-----59	-----372
At 1 April 2016 and 31 March 2017	-----12	-----283	-----18	-----59	-----372
At 1 April 2017	12	283	18	59	372
Additions	–	10	63	–	73
Write-off	<u>–</u>	<u>–</u>	<u>(18)</u>	<u>–</u>	<u>(18)</u>
At 30 November 2017	-----12	-----293	-----63	-----59	-----427
Accumulated depreciation:					
At 1 April 2015	3	106	18	43	170
Charge for the year	<u>3</u>	<u>92</u>	<u>–</u>	<u>7</u>	<u>102</u>
At 31 March 2016	-----6	-----198	-----18	-----50	-----272
At 1 April 2016	6	198	18	50	272
Charge for the year	<u>3</u>	<u>72</u>	<u>–</u>	<u>5</u>	<u>80</u>
At 31 March 2017	-----9	-----270	-----18	-----55	-----352
At 1 April 2017	9	270	18	55	352
Charge for the period	2	10	4	3	19
Write-off	<u>–</u>	<u>–</u>	<u>(18)</u>	<u>–</u>	<u>(18)</u>
At 30 November 2017	-----11	-----280	-----4	-----58	-----353
Net book value:					
At 31 March 2016	<u>6</u>	<u>85</u>	<u>–</u>	<u>9</u>	<u>100</u>
At 31 March 2017	<u>3</u>	<u>13</u>	<u>–</u>	<u>4</u>	<u>20</u>
At 30 November 2017	<u>1</u>	<u>13</u>	<u>59</u>	<u>1</u>	<u>74</u>

13 INTERESTS IN SUBSIDIARIES

	At 30 November 2017 HK\$'000
Investment, at cost	384
Amount due from a subsidiary (note)	<u>15,000</u>
	<u><u>15,384</u></u>

Note: The amount due from a subsidiary is unsecured, non-interest bearing and has no fixed terms of repayment. In the opinion of the directors, the amount will not be recoverable within twelve months from the end of the reporting period and is classified as non-current assets accordingly.

14 INVENTORIES

Inventories in the consolidated statements of financial position represent coupons and gifts for redemption.

15 TRADE AND OTHER RECEIVABLES

	At 31 March		At 30 November 2017 HK\$'000
	2016	2017	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	5,892	8,675	10,255
Less: allowance for doubtful debts (note 15(b))	<u>–</u>	<u>–</u>	<u>(428)</u>
	5,892	8,675	9,827
Deposits, prepayments and other receivables	<u>47</u>	<u>340</u>	<u>3,358</u>
	<u><u>5,939</u></u>	<u><u>9,015</u></u>	<u><u>13,185</u></u>

All of the trade and other receivables were expected to be recovered within one year.

(a) Ageing analysis

At 31 March 2016 and 2017 and 30 November 2017, the ageing analysis of trade receivables (which are included in trade and other receivables), based on invoice date, is as follows:

	At 31 March		At 30 November 2017 HK\$'000
	2016	2017	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	1,638	3,905	5,013
31 to 60 days	923	1,592	1,616
61 to 90 days	1,012	1,153	1,095
91 to 180 days	1,827	1,625	1,508
Over 180 days	<u>492</u>	<u>400</u>	<u>595</u>
	<u><u>5,892</u></u>	<u><u>8,675</u></u>	<u><u>9,827</u></u>

Trade receivables are normally due within 60 to 130 days from invoice date. Further details on the Group's credit policy are set out in note 22(a).

(b) Impairment of trade receivables

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtor directly (see note 2(f)(i)).

The movement in the allowance for doubtful debts during the year/period, including both specific and collective loss components, is as follows:

	At 31 March		At 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2017</i>
			<i>HK\$'000</i>
Balance at beginning of the year/period	–	–	–
Impairment loss recognised	–	–	428
	<u>–</u>	<u>–</u>	<u>428</u>
Balance at end of the year/period	<u>–</u>	<u>–</u>	<u>428</u>

Trade debtors of nil, nil and HK\$428,000 were individually determined to be impaired as at 31 March 2016 and 2017 and 30 November 2017. The individually impaired receivables related to customers that were in financial difficulties and management assessed that the receivables are expected to be recovered. Consequently, specific allowances for doubtful debts of nil, nil and HK\$428,000 for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017 were recognised.

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	At 31 March		At 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2017</i>
			<i>HK\$'000</i>
Neither past due nor impaired	3,737	6,778	7,671
Less than 30 days past due	410	546	318
31 to 90 days past due	842	869	1,149
91 to 180 days past due	518	392	435
Over 180 days past due	385	90	254
	<u>5,892</u>	<u>8,675</u>	<u>9,827</u>

Receivables which were neither past due nor impaired related to a range of customers for whom there was no recent history of default.

Receivables which were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

16 AMOUNTS DUE FROM/TO CONTROLLING SHAREHOLDERS

The amounts due from/to controlling shareholders are non-trade in nature, interest-free, unsecured and recoverable/repayable on demand. All of the amounts due from controlling shareholders were settled in June 2017.

17 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
			HK\$'000
Cash at banks and on hand	3,924	7,397	16,779

(b) Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations:

	Note	Year ended 31 March		Eight months ended	
		2016	2017	30 November	2017
		HK\$'000	HK\$'000	2016	2017
				HK\$'000	HK\$'000
				(unaudited)	
Operating activities					
Profit/(loss) before taxation		9,657	14,753	8,013	(1,648)
Adjustments for:					
Finance costs	6(a)	46	17	15	–
Depreciation	6(c)	102	80	53	19
Interest income	5	(1)	(1)	–	–
Exchange (gain)/loss, net		(157)	201	(30)	(50)
Reversal of point					
provision	18(ii)	–	(1,551)	–	(309)
Allowance for doubtful					
debts	6(c)	–	–	–	428
Change in fair value of					
convertible bond	19	–	–	–	46
Operating profit/(loss)					
before changes in					
working capital		9,647	13,499	8,051	(1,514)
Changes in working					
capital:					
(Increase)/decrease in					
inventories		(559)	677	414	(197)
Increase in trade and					
other receivables		(942)	(3,016)	(6,793)	(1,574)
Increase in trade and					
other payables		2,136	1,716	1,428	1,886
Cash generated from/					
(used in) operations		10,282	12,876	3,100	(1,399)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loan <i>HK\$'000</i> <i>Note 20</i>	Bank overdrafts <i>HK\$'000</i>	Amounts due to controlling shareholders <i>HK\$'000</i> <i>Note 16</i>	Convertible bond <i>HK\$'000</i> <i>Note 19</i>	Total <i>HK\$'000</i>
At 1 April 2015	791	13	710	–	1,514
Changes from financing cash flows					
Repayment of bank loan	(364)	–	–	–	(364)
Repayment of bank overdrafts	–	(13)	–	–	(13)
Decrease in amounts due to controlling shareholders	–	–	(395)	–	(395)
Total changes from financing cash flows	(364)	(13)	(395)	–	(772)
At 31 March 2016	427	–	315	–	742
At 1 April 2016	427	–	315	–	742
Changes from financing cash flows					
Repayment of bank loan	(393)	–	–	–	(393)
Decrease in amounts due to controlling shareholders	–	–	(315)	–	(315)
Total changes from financing cash flows	(393)	–	(315)	–	(708)
At 31 March 2017	34	–	–	–	34
At 1 April 2017	34	–	–	–	34
Changes from financing cash flows					
Repayment of bank loan	(34)	–	–	–	(34)
Proceeds from issuance of convertible bond	–	–	–	15,000	15,000
Total changes from financing cash flows	(34)	–	–	15,000	14,966
Change in fair value	–	–	–	46	46
At 30 November 2017	–	–	–	15,046	15,046

18 TRADE AND OTHER PAYABLES

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
Point provision (note (ii))	6,271	6,095	6,965
Receipt in advance	–	21	21
Other payables and accruals	862	1,292	2,064
	<u>7,133</u>	<u>7,408</u>	<u>9,050</u>

Notes:

- (i) All trade and other payables were expected to be settled within one year.
- (ii) The point provision is analysed as follows:

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
Balance at beginning of the year/period	4,791	6,271	6,095
Exchange adjustments	51	207	50
Distribution for the year/period	7,808	8,507	6,270
Redemption during the year/period	(6,379)	(7,339)	(5,141)
Reversal during the year/period	–	(1,551)	(309)
	<u>6,271</u>	<u>6,095</u>	<u>6,965</u>

A provision for points accumulated under the Programme is recognised at fair value when members have completed missions related to the advertising campaigns held by the Group or the Group's customers. Points accumulated by the members can be redeemed for the Group's inventories. Provision is therefore made for the best estimate of the cost arising from the redemption of points. Reversal represents reversal of provision in relation to points which it is not probable that an outflow of economic benefits will be required to settle the obligation. It is recognised in profit or loss which reduces fair value of the provision.

