Stream Ideas Group Limited
源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8401)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

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

ANNUAL RESULTS

The board of directors (the "**Board**") of the Company is pleased to present the consolidated results of the Group for the year ended 31 March 2018, together with the comparative figures for the year ended 31 March 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Note	**2018**	2017
		HK$'000	*HK$'000*
Revenue	*4*	**28,940**	26,342
Cost of services		**(9,695)**	(7,185)
Gross profit		**19,245**	19,157
Other income	*5*	**315**	6
Selling and distribution costs		**(2,489)**	(1,911)
Administrative and other operating expenses		**(5,638)**	(2,482)
Listing expenses		**(19,343)**	–
Change in fair value of convertible bond		**(16,470)**	–
(Loss)/profit from operations		**(24,380)**	14,770
Finance costs	*6(a)*	**–**	(17)
(Loss)/profit before taxation	*6*	**(24,380)**	14,753
Income tax	*7*	**(1,913)**	(2,493)
(Loss)/profit for the year		**(26,293)**	12,260
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss (nil of tax effect):			
Foreign currency translation differences for foreign operations		**(28)**	(12)
Total comprehensive income for the year		**(26,321)**	12,248
(Losses)/earnings per share	*8*		
– Basic		**HK$ (0.22)**	HK$ 0.11
– Diluted		**HK$ (0.22)**	HK$ 0.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	**2018**	2017
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**62**	20
Intangible assets		**66**	–
Deferred tax assets		**696**	550
		824	570
Current assets			
Inventories		**637**	472
Trade and other receivables	*10*	**58,712**	9,015
Amounts due from controlling shareholders		**–**	223
Tax recoverable		**61**	111
Cash and cash equivalents		**13,934**	7,397
		73,344	17,218
Current liabilities			
Trade and other payables	*11*	**17,214**	7,408
Bank loan		**–**	34
Tax payable		**389**	1,224
Convertible bond	*12*	**–**	–
		17,603	8,666
Net current assets		**55,741**	8,552
NET ASSETS		**56,565**	9,122
CAPITAL AND RESERVES			
Share capital		**2,000**	384
Reserves		**54,565**	8,738
TOTAL EQUITY		**56,565**	9,122

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Note	**Share capital** *HK$'000*	**Share premium** *HK$'000*	**Capital reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Retained profits** *HK$'000*	**Total equity** *HK$'000*
At 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		(19)	–	–	–	–	(19)
Dividends declared	*9*	–	–	–	–	(5,437)	(5,437)
At 31 March 2017 and 1 April 2017		384	–	–	(255)	8,993	9,122
Changes in equity for the year ended 31 March 2018:							
Loss for the year		**–**	**–**	**–**	**–**	**(26,293)**	**(26,293)**
Other comprehensive income		**–**	**–**	**–**	**(28)**	**–**	**(28)**
Total comprehensive income		**–**	**–**	**–**	**(28)**	**(26,293)**	**(26,321)**
Issuance of shares		**–***	**–**	**–**	**–**	**–**	**–***
Arising from the Reorganisation		**(383)**	**–**	**383**	**–**	**–**	**–**
Conversion of convertible bond	*12*	**–***	**31,470**	**–**	**–**	**–**	**31,470**
Capitalisation issue		**1,499**	**(1,499)**	**–**	**–**	**–**	**–**
Dividends declared	*9*	**–**	**–**	**–**	**–**	**(223)**	**(223)**
Share issued under initial public offering, net of share issuance expenses		**500**	**42,017**	**–**	**–**	**–**	**42,517**
At 31 March 2018		**2,000**	**71,988**	**383**	**(283)**	**(17,523)**	**56,565**

* The balance represent amount less than HK$1,000.

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

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

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

2 Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the "**Group**").

Pursuant to a group reorganisation (the "**Reorganisation**"), the Company became the holding company of companies now comprising the Group on 15 June 2017. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited on 28 March 2018. The companies that took part in the Reorganisation were controlled and owned by Mr. Law Ka Kin ("**Mr. Law**"), Ms. Cheung Lee ("**Ms. Cheung**") and Mr. Lee Wing Leung, Garlos ("**Mr. Lee**") (together, 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 financial statements have been prepared using the merger basis of accounting in accordance with the Accounting Guideline 5 "Merger Accounting Under Common Control Combinations" ("**AG5**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as if the Group had always been in existence. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement of the Group include the financial performance and cash flows of the Company and its subsidiaries for the consolidated financial statements (or where the Company and its subsidiaries were incorporated/established at a date later than 1 April 2016, for the period from date of incorporation/establishment to 31 March 2018). The consolidated statement of financial position of the Group as at 31 March 2017 and 2018 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 consolidation financial statements.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that convertible bond is stated at its fair value.

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 March 2018 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

3 Changes in Accounting Policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and Segment Reporting

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.

5 Other Income

	2018	2017
	HK$'000	*HK$'000*
Interest income	**267**	1
Sundry income	**48**	5
	315	6

6 (Loss)/Profit Before Taxation

(Loss)/profit before taxation is arrived at after charging:

	2018	2017
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank borrowings wholly repayable within five years	**–**	17
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**4,786**	2,895
Contributions to defined contribution retirement plans	**281**	147
	5,067	3,042
(c) Other items		
Depreciation	**33**	80
Amortisation	**2**	–
Allowance for doubtful debts	**428**	–
Operating lease charges		
– minimum leases payments in respect of leasing of office premises	**331**	220
Auditors' remuneration		
– audit services	**714**	26
– other services	**4,511**	–
Exchange (gain)/loss, net	**(41)**	30

7 Income Tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

Income tax in the consolidated statements of profit or loss and other comprehensive income represents:

	2018	2017
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**878**	1,110
Current tax – Other jurisdictions		
Provision for the year	**1,160**	1,504
Deferred tax		
Origination and reversal of temporary differences	**(125)**	(121)
	1,913	2,493

Notes:

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

(ii) The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 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 2017-18 subject to a maximum reduction of HK$30,000 for each business (2017: a maximum reduction of HK$20,000 was granted for the year of assessment 2016-17 and was taken into account in calculating the provision for 2017).

(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% for the year ended 31 March 2018 (2017: 17%).

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

8 (Losses)/Earnings Per Share

(a) Basic (losses)/earnings per share

The calculation of the basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to equity shareholders of the Company of loss of HK$26,293,000 (2017: profit of HK$12,260,000) and the weighted average of 117,965,000 ordinary shares (2017: of 114,286,000 ordinary shares) in issue during the year. The weighted average number of ordinary shares in issue during the years ended 31 March 2018 and 2017 are calculated based on the assumption that 114,286,000 shares were in issue at the beginning of the years, taking into consideration the effect of the capitalisation issue.

Weighted average number of ordinary shares

	2018	2017
	'000	*'000*
Issued ordinary shares adjusted with capitalisation issue	**114,286**	114,286
Effect of conversion of convertible bond	**3,131**	–
Effect of share issued under initial public offering	**548**	–
	117,965	114,286

(b) Diluted (losses)/earnings per share

During the year ended 31 March 2017, there was no dilutive potential ordinary shares in issue.

During the year ended 31 March 2018, the conversion of all potential ordinary shares outstanding would have an anti-dilutive effect on the loss per share. Hence, there was no dilutive effect on calculation of the diluted loss per share for the year ended 31 March 2018.

The amount of dilutive (losses)/earnings per share is the same as basic (losses)/earnings per share for the years ended 31 March 2018 and 2017.

9 Dividends

During the year ended 31 March 2018, an interim dividend of HK$223,000 was declared by the Company to its then shareholders.

During the year ended 31 March 2017, interim dividends of HK$5,437,000 were declared by JAG Ideas Company Limited and JAG Ideas (Taiwan) Limited to their then shareholders.

10 Trade and Other Receivables

	2018	2017
	HK\$'000	*HK\$'000*
Trade receivables	**9,446**	8,675
Less: allowance for doubtful debts	**(428)**	–
	9,018	8,675
Deposits, prepayments and other receivables	**1,067**	340
Proceeds receivables from initial public offering *(Note)*	**48,627**	–
	58,712	9,015

Note: The amount represents the net proceeds from the initial public offering collected by the bookrunner and the receiving bank on behalf of the Company. The amount was fully settled on 11 April 2018.

All of the trade and other receivables were expected to be recovered within one year.

At 31 March 2018 and 2017, the ageing analysis of trade receivables (which are included in trade and other receivables), based on invoice date, is as follows:

	2018	2017
	HK\$'000	*HK\$'000*
Within 30 days	**3,010**	3,905
31 to 60 days	**1,689**	1,592
61 to 90 days	**1,828**	1,153
91 to 180 days	**2,081**	1,625
Over 180 days	**410**	400
	9,018	8,675

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

Impairments 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.

Trade debtors of HK\$428,000 and HK\$nil were individually determined to be impaired as at 31 March 2018 and 2017 respectively. The individually impaired receivables related to customers that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts of HK\$428,000 and HK\$nil for the years ended 31 March 2018 and 2017 were recognised respectively.