19 CONVERTIBLE BOND

On 19 July 2017, VMI Mega Growth Fund SPC ("VMI"), a company incorporated in the Cayman Islands on 2 February 2016, entered into a subscription agreement (the "Pre-IPO Investment Agreement") with the Controlling Shareholders and the Company pursuant to which the Company agreed to issue and VMI agreed to subscribe for the convertible bond (the "Convertible Bond") in the principal amount of HK\$15,000,000 convertible into such number of conversion shares as representing 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion shares on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement.

In the event that the Company has passed, not received rejection, not received a decision to delay the listing or any adverse result from the listing hearing with the Stock Exchange, then the Convertible Bond shall be converted into shares of the Company within 7 days from such event.

In the event that the Stock Exchange returns the listing application and the Company fails to take all necessary actions within 2 months, then the Convertible Bond can be redeemed at its principal amount together with accrued interest.

On 27 July 2017, completion of the Pre-IPO Investment Agreement took place and the principal amount of the Convertible Bond was irrevocably settled on the same day.

The Convertible Bond will mature on 31 December 2018 ("Maturity Date"). On the Maturity Date, the Company shall either repay the outstanding principal amount of the Convertible Bond together with accrued interest thereon on the Maturity Date, either 8% or 18%, under different scenarios, on the principal amount of the Convertible Bond outstanding, or convert the Convertible Bond into shares, in accordance with the Pre-IPO Investment Agreement.

The movement of the Convertible Bond for the eight months ended 30 November 2017 is set out as below:

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
			HK\$'000
Balance at beginning of the year/period	–	–	–
Issued during the year/period	–	–	15,000
Change in fair value	–	–	46
	<u>–</u>	<u>–</u>	<u>46</u>
Balance at end of the year/period	<u>–</u>	<u>–</u>	<u>15,046</u>

See note 22(e) for details of the valuation technique adopted and inputs for fair value measurement.

20 BANK LOAN

At 31 March 2016 and 2017 and 30 November 2017, the unsecured bank loan was repayable as follows:

	At 31 March		At 30
	2016	2017	November
	HK\$'000	HK\$'000	2017
			HK\$'000
Within 1 year or on demand	393	34	–
After 1 year but within 2 years	34	–	–
	<u>427</u>	<u>34</u>	<u>–</u>

The bank loan bears interest at 0.33% per monthly flat rate for the years ended 31 March 2016 and 2017 respectively. See note 24(c) for guarantees of the loan by the Controlling Shareholders.

The bank loan was fully repaid during the eight months ended 30 November 2017.

21 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity.

Details of the changes of the Company's individual components of equity are set out below:

	Share capital HK\$'000 (Note 21(b))	Capital reserve HK\$'000 (Note 21(c))	Accumulated loss HK\$'000	Total equity HK\$'000
At 22 May 2017 (date of incorporation)	-----	-----	-----	-----
Changes in equity for the eight months ended 30 November 2017:				
Profit for the period	-----	-----	177	177
	-----	-----	177	177
Issuance of shares (note 21(b))	-----	-----	-----	-----
Arising from the				
Reorganisation (note 21(b))	1	383	-----	384
Dividend declared (note 10)	-----	-----	(223)	(223)
At 30 November 2017	<u>1</u>	<u>383</u>	<u>(46)</u>	<u>338</u>

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

(b) Share capital

The Company was incorporated in the Cayman Islands on 22 May 2017 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. Upon its incorporation, 10,000 shares of the Company were allotted and issued at par value to JAG United Company Limited. On 15 June 2017, the Controlling Shareholders transferred 49,500 shares in JAG Ideas Holding Company Limited, representing all the issued shares in JAG Ideas Holding Company Limited, to the Company, in consideration of and exchange for which the Company allotted and issued 90,000 shares in the Company, credited as fully paid to JAG United Company Limited at the direction of the Controlling Shareholders. As disclosed in note 1, the Historical Financial Information has been prepared using the merger basis of accounting as if the Group had always been in existence during the Relevant Periods. For the purpose of this report, share capital of the Group as at 31 March 2016 and 2017 represented the aggregate share capital of the subsidiaries of the Group which existed at the respective dates, after elimination of investments in subsidiaries.

JAG Ideas Company Limited was incorporated on 17 May 2010 in Hong Kong with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each. Upon its incorporation, 9,000 shares in total in JAG Ideas Company Limited were allotted and issued to the Controlling Shareholders.

JAG Ideas (Taiwan) Limited was incorporated on 9 August 2012 in Hong Kong with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. Upon its incorporation, 9,000 shares in total in JAG Ideas (Taiwan) Limited were allotted and issued to the Controlling Shareholders.

JAG Ideas Holding Company Limited was incorporated on 21 August 2015 in the BVI with an authorised share capital of US\$50,000 divided into 50,000 shares of USD1.00 each. Upon its incorporation, 49,500 shares in JAG Ideas Holding Company Limited were allotted and issued at par value to the Controlling Shareholders.

JAG Creative Ideas Company Limited was incorporated on 8 October 2015 in Hong Kong. Upon its incorporation, 9,900 shares of HK\$1.00 each in total in JAG Creative Ideas Company Limited were allotted and issued to the Controlling Shareholders.

On 23 November 2015, the Controlling Shareholders transferred their 9,000 shares in total in JAG Ideas Company Limited representing all the issued shares in JAG Ideas Company Limited, to JAG Ideas (Hong Kong) Company Limited at par value. As a result of the transfer, JAG Ideas Company Limited became a subsidiary of the Group.

As part of the Reorganisation, on 27 March 2017, the Controlling Shareholders transferred their 9,000 shares in total in JAG Ideas (Taiwan) Limited representing all the issued shares in JAG Ideas (Taiwan) Limited, to JAG Ideas (Taiwan) Company Limited at par value. As a result of the transfer, JAG Ideas (Taiwan) Limited became a subsidiary of the Group.

As part of the Reorganisation, on 30 March 2017, the Controlling Shareholders transferred all their shares in JAG Creative Ideas Company Limited to JAG Ideas (Asia) Company Limited. As a result of the transfer, JAG Creative Ideas Company Limited became a subsidiary of the Group.

The share capital of the Group as at 31 March 2017 represents the share capital of JAG Ideas Holding Company Limited.

As part of the Reorganisation on 15 June 2017, the Controlling Shareholders transferred all their shares in JAG Ideas Holding Company Limited to the Company. As a result of the transfer, JAG Ideas Holding Company Limited became a subsidiary of the Company.

Pursuant to the Reorganisation completed on 15 June 2017, the Company became the holding company of the companies now comprising the Group. The share capital of the Group as at 30 November 2017 represents the share capital of the Company.

(c) Capital reserve

The capital reserve represents the difference between the amount of the Company's shares issued and the net assets of JAG Ideas Holding Company Limited acquired under the Reorganisation.

(d) Exchange reserve

The reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries with functional currencies other than HK\$. The reserve is dealt with in accordance with the accounting policies set out in note 2(s).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its business and provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there was adequate working capital to serve its debt obligations. At 31 March 2016 and 2017 and 30 November 2017, the ratio of the Group's total liabilities over its total assets was 80%, 49% and 81% respectively.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

(f) Distributable reserves

The Company was incorporated on 22 May 2017. There were no reserves available for distribution to equity shareholders of the Company as at 31 March 2017.

The Company's reserves available for distribution include retained profits and capital reserve. Accordingly, the Company's reserves available for distribution to equity shareholders of the Company as at 30 November 2017 amounted to HK\$337,000.

22 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, as part of the Group's ongoing credit control procedures, management monitors the creditworthiness of customers to whom it grants credit in the normal course of business. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors with balances that are more than six months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

At the end of each reporting period, the Group has significant concentration of credit risk in a few customers. In view of their credit standing, good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At 31 March 2016 and 2017 and 30 November 2017, 7%, 14% and 8% of the total trade receivables was due from the Group's largest customer respectively and 34%, 29% and 26% of the total trade receivables was due from the Group's five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 15.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table shows the remaining contractual maturities of non-derivative financial liabilities as at 31 March 2016 and 2017 and 30 November 2017 of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 March 2016 and 2017 and 30 November 2017) and the earliest date the Group can be required to pay:

	At 31 March 2016			
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000
Trade and other payables	7,133	7,133	7,133	–
Amounts due to controlling shareholders	315	315	315	–
Bank loan	427	444	410	34
	<u>7,875</u>	<u>7,892</u>	<u>7,858</u>	<u>34</u>
	At 31 March 2017			
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000
Trade and other payables	7,387	7,387	7,387	–
Bank loan	34	34	34	–
	<u>7,421</u>	<u>7,421</u>	<u>7,421</u>	<u>–</u>
	At 30 November 2017			
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000
Trade and other payables	9,029	9,029	9,029	–

(c) **Interest rate risk**

The Group has no significant exposure to interest rate risks as the bank loan of the Group is a fixed rate borrowing. Details of exposure to interest rate risks of Convertible Bond is set out in note 19.

(d) **Foreign currency risk**

The functional currency and reporting currency for the Company and its subsidiaries is HK\$, except that the functional currencies of certain subsidiaries are NT\$, MYR and S\$.

As at 31 March 2016 and 2017 and 30 November 2017, the Group was not exposed to any significant currency risk.

(e) Fair value measurement

*Financial assets and liabilities measured at fair value**Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the finance manager performing valuations for the Convertible Bond at fair value through profit or loss which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the financial controller. A valuation report with analysis of changes in fair value measurement is prepared by the team at the end of each reporting period and is reviewed and approved by the financial controller.

	Fair value at 30 November 2017 HK\$'000	Fair value measurement as at 30 November 2017 categorised into		
		Level 1	Level 2	Level 3
		HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurement				
Liability:				
Convertible Bond at fair value through profit or loss	15,046	–	–	15,046

During the eight months ended 30 November 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which it occurs.

There were no financial assets and liabilities measured at fair value as at 31 March 2016 and 2017.

Information about Level 3 fair value measurements

	Valuation technique	Significant unobservable inputs	%
Convertible Bond at fair value through profit or loss	Binomial option pricing model	Discount rate	14.09
		Terminal growth rate	3.11

The directors have used discounted cash flow method to determine the underlying equity value of the Group and adopted binomial option pricing model to determine the fair value of Convertible Bond at the end of each reporting period.

The fair value measurement is negatively correlated to the discount rate. As at 30 November 2017, it is estimated that with all other variables held constant, a decrease/increase in discount rate by 1% would have increased/decreased the fair value of the Convertible Bond by HK\$790,000/HK\$660,000 respectively.

The fair value measurement is positively correlated to the terminal growth rate. As at 30 November 2017, it is estimated that with all other variables held constant, a decrease/increase in terminal growth rate by 1% would have decreased/increased the fair value of Convertible Bond by HK\$440,000/HK\$520,000 respectively.

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 31 March 2016 and 2017 and 30 November 2017 due to short-term nature of these instruments.

23 COMMITMENTS

The Group leases office premises through non-cancellable operating leases. These operating leases do not contain provisions for contingent lease rentals. None of the rental agreements contain escalation provisions that may require higher future rental payments.

At 31 March 2016 and 2017 and 30 November 2017, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 31 March		At 30
	2016	2017	November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2017</i>
			<i>HK\$'000</i>
Within 1 year	98	110	215
After 1 year but within 5 years	–	–	200
	<u> </u>	<u> </u>	<u> </u>

24 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the Historical Financial Information, the Group entered into the following material related party transactions.

During the Relevant Periods, the directors are of the view that the following are related parties of the Group:

Name of party	Relationship with the Group
Mr. Anakin Law	Director and one of the Controlling Shareholders
Ms. Jenny Cheung	Director and one of the Controlling Shareholders
Mr. Garlos Lee	Director and one of the Controlling Shareholders
Tai Fong Studio Company Limited ("Tai Fong")	Controlled by a close family member of Mr. Garlos Lee
Couponmall Company Limited, formerly known as JAG Concepts Company Limited ("Couponmall")	Controlled by Mr. Anakin Law, Ms. Jenny Cheung and Mr. Garlos Lee

(a) Transactions with key management personnel

All members of key management personnel are the directors of the Company and their remuneration is disclosed in note 8.

(b) Transactions with other related parties

During the Relevant Periods, the Group entered into the following material related party transactions:

	Year ended 31 March		Eight months ended 30 November	
	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000 (unaudited)	2017 HK\$'000
Purchase of inventories from Tai Fong	136	115	86	34
Purchase of inventories from Couponmall	<u>1,779</u>	<u>1,598</u>	<u>1,404</u>	<u>–</u>

(c) Guarantees from related parties

At 31 March 2016 and 2017 and 30 November 2017, the Controlling Shareholders provided personal guarantees for bank loan of HK\$427,000, HK\$34,000 and nil, respectively.

The Controlling Shareholders' personal guarantees were released at the maturity date on 30 April 2017.

(d) Balances with related parties

At 31 March 2016, 31 March 2017 and 30 November 2017, the Group had the following balances with related parties:

	At 31 March		At 30 November
	2016 HK\$'000	2017 HK\$'000	2017 HK\$'000
Amounts due from/(to) controlling shareholders			
– Mr. Anakin Law	(157)	25	–
– Ms. Jenny Cheung	(158)	25	–
– Mr. Garlos Lee	<u>69</u>	<u>173</u>	<u>–</u>

The amounts due from/(to) controlling shareholders are non-trade in nature, interest-free, unsecured and recoverable/repayable on demand. All of the amounts due from controlling shareholders were settled in June 2017.

25 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors consider the immediate parent and ultimate controlling parties of the Group to be JAG United Company Limited which is incorporated in the BVI and the Controlling Shareholders of the Company, respectively.

26 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of issue of the Historical Financial Information, the HKICPA has issued a few amendments and new standards which are not yet effective for the Relevant Periods and which have not been adopted in the Historical Financial Information. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 1, <i>First time adoption of HKFRS</i>	1 January 2018
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i>	1 January 2018
Amendments to HKFRS 4, <i>Insurance contracts: Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts</i>	1 January 2018
Amendments to HKAS 40, <i>Investment property: Transfers of investment property</i>	1 January 2018
Amendments to HKAS 28, <i>Investments in associates and joint ventures</i>	1 January 2018
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i>	1 January 2018
HKFRS 16, <i>Leases</i>	1 January 2019
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	1 January 2019
Amendments to HKFRS 10, <i>Consolidated financial statements</i> and HKAS 28, <i>Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture</i>	<i>To be determined</i>

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them will not have a significant impact on the Group's results of operations and financial position. Further details on the impacts of adoption of HKFRS 9, HKFRS 15 and HKFRS 16 are discussed as follows. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial application of the standards may differ as the assessment completed to date is based on the information currently available to the Group. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the financial statements.

HKFRS 9, *Financial Instruments*

HKFRS 9 replaces the existing guidance in HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from HKAS 39.

Based on the assessment so far, the Group considers that the initial application of HKFRS 9 will not have a significant impact on the Group's results of operations and financial position.

HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including HKAS 18, *Revenue*, HKAS 11, *Construction contracts* and HK (IFRIC)-Int 13, *Customer Loyalty Programs*. It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements.

Based on the assessment so far, the Group considers that the initial application of HKFRS 15 will not have a significant impact on the Group's results of operations and financial position.

HKFRS 16, Leases

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

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for a number of properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 23, at 31 March 2016, 31 March 2017 and 30 November 2017, the Group's future minimum lease payments under non-cancellable operating leases amounted to HK\$98,000, HK\$110,000 and HK\$415,000 respectively under operating leases, payable within five year after the reporting date.