11 Trade and Other Payables

	2018	2017
	HK$'000	*HK$'000*
Point provision *(Note)*	**6,975**	6,095
Receipt in advance	**–**	21
Other payables and accruals	**10,239**	1,292
	17,214	7,408

Note: A provision for points accumulated under the advertising campaigns held by the Group or the Group's customers is recognised at fair value when members have completed missions related to the advertising campaigns. 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.

All trade and other payables were expected to be settled within one year.

12 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 of Hong Kong Limited, 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 of Hong Kong Limited 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.

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.

The movement of the Convertible Bond for the year ended 31 March 2018 is set out as below:

	2018	2017
	HK$'000	*HK$'000*
Balance at beginning of the year	**–**	–
Issued during the year	**15,000**	–
Change in fair value	**16,470**	–
Conversion to ordinary shares	**(31,470)**	–
Balance at end of the year	**–**	–

13 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 2018 and 2017, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 1 year	**227**	110
After 1 year but within 5 years	**92**	–
	319	110

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Driven by the growth of the Group's business in Hong Kong, and its entry into the Malaysia and Singapore markets, both of which have started to contribute revenue, the Group has achieved approximately 9.9% increase in revenue to approximately HK$28.9 million (2017: approximately HK$26.3 million) for the year ended 31 March 2018 (the "**Year**"). Gross profit (after reversal of JAG points) increased by approximately 0.5% to approximately HK$19.2 million while gross profit margin decreased to approximately 66.5%, which was caused by (i) higher cost of sales incurred due to the Group's entry into new markets; and (ii) a decrease in reversal of JAG points recorded due to less members who have not logged into our platforms for a continuous period of one year recorded during the Year. Mainly due to one-off listing expenses of approximately HK$19.3 million and one-off fair value loss on convertible bonds of approximately HK$16.5 million, along with an initial investment towards new market expansion in Malaysia and Singapore, the Group recorded a loss for the Year of approximately HK$26.3 million (2017: profit of approximately HK$12.3 million). Excluding the above one-off items, the adjusted net profit of the Group for the Year was approximately HK$9.5 million.

The Group principally engages in the provision of online advertising services, which consist of social viral service, engager service and mass blogging service. Its business primarily operates in Hong Kong, Taiwan, Malaysia and Singapore. The Group's services are delivered via its self-developed platforms, which allow clients to match their advertising campaigns or contents with the Group's relevant members based on their demographic details and behaviours, such as consumption patterns of certain products and services and brand preferences.

By service

Social Viral Service

Social viral service allows clients' advertising content in the form of videos, images and websites, directly showing to members via the Group's platforms, based on their target audience criteria. Members can participate in missions by viewing marketing materials on the platforms and providing feedback to earn JAG Points, or by sharing advertising content via their personal social media accounts. Such approaches not only provide broader marketing exposure for the client's brand, but it also helps the Group to attract new members.

During the Year, revenue from social viral service was approximately HK$17.0 million, accounting for approximately 58.6% of the Group's total revenue. The gross profit margin remained at a stable level of approximately 64.8% for the Year.

Engager Service

Engager service helps clients achieve their marketing objectives by inviting the Group's members, who are their target audience, to take part in their advertising campaigns in the form of missions in the Group's platforms. They can receive JAG Points by providing proof of completing the missions.

Due to the increasing demand of clients for engaging target consumers, revenue from engager service increased significantly by approximately 38.9% to approximately HK$9.1 million (2017: approximately HK$6.5 million). The gross profit margin was approximately 63.0% for the Year.

Mass Blogging Service

Mass blogging service allows members to try out and review clients' products or services and share their feedback with friends on social media platforms. Through this service, clients can develop word-of-mouth marketing since recommendations from peers may influence consumers' interest and purchase intention. Moreover, clients can raise awareness, gain greater exposure and arouse public interest in their brands, products and services using members' own words through their personal social network.

During the Year, revenue from mass blogging service decreased slightly to approximately HK$2.1 million (2017: approximately HK$2.3 million), mainly due to the decline in number of projects. Gross profit margin was approximately 64.3% for the Year.

By geographical market

During the Year, approximately 56.3% of the Group's revenue (2017: approximately 49.7%) was generated from clients in Hong Kong, while approximately 41.0% (2017: approximately 50.3%) was generated from clients in Taiwan. Malaysia and Singapore (new markets) only started contributing revenue to the Group in late 2017 and accounted for approximately 2.7% of the total revenue collectively.

Hong Kong

During the Year, the operating environment in Hong Kong was relatively stable with the total number of members increased to 203,482 as at 31 March 2018 (2017: 193,200). As a result, revenue increased by approximately 24.4% year-on-year from approximately HK$13.1 million to approximately HK$16.3 million.