As more than half of the operating leases is with lease term less than 12 months, the Group considers that the initial application of HKFRS 16 will not have a significant impact on the Group's results of operations and financial position.

27 SUBSEQUENT EVENTS

The following significant events took place subsequent to 30 November 2017:

Conversion of the Convertible Bond

Pursuant to the Pre-IPO Investment Agreement and a conversion notice dated 28 February 2018, VMI exercised the conversion right in full to convert the whole of the principal amount of the Convertible Bond into shares of the Company. A total of 31,250 of shares of the Company was issued and allotted to VMI, representing approximately 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion shares.

Capitalisation issue

Pursuant to the written resolutions of the equity shareholders of the Company passed on 7 March 2018 as detailed in the section headed "Statutory and General Information – A. Further information about our Company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018" in Appendix IV to the Prospectus, the directors of the Company were authorised to allot and issue a total of 149,868,750 shares credited as fully paid at par to the shareholders as appearing on the register of members of the Company, by way of capitalisation of the sum of HK\$1,498,687.50 standing to the credit of the share premium account of the Company on the date of the initial listing of shares of the Company on GEM of the Stock Exchange.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 November 2017.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this appendix does not form part of the Accountants' Report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" of this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effect of the Share Offer on the net tangible assets of the Group attributable to equity shareholders of the Company as at 30 November 2017 as if the Share Offer had taken place on 30 November 2017.

The unaudited pro forma statement of adjusted net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Share Offer been completed as at 30 November 2017 or at any future date.

	Consolidated net tangible assets attributable to equity shareholders of the Company as at 30 November 2017 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Share Offer <i>HK\$'000</i> <i>(Note 2)</i>	Estimated impact to the net tangible assets upon conversion of Convertible Bond <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company <i>HK\$'000</i>	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders per Share <i>HK\$</i> <i>(Notes 4 and 5)</i>
Based on an Offer Price of HK\$1.00 per share	5,909	33,663	15,046	54,618	0.27
Based on an Offer Price of HK\$1.30 per share	5,909	47,761	15,046	68,716	0.34

Notes:

- The consolidated net tangible assets attributable to equity shareholders of the Company as at 30 November 2017 is extracted from the consolidated net assets attributable to equity shareholders of the Company of HK\$5,909,000 as at 30 November 2017, as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.
- The estimated net proceeds from the Share Offer are based on the indicative offer prices of HK\$1.00 per Share (being the minimum Offer Price) or HK\$1.30 per Share (being the maximum Offer Price), after deduction of the estimated underwriting fees and other Listing expenses payable by the Company (excluding Listing expenses of HK\$9,332,000 which have already been charged to

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

consolidated statements of profit or loss and other comprehensive income during the Track Record Period), and 50,000,000 Shares expected to be issued under the Share Offer, assuming the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme are not exercised.

3. On 19 July 2017, VMI Mega Growth Fund SPC (“VMI”), a company incorporated in the Cayman Islands on 2 February 2016, entered into a subscription agreement (the “Pre-IPO Investment Agreement”) with the Controlling Shareholders and the Company pursuant to which the Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15,000,000 convertible into the such number of conversion shares as representing 23.81% of the issued share capital of the Company as enlarged by the issue of the conversion shares on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement. In the event that the Company has passed, not received rejection, not received a decision to delay the Listing or any adverse result from the Listing hearing with the Stock Exchange, then the Convertible Bond shall be converted into Shares within 7 days from such event.

Pursuant to the Pre-IPO Investment Agreement and a conversion notice dated 28 February 2018, VMI exercised the conversion right in full to convert the whole of the principal amount of the Convertible Bond into shares of the Company. Accordingly, the net tangible assets of the Company will increase by HK\$15,046,000 after the completion of conversion.

4. The unaudited pro forma adjusted net tangible assets attributable to equity shareholders per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis of 200,000,000 Shares in issue immediately following completion of the conversion of Convertible Bond, the Capitalisation Issue and the Share Offer, assuming that the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme are not exercised.
5. Save as disclosed, no adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholders to reflect any trading results or other transactions of the Group entered into subsequent to 30 November 2017.

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.



**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF STREAM IDEAS GROUP LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Stream Ideas Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 November 2017 and related notes as set out in Part A of Appendix II to the prospectus dated 16 March 2018 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Share Offer") on the Group's financial position as at 30 November 2017 as if the Share Offer had taken place at 30 November 2017. As part of this process, information about the Group's financial position as at 30 November 2017 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 November 2017 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

KPMG*Certified Public Accountants*

Hong Kong

16 March 2018

SUMMARY OF THE CONSTITUTION OF THE COMPANY

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of the Cayman Companies Law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 under the Companies Law. The Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on 7 March 2018 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection – Documents available for inspection" in Appendix V to this prospectus.

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on 7 March 2018 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is HK\$100,000,000 divided into 10,000,000,000 Shares of HK0.01 each.

2.2 Directors*(a) Power to allot and issue Shares*

Subject to the provisions of the Companies Law and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such

preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the GEM Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) *Remuneration*

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in

substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) *Borrowing powers*

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) *Proceedings of the Board*

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 *Alteration to constitutional documents*

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 *Variation of rights of existing shares or classes of shares*

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

2.6 Special resolution – majority required

A “special resolution” is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the GEM Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Law or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.10 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the GEM Listing Rules, by electronic

communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Companies Law and Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.15 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting,

not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the GEM Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the GEM Listing Rules as the Directors may determine for each inspection.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the GEM Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of

capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice

specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their

shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor in Cabinet:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking is for a period of twenty years from 22 June 2017.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection – Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 22 May 2017. Our Company's registered office is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 17 October 2017 with Ms. Jenny Cheung and Mr. Anakin Law, our executive Directors, appointed as the Hong Kong authorised representatives of our Company for acceptance on behalf of our Company of service of process and any notices required to be served on our Company in Hong Kong and its principal place of business in Hong Kong has been Unit 402A, 4th Floor, Benson Tower, 74 Hung To Road, Kwun Tong, Kowloon, Hong Kong since 24 October 2017.

As our Company is incorporated in the Cayman Islands, it is subject to the Cayman Companies Law and its constitution documents, which comprises the Memorandum and the Articles. A summary of certain provisions of the Memorandum, the Articles and certain aspects of the Cayman Companies Law are set out in Appendix III to this prospectus.

2. Changes in share capital of our Company

As at the date of incorporation of our Company, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each.

The following sets out the changes in the authorised and issued share capital of our Company since its date of incorporation up to the date of this prospectus:

- (i) on 22 May 2017, 10,000 Share were allotted and issued as fully paid at par to JAG United as the initial subscriber;
- (ii) on 15 June 2017, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee transferred 16,500 shares, 16,500 shares and 16,500 shares in JAG Holding (BVI) respectively, representing all the issued shares in JAG Holding (BVI), to our Company, in consideration of and exchange for which our Company allotted and issued 30,000 Shares, 30,000 Shares and 30,000 Shares in our Company, credited as fully paid to JAG United at the direction of each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee respectively;
- (iii) on 19 July 2017, VMI entered into the Pre-IPO Investment Agreement pursuant to which our Company agreed to issue and VMI agreed to subscribe for the Convertible Bond in the principal amount of HK\$15 million convertible into such number of Shares as representing 23.81% of the issued

share capital of our Company as enlarged by the issue of the conversion Shares on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement;

- (iv) on 28 February 2018, the entire Convertible Bond was converted into 31,250 Shares; and
- (v) on 7 March 2018, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 per share to HK\$100,000,000 divided into 10,000,000,000 Shares.

Immediately following completion of the Capitalisation Issue and the Share Offer, the issued share capital of our Company will be HK\$2,000,000 divided into 200,000,000 Shares of par value HK\$0.01 fully paid or credited as fully paid. Our Company will be owned as to 57.14% by JAG United upon completion of the Capitalisation Issue and the Share Offer.

Other than the exercise of the general mandate to issue Shares referred to in the paragraph headed “Statutory and General Information – A. Further information about our Company and our subsidiaries – 3. Written resolutions of our then Shareholders passed on 7 March 2018” in Appendix IV to this prospectus, our Directors have no present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this Appendix and the section headed “Our History, Reorganisation and Corporate Structure – Reorganisation” in this prospectus, there has been no alteration in the authorised and issued share capital of our Company since its incorporation and up to the date of this prospectus.

3. Written resolutions of our then Shareholders passed on 7 March 2018

Pursuant to the written resolutions of the then Shareholders of our Company passed on 7 March 2018, the following resolutions were passed by the Shareholders, pursuant to which, among other things:

- (a) conditional upon Listing, the Memorandum and Articles were approved and adopted;
- (b) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 per share to HK\$100,000,000 divided into 10,000,000,000 Shares;
- (c) conditional upon the fulfilment or waiver of the conditions set out in the section headed “Structure and Conditions of the Share Offer” in this prospectus;

- (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares; and
 - (ii) the rules of the Share Option Scheme were approved and adopted and the Directors were authorised to grant options thereunder, to allot and issue such number of Shares pursuant thereto, and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;
- (d) conditional upon the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the issue of the new Shares under the Share Offer, our Directors were authorised to capitalise HK\$1,498,687.5 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 149,868,750 Shares for allotment and issue to Shareholder(s) whose name(s) appear(s) on the register of members of our Company at the close of business on 7 March 2018 in proportion (as nearly as possible without involving fractions) to their then existing shareholdings in our Company;
- (e) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot (including the power to make and grant offers, agreements and options which would or might require Shares to be allotted and issued), otherwise than pursuant to, or in consequence of a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or other similar arrangement or pursuant to a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not exceeding (aa) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme; and (bb) the aggregate nominal value of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph 3(f) below, such mandate to remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or (iii) the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate;
- (f) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation

Issue but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or (iii) the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate; and

- (g) the general mandate as stated in paragraph (e) above shall be extended by the addition to the aggregate nominal value of the share capital in issue of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to and in accordance with the authority granted under paragraph (f) provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Share Offer but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

4. Corporate Reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the Listing. For details relating to the Reorganisation, please refer to the section headed “Our History, Reorganisation and Corporate Structure – Reorganisation” in this prospectus.

5. Changes in share capital of our principal subsidiaries

Subsidiaries of our Company are listed in the Accountants’ Report set out in Appendix I to this prospectus.

Save as disclosed in the section headed “Our History, Reorganisation and Corporate Structure” in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Repurchase of our Shares by our Company of its own securities

This paragraph contains information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

(b) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles, the GEM Listing Rules and the Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Under the laws of the Cayman Islands, any repurchases by our Company may be made either (1) out of profits of our Company; (2) out of the share premium account of our Company; (3) out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase; or (4) out of capital, if so authorised by the Articles and subject to the provisions of the Companies Law; and in the case of any premium payable on the repurchase, (1) out of the profits of our Company; (2) from sums standing to the credit of the share premium account of our Company; or (3) out of capital, if so authorised by the Articles and subject to the provisions of the Companies Law.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 200,000,000 Shares in issue immediately after the Listing, would result in up to 20,000,000 Shares being repurchased by us during the period in which the Repurchase Mandate remains in force.

(c) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(d) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No core connected person (as defined in the GEM Listing Rules) of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

7. Registration under the Companies Ordinance

Our Company is a registered non-Hong Kong company as defined under Part 16 of the Companies Ordinance with a principal place of business in Hong Kong at Unit 402A, 4th Floor, Benson Tower, 74 Hung To Road, Kwun Tong, Hong Kong. Ms. Jenny Cheung and Mr. Anakin Law, the executive Directors of our Company, have been appointed as the authorised representatives of our Company for the acceptance of service of process on behalf of our Company in Hong Kong under the Companies Ordinance.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP**1. Summary of material contracts of our Group**

The contracts below (not being contracts entered into in the ordinary course of business) have been entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are, or may be, material to the business of our Group as below:

- (a) bought and sold notes dated 27 March 2017 in respect of the transfer of shares from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, pursuant to which JAG Taiwan Holding (BVI) acquired from Ms. Jenny Cheung her 3,000 shares, Mr. Anakin Law his 3,000 shares and Mr. Garlos Lee his 3,000 shares beneficially owned by them in JAG Taiwan, aggregating all the issued shares in JAG Taiwan, in consideration of HK\$9,000 in total;
- (b) bought and sold notes dated 30 March 2017 in respect of the transfer of shares from Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, pursuant to which JAG Asia Holding (BVI) acquired from Ms. Jenny Cheung her 3,300 shares, Mr. Anakin Law his 3,300 shares and Mr. Garlos Lee his 3,300 shares beneficially owned by them in JAG Creative, aggregating all the issued shares in JAG Asia Holding (BVI), in consideration of HK\$9,900 in total;
- (c) a reorganisation deed dated 15 June 2017 entered into by our Company, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee, pursuant to which our Company acquired from Ms. Jenny Cheung her 16,500 shares, Mr. Anakin Law his 16,500 shares and Mr. Garlos Lee his 16,500 shares beneficially owned by them in JAG Holding (BVI), aggregating all the issued shares in JAG Holding (BVI), in consideration of and exchange for which our Company allotted and issued 30,000 Shares, 30,000 Shares and 30,000 Shares in our Company, credited as fully paid, to our Company at the direction of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee respectively, as referred to in the section headed “Our History, Reorganisation and Corporate Structure” in this prospectus;
- (d) the Pre-IPO Investment Agreement dated 19 July 2017 entered into by the Company, VMI, JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee in relation to the issue of convertible bond in the principal amount of HK\$15.0 million convertible into such number of Shares as representing 23.81% of the issued share capital of our Company as enlarged by the issue of the conversion Shares on a fully diluted basis pursuant to the terms of the Pre-IPO Investment Agreement, as referred to in the section headed “Our History, Reorganisation and Corporate Structure” in this prospectus;

- (e) a deed of non-competition undertakings dated 7 March 2018 and executed by JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee in favour of our Company (for itself and as trustee for each of its subsidiaries), particulars of which are set out in the section headed “Relationship with our Controlling Shareholders – Non-competition undertaking” in this prospectus;
- (f) a deed of indemnity dated 7 March 2018 and executed by JAG United, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee in favour of our Company (for itself and as trustee for each of its subsidiaries), particulars of which are set out in the paragraph headed “Statutory and General Information – E. Other information – 1. Estate duty, tax and other indemnities” in Appendix IV to this prospectus; and
- (g) the Public Offer Underwriting Agreement.


2. Summary of intellectual property rights of our Group

(a) Trademark

As at the Latest Practicable Date, our Group was the registered proprietor and beneficial owner of the following trademarks:

No.	Trademark	Registration number	Class ^(Note)	Place of registration	Registered owner	Validity
1.		301934578	35	Hong Kong	JAG Hong Kong	2 June 2011 – 1 June 2021
2.		304138588	35	Hong Kong	JAG Hong Kong	15 May 2017 – 14 May 2027
3.		01726325	35	Taiwan	JAG Taiwan	1 September 2015 – 31 August 2025
4.		01723673	35	Taiwan	JAG Taiwan	16 August 2015 – 15 August 2025
5.		40201704894R	35	Singapore	JAG Singapore	24 March 2017 – 23 March 2027

As at the Latest Practicable Date, our Group has applied for registration for the following trademarks:

No.	Trademark	Application number	Class ^(Note)	Place of application	Applicant	Date of filing of the application
1.		2017055126	35	Malaysia	JAG Malaysia	28 March 2017

Note: Class 35 relates to “advertising” services.