Taiwan

During the Year, the operating environment in Taiwan was rather challenging mainly attributable to the changing behaviour of internet users. As such, the revenue in Taiwan decreased due to fewer number of projects completed during the Year.

Notwithstanding the various challenges encountered, the Taiwan market provided a stable source of revenue, which was amounted to approximately HK$11.9 million (2017: approximately HK$13.2 million), while recording an approximately 6.6% rise in number of members to 270,214 (2017: 253,400).

Malaysia

The Group entered the Malaysia market in 2017 and has over 77,770 members as at 31 March 2018. During the Year, the Group hired additional staff for business development. Since the Group has been offering trial offers to clients so as to establish a beachhead in the market, the Malaysia market recorded a relatively low profit margin, which was an expected consequence. Nonetheless, with instant messaging applications gaining popularity in Malaysia, the Group expects tremendous opportunities in the market and will continue to develop its presence by possibly introducing new services in the future.

Singapore

The Group entered the Singapore market in late 2017, following its entry into the Malaysia market. Similar to the Malaysia market, the Singapore market has enormous growth potential and a relatively stable business environment. The Group will observe a similar business strategy to that used for the Malaysia market, both of which are based on successful strategies implemented in existing markets.

PROSPECTS

A rising number of corporations are reallocating their resources from traditional to online advertising services. Such a shift will probably accelerate competition and raise the awareness among consumers of the true value of online marketing and branding, which will make more corporations realising the importance of investing in such services. It is expected that the online advertising industry will be flourishing with more players entering the industry.

Despite the intensive competition in the industry, the Group remains confident in its ability to differentiate itself in the market owing to various competitive advantages, including its strong base of over 560,000 members covering four geographic markets as at 31 March 2018. Moreover, since its establishment, the Group has served a wide spectrum of reputable clients in various industries. Leveraging good relations with media agencies, the Group can also expect great opportunities such as being recommended to media agencies' extensive client base, which will ensure stable and continuous requests for services. The Group's self-developed platforms have also served as an excellent tool for realising clients' performance targets while driving business growth.

Looking ahead, the Group will continue to enhance the user interface and functionality of its mobile applications and websites, work with more clients that have significant market influence, and continue to build its presence in the Malaysia and Singapore markets. To accomplish these objectives, the Group will also recruit more talents, especially for the business development segment, to strengthen its workforce. This will in turn enable the Group to better cater for the ever-changing needs of various industries, as well as those of existing and potential clients. In addition, the Group will consider new opportunities, such as sponsoring advertising-related awards to reach out to more potential clients so as to enhance the Group's overall profitability. Furthermore, the Group will focus on enriching their member base from different segments such as age group, interests and lifestyle to enhance the diversity of the Group's membership base and thereby attract more clients.

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

FINANCIAL REVIEW

Revenue

During the Year, the Group recorded an increase of approximately 9.9% in revenue to approximately HK$28.9 million as compared with that for the year ended 31 March 2017 (the "**Previous Year**"). Such increase was mainly contributed by Hong Kong, and new entry market of Malaysia and Singapore.

Selling and Distribution Costs

Selling and distribution costs of the Group increased by approximately 30.2% from approximately HK$1.9 million for the Previous Year to approximately HK$2.5 million for the Year. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The increase was attributable to increase of headcount and promotional expenses on other media platforms.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately 127.2% from approximately HK$2.5 million for the Previous Year to approximately HK$5.6 million for the Year. Administrative and other operating expenses mainly consist of staff costs, professional fees, office supplies and stationary and others. The increase was attributable to the increase in staff salary, auditors' remuneration and legal and professional fees.

Liquidity and Financial Resources

As at 31 March 2018, the Group had total assets of HK$74.2 million (31 March 2017: HK$17.8 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of HK$17.6 million (31 March 2017: HK$8.7 million) and HK$56.6 million (31 March 2017: HK$9.1 million) respectively. The current ratio, being the ratio of current assets to current liabilities, as at 31 March 2018 was 4.2 times (31 March 2017: 2.0 times).

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing evaluation of the financial status of its customers. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents and an adequate amount of committed credit facilities to settle the payables of the Group.

Commitments

The contractual commitments of the Group were primarily related to the leases of its office premises, amount to approximately HK$0.3 million as at 31 March 2018 (31 March 2017: approximately HK$0.1 million).

Capital Structure

The shares of the Company were listed on GEM of the Stock Exchange on 28 March 2018 (the "**Listing Date**") and 50,000,000 new ordinary shares offered by the Company at par value of HK$0.01 each for cash consideration of HK$1.05 each were issued. There has been no change in capital structure of the Company since the Listing Date.