(b) Domain name

As at the Latest Practicable Date, our Group has registered the following domain names which, in the opinion of our Directors, are material to our business:

Domain name	Registrant	Expiry Date
<i>www.stream-ideas.com</i>	JAG Hong Kong	17 May 2018
<i>www.bingosharings.com</i>	JAG Hong Kong	2 March 2019
<i>www.buzztopichk.com</i>	JAG Hong Kong	30 June 2018
<i>www.circulatingtopics.com</i>	JAG Hong Kong	16 April 2018
<i>www.cooltopics2know.org</i>	JAG Hong Kong	2 April 2018
<i>www.dailybuzztopic.com</i>	JAG Hong Kong	2 March 2019
<i>www.dailyhatchat.com</i>	JAG Hong Kong	2 April 2018
<i>www.dailysharenow.com</i>	JAG Hong Kong	2 March 2019
<i>www.dailytrendingtopics.com</i>	JAG Hong Kong	2 March 2019
<i>www.friendshare.hk</i>	JAG Hong Kong	30 November 2018
<i>www.gogoreadygo.com</i>	JAG Hong Kong	16 April 2018
<i>www.greatbuzztopics.com</i>	JAG Hong Kong	2 March 2019
<i>www.hellotopics.com</i>	JAG Hong Kong	2 March 2019
<i>www.hkcheckthisout.com</i>	JAG Hong Kong	16 April 2018
<i>www.hkcoolshare.com</i>	JAG Hong Kong	16 August 2018
<i>www.hkhottesttopics.com</i>	JAG Hong Kong	16 April 2018
<i>www.hkinterests.com</i>	JAG Hong Kong	16 April 2018
<i>www.hksharegood.com</i>	JAG Hong Kong	16 August 2018
<i>www.hksharenow.com</i>	JAG Hong Kong	16 August 2018
<i>www.hksnapshot.com</i>	JAG Hong Kong	30 June 2018
<i>www.hktownnews.com</i>	JAG Hong Kong	16 April 2018
<i>www.hktrading.com</i>	JAG Hong Kong	16 April 2018
<i>www.hkupdates.com</i>	JAG Hong Kong	16 April 2018
<i>www.hongkongersshare.com</i>	JAG Hong Kong	30 June 2018
<i>www.hotbuzztopics.com</i>	JAG Hong Kong	2 March 2019
<i>www.hotissuesnow.com</i>	JAG Hong Kong	2 April 2018
<i>www.hotnewshk.com</i>	JAG Hong Kong	30 June 2018
<i>www.hottalktoday.com</i>	JAG Hong Kong	2 April 2018
<i>www.hottestshares.com</i>	JAG Hong Kong	2 March 2019
<i>www.hottopics2know.com</i>	JAG Hong Kong	2 April 2018
<i>www.interestingtopicstoday.com</i>	JAG Hong Kong	16 April 2018
<i>www.jag.com.hk</i>	JAG Hong Kong	14 May 2018
<i>www.jag-hk.com</i>	JAG Hong Kong	30 October 2018
<i>www.jaghk.com</i>	JAG Hong Kong	16 August 2018
<i>www.jagideasgroup.com</i>	JAG Hong Kong	16 May 2018
<i>www.jagreward.com</i>	JAG Hong Kong	8 December 2018
<i>www.jagtw.com</i>	JAG Hong Kong	31 July 2018
<i>www.jag-campaign.com</i>	JAG Hong Kong	2 March 2019

Domain name	Registrant	Expiry Date
<i>www.jag.tw</i>	JAG Hong Kong	9 April 2018
<i>www.jagbonus.com</i>	JAG Hong Kong	4 May 2018
<i>www.jagoffer.info</i>	JAG Hong Kong	14 June 2018
<i>www.post4share.com</i>	JAG Hong Kong	16 August 2018
<i>www.readreadcitynews.com</i>	JAG Hong Kong	16 April 2018
<i>www.recommendthistopic.com</i>	JAG Hong Kong	2 April 2018
<i>www.share2you.hk</i>	JAG Hong Kong	30 November 2018
<i>www.shareshare.hk</i>	JAG Hong Kong	30 November 2018
<i>www.sharinghk.hk</i>	JAG Hong Kong	30 November 2018
<i>www.sharingthis.hk</i>	JAG Hong Kong	30 November 2018
<i>www.sharingtw.com</i>	JAG Hong Kong	12 August 2018
<i>www.townbuzzing.com</i>	JAG Hong Kong	16 April 2018
<i>www.townissues.com</i>	JAG Hong Kong	2 April 2018
<i>www.trendingbuzznow.com</i>	JAG Hong Kong	2 March 2019
<i>www.trendinghk.com</i>	JAG Hong Kong	30 June 2018
<i>www.trendingsharenow.com</i>	JAG Hong Kong	2 March 2019
<i>www.trendtalktoday.com</i>	JAG Hong Kong	2 April 2018
<i>www.twcheckthisout.com</i>	JAG Hong Kong	16 April 2018
<i>www.twhotupdates.com</i>	JAG Hong Kong	16 April 2018
<i>www.twinterests.com</i>	JAG Hong Kong	16 April 2018
<i>www.twsharegood.com</i>	JAG Hong Kong	12 August 2018
<i>www.twsharenow.com</i>	JAG Hong Kong	12 August 2018
<i>www.twtownnews.com</i>	JAG Hong Kong	16 April 2018
<i>www.twtrending.com</i>	JAG Hong Kong	16 April 2018
<i>www.vgdstuff.com</i>	JAG Hong Kong	26 February 2018
<i>www.viewgoodnews.com</i>	JAG Hong Kong	16 April 2018
<i>www.wowwowamazing.com</i>	JAG Hong Kong	16 April 2018

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' service contracts and letters of appointment

Each of our executive Directors, Ms. Jenny Cheung, Mr. Anakin Law, Mr. Garlos Lee and Mr. Leung Wai Lun has on 7 March 2018 respectively entered into a service agreement with our Company regarding their appointment as executive Directors for an initial term of three years commencing from the Listing Date unless terminated by not less than six months prior written notice or otherwise in accordance with the service agreement.

According to the terms of the service contracts entered into between our Company and the executive Directors, the annual remuneration (excluding discretionary and performance bonuses) of each of our executive Director is as follows:

Name	Annual remuneration (excluding discretionary and performance bonuses) (HK\$'000)
Ms. Jenny Cheung	462
Mr. Anakin Law	473
Mr. Garlos Lee	462
Mr. Leung Wai Lun	233

The basic monthly salary payable by our Company to our relevant executive Director is subject to annual review by our Board and the remuneration committee of our Company.

Each of the executive Directors will be entitled to a discretionary bonus and a performance bonus as may be determined by the remuneration committee of our Company from time to time by reference to the financial performance of our Company as well as the individual performance of the relevant executive Directors.

Our non-executive Director and each of our independent non-executive Directors has signed a letter of appointment dated 7 March 2018 with our Company for an initial term of three years.

Pursuant to the letter of appointment, our non-executive Director is not entitled to any director's fee. The annual director's fees payable by our Company to each of our independent non-executive Directors are an aggregate amount of approximately HK\$96,000 respectively according to the letters of appointment.

Save as disclosed above, none of our non-executive Director nor independent non-executive Directors is expected to receive any other emolument for holding his office as a non-executive Director or an independent non-executive Director. None of our Directors has entered or is proposed to enter into a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

2. Directors' remuneration

Our Company's policies concerning remuneration of executive Directors are (i) the amount of remuneration is determined on the basis of the relevant Directors' experience, responsibility, workload and the time devoted to our Company; and (ii) non-cash benefits may be provided to the Directors under their remuneration package.

For the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017, the total remuneration (including salaries and allowances, discretionary bonus and pension scheme contributions) paid to our Directors by our Group was approximately HK\$0.8 million, HK\$0.9 million and HK\$1.0 million, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors or former Directors or the five highest paid individuals for each of the years during the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

There was no arrangement under which a director waived or agreed to waive any remuneration for the Track Record Period.

Save as disclosed above, no other payments has been made or are payable in respect of the Track Record Period by any member of our Group to any of our Directors.

Pursuant to the current arrangements in force, it is anticipated that, for the year ending 31 March 2018, an aggregate amount of approximately HK\$1.7 million will be payable to our Directors as remuneration and benefits in kind (excluding any commission or discretionary bonus) by our Group.

3. Related party transactions

Please see note 24 to the Accountants' Report in Appendix I to this prospectus for details of the material related party transactions.

4. Interests and short positions of our Directors of our Company in our Shares, underlying shares or debentures of our Company and our associated corporations following the Capitalisation Issue and the Share Offer

Immediately following completion of the Capitalisation Issue and the Share Offer (but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), the interests or short positions of each of our Directors in the Shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or

deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

Name of Director	Capacity/Nature of Interest	Relevant company (including associated corporation)	Number of Shares held after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)	Approximate percentage of shareholding in the total issued share capital of our Company after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)
Ms. Jenny Cheung ¹	Interest of a controlled corporation; interest held jointly with another person	our Company	114,280,000	57.14%
Mr. Anakin Law ¹	Interest of a controlled corporation; interest held jointly with another person	our Company	114,280,000	57.14%
Mr. Garlos Lee ¹	Interest of a controlled corporation; interest held jointly with another person	our Company	114,280,000	57.14%
Mr. Lin Hung Yuan ²	Interest of a controlled corporation	our Company	35,720,000	17.86%

Note:

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

5. Disclosure of interests under the SFO and disclosure of interests for substantial Shareholders

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer (but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), in addition to the interests disclosed under the paragraph “Statutory and General

Information – C. Further information about Directors and substantial shareholders – 4. Interests and short positions of the Directors of our Company in our Share, underlying shares or debentures of our Company and our associated corporations following Capitalisation Issue and the Share Offer” in Appendix IV to this prospectus, the following persons will have an interest or a short position in the Shares or underlying shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name	Capacity/Nature of Interest	Relevant company (including associated corporations)	Number of Shares held after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)	Approximate percentage of shareholding in the total issued share capital of our Company after the Share Offer (assuming the Offer Size Adjustment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Share Option Scheme)
JAG United ¹	Beneficial interest	our Company	114,280,000	57.14%
Mr. Szeto Man Wa ²	Interest of spouse	our Company	114,280,000	57.14%
Ms. Leung Kwok Mei ³	Interest of spouse	our Company	114,280,000	57.14%
Ms. Ng Ka Po ⁴	Interest of spouse	our Company	114,280,000	57.14%
VMI Capital Group Limited ⁵	Investment manager	our Company	35,720,000	17.86%
VMI ⁵	Beneficial interest	our Company	35,720,000	17.86%
Ms. Zhang Tian ⁶	Interest of spouse	our Company	35,720,000	17.86%

Notes:

1. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such Shares held by JAG United.
2. Mr. Szeto Man Wa is the spouse of Ms. Jenny Cheung. By virtue of the SFO, Mr. Szeto Man Wa is deemed to be interested in the same number of Shares in which Ms. Jenny Cheung is deemed to be interested under the SFO.
3. Ms. Leung Kwok Mei is the spouse of Mr. Anakin Law. By virtue of the SFO, Ms. Leung Kwok Mei is deemed to be interested in the same number of Shares in which Mr. Anakin Law is deemed to be interested under the SFO.
4. Ms. Ng Ka Po is the spouse of Mr. Garlos Lee. By virtue of the SFO, Ms. Ng Ka Po is deemed to be interested in the same number of Shares in which Mr. Garlos Lee is deemed to be interested under the SFO.
5. VMI is a segregated portfolio company and 100% of its management shares is held by VMI Capital Group Limited.
6. Ms. Zhang Tian is the spouse of Mr. Lin Hung Yuan. By virtue of the SFO, Ms. Zhang Tian is deemed to be interested in the same number of Shares in which Mr. Lin Hung Yuan is deemed to be interested under the SFO.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Share Offer (but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

6. Disclaimers

Save as disclosed in this prospectus:

- (a) our Directors are not aware of any person (other than our Directors) who will, immediately following completion of the Share Offer (but without taking into account the exercise of the Offer Size Adjustment Option and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), have an interest and/or a short position in the Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and/or short positions which they are deemed to have under such provisions of the SFO) or who will, either directly or indirectly, be expected to be interested in 10% or more of

nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group;

- (b) none of our Directors of our Company had any interest or short position in any of the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, in each case once the Shares are listed;
- (c) none of our Directors or any of the persons whose names are listed in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in Appendix IV to this prospectus was directly or indirectly interested in the promotion of our Company, or has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to our Company or any of its subsidiaries, within the two years immediately preceding the date of this prospectus, or were proposed to be acquired or disposed of by or leased to our Company or any of its subsidiaries nor will any Director apply for Offer Shares either in his own name or in the name of a nominee;
- (d) none of our Directors and the persons whose names are listed in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in Appendix IV to this prospectus are materially interested in any contract or arrangement subsisting at the date of this prospectus which was significant in relation to the business of our Group;
- (e) none of our Directors or any of the persons whose names are listed in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in Appendix IV to this prospectus has received any agency fee, commissions, discounts, brokerage or other special terms from our Group within the two years immediately preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our Group;
- (f) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and

- (g) none of the parties listed in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in Appendix IV to this prospectus:
- (i) are interested legally or beneficially in any securities of any member of our Group; and
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of our Group.

D. SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on 7 March 2018. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be part of, the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

1. Definition

For the purpose of this paragraph D, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	7 March 2018, the date on which the Share Option Scheme is conditionally adopted by the Shareholders by way of written resolution
“Board”	the board of Directors or a duly authorised committee thereof
“Group”	our Company and our subsidiaries from time to time
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof

2. Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), the business directors, consultants or advisers of our Group and to promote the success of our Group.

(2) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant an employee (full-time or part-time), a director, consultant and adviser of our Group, or any substantial shareholder of our Group, options to subscribe at a price calculated in accordance with paragraph (3) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

(3) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

(4) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.00.

(5) *Maximum number of Shares*

- (a) Subject to sub-paragraphs (b) and (c) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company as from the commencement of the Scheme Period (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of the Shares in issue upon completion of the Share Offer and the Capitalisation Issue. Therefore, it is expected that our Company may grant options in respect of up to 20,000,000 Shares to the participants under the Share Option Scheme.
- (b) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to our Shareholders containing the information as required under the GEM Listing Rules in this regard.
- (c) Our Company may seek separate approval of our Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, and such other information required under the GEM Listing Rules.
- (d) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company, if this will result in such 30% limit being exceeded.

(6) *Maximum entitlement of each Eligible Person*

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, our Company must send a circular to our Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(7) *Grant of options to certain connected person*

- (a) Any grant of an option to a Director, chief executive or substantial shareholder of our Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).
- (b) Where any grant of options to a substantial shareholder of our Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5.0 million,

such further grant of options is required to be approved by Shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to the Shareholders containing all information as required under the GEM Listing Rules in this regard. All connected persons of our Company shall abstain from voting (except where any connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

(8) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(9) Performance targets

Save as determined by our Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

(10) Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment. Prior to the grantee (or the grantee's nominee, if applicable) being registered on our Company's register of members, the grantee shall not have any voting rights, or rights to participate in any dividend or distribution (including those arising on a liquidation of our Company), in respect of the Shares to be issued upon the exercise of the option.

(11) Rights are personal to grantee

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

(12) Rights on cessation of employment by death

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (13) below arises within a period of 3 years prior to the death, in the case the grantee is an employee at the date of grant), the legal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (16), (17) and (18) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

(13) Rights on cessation of employment by dismissal

In the event that the grantee is an employee of our Group at the date of grant and he subsequently ceases to be an employee of our Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his option shall lapse automatically (to the extent not already exercised) on the date of cessation of his employment with our Group.

(14) Rights on cessation of employment for other reasons

In the event that the grantee is an employee of our Group when an option is made to him and he subsequently ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (13) above, the option (to the extent not already exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not).

(15) Effects of alterations to share capital

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription prices; and/or the method of exercise of the option, as the auditors or independent financial adviser of our Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a grantee the same proportion of the issued share capital of our Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a share to be issued at less than its nominal value.

(16) Rights on a general offer

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all our Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and

such offer becoming or being declared unconditional, the grantee (or as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.

(17) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than 2 business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

(18) Rights on compromise or arrangement

In the event of a compromise or arrangement between our Company and our Shareholders or our creditors being proposed in connection with a scheme for the reconstruction or amalgamation of our Company pursuant to the Companies Law, our Company shall give notice thereof to all the grantees (or as the case may be, his legal personal representatives) on the same day as we give notice of the meeting to the Shareholders or our creditors to consider such a compromise or arrangement and the options shall become exercisable on such date until the earlier of 2 months after that date and the date on which such compromise or arrangement is sanctioned by the court of the Cayman Islands and becomes effective.