Foreign Exchange Exposure

The functional currency and reporting currency for the Company and its subsidiaries is Hong Kong dollar, except that the functional currencies of certain subsidiaries are New Taiwan dollar, Malaysian Ringgit and Singapore dollar, therefore, during the Year, the Group was not exposed to any significant currency risk.

Contingent Liabilities

As at 31 March 2018, there were no significant contingent liabilities for the Group.

Employees and Remuneration Policies

As at 31 March 2018, the Group employed a total of 24 employees (31 March 2017: 18 employees). The staff costs of our Group (including directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the Year were approximately HK$5.1 million (31 March 2017: HK$3.0 million).

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

Share Option Scheme

The share option scheme (the "**Share Option Scheme**") was approved by a resolution of the Company's shareholders passed on 7 March 2018. The principal terms of the Share Option Scheme, a summary of which is set out in Appendix IV to the prospectus of the Company dated 16 March 2018 (the "**Prospectus**"), are in compliance with the provisions under Chapter 23 of the GEM Listing Rules.

As of 31 March 2018, there was no options granted, exercised, lapsed or cancelled under the Share Option Scheme. There was no outstanding share option not yet exercised under the Share Option Scheme.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As disclosed in the Prospectus and in this results announcement, the Group did not have other plans for material investments or capital assets as of 31 March 2018.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules.

From the Listing Date to 31 March 2018, the Company has complied with all the applicable code provisions ("**CP**") as set out in the CG Code which is adopted as its own code to govern its corporate governance practices with the exception of deviations set out below.

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Code Provisions A.2.2 to A.2.9 further stipulates the roles of chairman for good corporate governance practices. As the Company does not have any director with the title of "chairman" and "chief executive officer", the Company has deviated from the aforesaid Code Provisions.

The roles of chairman and chief executive officer have been performed by three of the executive Directors, Ms. Cheung Lee, Mr. Law Ka Kin and Mr. Lee Wing Leung Garlos collectively. Since these executive Directors are the founders of the Group and have in-depth knowledge about the management as well as the business operations of the Group, the Board believes that vesting the roles of chairman and chief executive officer in these executive Directors allows for efficient business planning and decisions. The Board is also of the opinion that the following matters can still be carried out properly under the current structure:–

(i) all directors are properly briefed on issues arising at board meetings (CP A.2.2);

(ii) all directors receive accurate and adequate information in a timely manner (CP A.2.3);

(iii) establishment of corporate governance practice and procedures (CP A.2.5);

(iv) effective communication with shareholders (CP A.2.8);

(v) full and active contribution of all directors to the affairs of the Board and constructive relations between executive and non-executive directors (CP A.2.6 and A.2.9).

The joint company secretaries have been delegated to draw up agenda for board meetings, taking into account any matters proposed by other directors (CP A.2.4).

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

From the Listing Date up to 31 March 2018, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Specific enquiries have been made with all Directors, and all Directors confirmed in writing that they have complied with the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules regarding their securities transactions for the year.

EVENTS AFTER THE REPORTING DATE

As from 31 March 2018 to the date of this announcement, no significant events have occurred.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018 (31 March 2017: Nil).

AUDIT COMMITTEE

The Company established an audit committee (the "**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 CG Code.

The Audit Committee comprises all independent non-executive Directors, namely, Mr. Ho Ho Tung Armen, Mr. Fenn David and Mr. Kwan Chi Hong. 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.

Under its terms of reference, the primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the consolidated annual results of the Company for the year ended 31 March 2018.

ANNUAL GENERAL MEETING (THE "AGM")

The forthcoming AGM of the Company will be held on Thursday, 13 September 2018 at 9:00 a.m.. A notice convening the AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For attending and voting at the AGM

The register of members of the Company will be closed from Monday, 10 September 2018 to Thursday, 13 September 2018 (both days inclusive, 4 business days in total) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 September 2018.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION

The annual results announcement for the year ended 31 March 2018 is available for viewing on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.stream-ideas.com) respectively. The annual report of the Company for the year ended 31 March 2018 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Stream Ideas Group Limited
Law Ka Kin
Executive Director

Hong Kong, 20 June 2018

As at the date of this announcement, the Board of Directors comprises four executive Directors, namely Ms. Cheung Lee, Mr. Law Ka Kin, Mr. Lee Wing Leung Garlos and Mr. Leung Wai Lun; one non-executive Director, namely Mr. Lin Hung Yuan; and three independent non-executive Directors, namely Mr. Kwan Chi Hong, Mr. Fenn David and Mr. Ho Ho Tung Armen.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.stream-ideas.com.