(19) Lapse of options

An option shall lapse automatically on the earliest of:

- (a) the expiry of the period referred to in paragraph (8) above;
- (b) the date on which the grantee commits a breach of paragraph (11) above;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (12), (13), (14), (16), (17) and (18) above;
- (d) subject to paragraph (17) above, the date of the commencement of the winding-up of our Company;

- (e) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty; and
- (f) where the grantee is a substantial shareholder of any member of our Group, the date on which the grantee ceases to be a substantial shareholder of such member of our Group.

(20) Cancellation of options granted but not yet exercised

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

(21) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the Share Option Scheme is adopted by Shareholders in general meeting and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

(22) Alteration to the Share Option Scheme

- (a) The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme to the advantage of the grantees of the options relating to matters governed by Rule 23.03 of the GEM Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting.
- (b) Any amendment to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (c) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time (including the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes).

(23) Termination to the Share Option Scheme

Our Company may by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

(24) Conditions of the Share Option Scheme

The Share Option Scheme is conditional upon the fulfilment of the followings:

- (a) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Underwriters) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (b) the Listing Division of the Stock Exchange granting approval of the listing of, and permission to deal in, (i) the Shares in issue and to be issued as mentioned in this prospectus, and (ii) any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme; and
- (c) the commencement of dealings in the Shares on the Stock Exchange.

3. Present status of the Share Option Scheme

Application has been made to the Listing Division for listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Stamp Duty

Dealings in the Shares will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. A total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.

Deed of Indemnity

Our Controlling Shareholders (the “**Indemnifiers**”) have entered into the deed of indemnity with and in favour of our Company (for ourselves and as trustee for each of our subsidiaries) to provide indemnities in respect of, among other matters:

- (a) any taxation including estate duty falling on any company of our Group in any part of the world in respect of any income, profits, gains, transactions or things earned, accrued, received, entered into or occurring on or before the Listing Date; or
- (b) all of any of the liabilities in connection with any tax, duty, excise or customs that may arise or be incurred in Hong Kong in the context and/or course of, or in relation to, the operation and/or business of our Group on or before the Listing Date; or
- (c) all or any liability due to certain outstanding legal proceedings and non-compliance in Hong Kong against any member of our Group which any member of our Group may suffer or incur as a result of such legal proceedings as they may continue to be subsisting as at the Listing Date (i) to the extent that such liabilities are not covered by the relevant insurance policies taken out by our Group or any company of our Group; or (ii) to the full extent of such liabilities in the event that neither our Group nor any company of our Group has taken out any insurance policy to cover such liabilities, provided that such legal action or proceedings are commenced, or the cause of action for any subsequent legal action or proceedings that are commenced before or after the Listing Date occurs, before the Listing Date, save and except that the Indemnifiers shall be under no liability under the Deed of Indemnity:
 - (i) to the extent that full provisions or allowance has been made in the audited accounts of members of our Group for an accounting period ended on or before 30 November 2017; or
 - (ii) to the extent that such liability arises or is incurred as a result of any retrospective change in law or retrospective increase in tax rates coming into force after the Listing Date; or

- (iii) to the extent that such liability is caused by the act or omission of, or transaction voluntarily effected by, any members of our Group which are carried out or effected in the ordinary course of business on or before the Listing Date; or
- (iv) to the extent of any provisions or reserve made for such liability in the audited accounts of our Group up to 30 November 2017 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce Indemnifier's liability in respect of such liability shall not be available in respect of any such liability arising thereafter.

2. Litigation

Save as disclosed in the paragraph headed "Business – Legal proceedings and compliance – Legal proceedings" in this prospectus, as at the Latest Practicable Date, no member of our Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group, that would have a material adverse effect on our business, results of operations or financial condition.

3. Sole Sponsor

Giraffe Capital Limited has made an application on behalf of our Company to the Stock Exchange for listing of, and permission to deal in, the Shares in issue and the Shares to be issued as described in this prospectus.

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

The Sole Sponsor's fee in relation to the Listing is HK\$4.5 million.

4. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the Share Offer or the related transactions described in this prospectus.

5. Agency fees or commissions received

Within the two years immediately preceding the date of this prospectus, no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of its subsidiaries.

6. Preliminary expenses

The preliminary expenses payable by our Company are estimated to be about HK\$42,670.

7. Registration procedures

The register of members of our Company will be maintained in Cayman Islands by Maples Fund Services (Cayman) Limited and a Hong Kong branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Company's Hong Kong branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

8. Taxation of holders of Shares

Dealings in Shares will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Potential holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares.

None of our Company, our Directors or other parties involved in the Listing can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

9. Qualifications of experts

The following are the respective qualifications of the experts who have given opinion or advice which are included in this prospectus:

Name	Qualification
Giraffe Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO
KPMG	certified public accountants
Maples and Calder (Hong Kong) LLP	legal advisers as to Cayman Islands law
Mr. Bruce K.W. Lau	barrister-at-law in Hong Kong
LCS & Partners	legal advisers as to Taiwan law
Teh & Lee Advocates & Solicitors	legal advisers as to Malaysia law
Rajah & Tann Singapore LLP	legal advisers as to Singapore law
China Insights Consultancy Limited	industry consultant

10. Consents of experts

Each of the experts named in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in Appendix IV to this prospectus has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or certificates and/or opinions and/or references to its name (as the case may be) included in the form and context in which they are respectively included.

11. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual prospectus

In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.

13. Miscellaneous

- (a) Save as disclosed in the section headed “Our History, Reorganisation and Corporate Structure – Reorganisation” in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted within the 24 months immediately preceding the issue of the listing document in connection with the issue or sale of any capital of our Company or any of our subsidiaries; or
 - (iii) no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued.
- (b) No share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) None of the persons whose names are listed in the paragraph headed “Statutory and General Information – E. Other information – 9. Qualifications of experts” in this prospectus:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) Save as disclosed in the sections headed “Summary”, “Risk Factors” and “Financial Information” in this prospectus, there has been no material adverse change in the financial position or prospects of our Group since 30 November 2017 (being the date to which the latest audited consolidated financial statement of our Group were made up).
- (f) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group within 24 months preceding the date of this prospectus.
- (g) There are no arrangements in existence under which future dividends are to be or agreed to be waived.

- (h) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.
- (i) Our Group had not issued any debentures nor did it have any outstanding debentures or any convertible debt securities as at the Latest Practicable Date.
- (j) None of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, together with (i) a copy of each of the Application Forms; (ii) copies of the written consents referred to in paragraph headed “Statutory and General Information – E. Other information – 10. Consents of experts” in Appendix IV to this prospectus; and (iii) copies of material contracts referred to in paragraph headed “Statutory and General Information – B. Further information about the business of our Group – 1. Summary of material contracts of our Group” in Appendix IV to this prospectus have been delivered to the Registrar of Companies in Hong Kong for registration.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Locke Lord at 21/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles;
- (b) the Accountants’ Report from KPMG, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Company for the years ended 31 March 2016 and 2017 and the eight months ended 30 November 2017;
- (d) the report from KPMG relating to the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (e) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, legal advisers to our Company as to Cayman Islands law, summarising certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;
- (f) the Companies Law;
- (g) the rules of the Share Option Scheme;
- (h) the material contracts referred to in the paragraph headed “Statutory and General Information – B. Further information about the business of our Group – 1. Summary of material contracts of our Group” in Appendix IV to this prospectus;
- (i) the service agreements and letters of appointment entered into between our Company and each of our Directors referred to in the paragraph headed “Statutory and General Information – C. Further information about our Director and substantial shareholders – 1. Particulars of Directors’ services contracts and letters of appointment” in Appendix IV to this prospectus;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE FOR INSPECTION**

- (j) the written consents referred to in the paragraph headed “Statutory and General Information – E. Other information – 10. Consents of experts” in Appendix IV to this prospectus;
- (k) the legal opinions issued by Mr. Bruce K.W. Lau, the barrister-at-law;
- (l) the legal opinion issued by LCS & Partners;
- (m) the legal opinion issued by Teh & Lee Advocates & Solicitors;
- (n) the legal opinion issued by Rajah & Tann Singapore LLP; and
- (o) the CIC Report.