

# Stream Ideas Group Limited

源想集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8401)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

### CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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*This 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 referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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.*

## INTERIM RESULTS

The board of directors of the Company (the “**Board**”) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 September 2021 the (“**Relevant Period**”), together with the comparative figures for the six months ended 30 September 2020 (the “**Previous Period**”), as follows:

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

*For the six months ended 30 September 2021*

	<i>Note</i>	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2020</b> <i>HK\$'000</i> <b>(Unaudited)</b>
<b>Revenue</b>	3	<b>8,418</b>	11,216
Cost of services		<u><b>(5,566)</b></u>	<u>(5,567)</u>
<b>Gross profit</b>		<b>2,852</b>	5,649
Other income	4	<b>953</b>	1,098
Selling and distribution costs		<b>(3,377)</b>	(3,895)
Administrative and other operating expenses		<u><b>(5,708)</b></u>	<u>(6,181)</u>
<b>Loss before operations</b>		<b>(5,280)</b>	(3,329)
Finance costs		<u><b>(4)</b></u>	<u>(9)</u>
<b>Loss before taxation</b>	5	<b>(5,284)</b>	(3,338)
Income tax	6	<u><b>(40)</b></u>	<u>(266)</u>
<b>Loss for the period</b>		<b>(5,324)</b>	(3,604)
<b>Other comprehensive income, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>			
Foreign currency translation differences for foreign operations		<u><b>(209)</b></u>	<u>(165)</u>
<b>Total comprehensive income for the period</b>		<u><b>(5,533)</b></u>	<u>(3,769)</u>
<b>Losses per share</b>	7		
— Basic (HK\$)		<u><b>(0.03)</b></u>	<u>(0.02)</u>
— Diluted (HK\$)		<u><b>(0.03)</b></u>	<u>(0.02)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		As at <b>30 September</b> <b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 March 2021 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment		<b>229</b>	386
Intangible assets		<b>1,429</b>	2,070
Financial assets at fair value through profit or loss		<b>1,885</b>	1,885
Deferred tax assets		<b>415</b>	392
		<u><b>3,958</b></u>	<u>4,733</u>
<b>Current assets</b>			
Inventories		<b>644</b>	807
Trade and other receivables	8	<b>8,506</b>	7,228
Contract assets		–	465
Tax recoverable		<b>60</b>	87
Financial assets at fair value through profit or loss		<b>18,230</b>	17,356
Cash and cash equivalents		<b>18,379</b>	25,567
		<u><b>45,819</b></u>	<u>51,510</u>
<b>Current liabilities</b>			
Trade and other payables	9	<b>8,285</b>	8,987
Lease liabilities		<b>91</b>	208
Contract liabilities		<b>49</b>	205
Tax payable		<b>42</b>	–
		<u><b>8,467</b></u>	<u>9,400</u>
<b>Net current assets</b>		<u><b>37,352</b></u>	<u>42,110</u>

	<b>As at 30 September 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 March 2021 HK\$'000 (Audited)</b>
<b>Total assets less current liabilities</b>	<u>41,310</u>	<u>46,843</u>
<b>Net assets</b>	<u><u>41,310</u></u>	<u><u>46,843</u></u>
<b>Capital and Reserves</b>		
Share capital	2,000	2,000
Reserves	<u>39,310</u>	<u>44,843</u>
<b>Total Equity</b>	<u><u>41,310</u></u>	<u><u>46,843</u></u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to equity shareholders of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
As at 1 April 2020	2,000	71,988	383	(396)	(17,492)	56,483
Loss for the period	-	-	-	-	(3,604)	(3,604)
Other comprehensive income	-	-	-	(165)	-	(165)
Total comprehensive income	-	-	-	(165)	(3,604)	(3,769)
Balance as at 30 September 2020 (Unaudited)	2,000	71,988	383	(561)	(21,096)	52,714
<b>As at 1 April 2021</b>	<b>2,000</b>	<b>71,988</b>	<b>383</b>	<b>(501)</b>	<b>(27,027)</b>	<b>46,843</b>
Loss for the period	-	-	-	-	(5,324)	(5,324)
Other comprehensive income	-	-	-	(209)	-	(209)
Total comprehensive income	-	-	-	(209)	(5,324)	(5,533)
<b>Balance as at 30 September 2021 (Unaudited)</b>	<b>2,000</b>	<b>71,988</b>	<b>383</b>	<b>(710)</b>	<b>(32,351)</b>	<b>41,310</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Unaudited)
Net cash used in operating activities	<b>(7,295)</b>	(4,116)
Net cash used in investing activities	<b>(1)</b>	(17,170)
Net cash used in financing activities	<b>(4)</b>	(9)
	<hr/>	<hr/>
Decrease in cash and cash equivalents	<b>(7,300)</b>	(21,295)
Cash and cash equivalents at beginning of the period	<b>25,567</b>	28,644
Effect of foreign exchange rate changes	<b>112</b>	44
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	<b>18,379</b>	7,393
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# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

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

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 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 Companies Ordinance (Cap 622, Laws of Hong Kong). The financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have not been audited by the Company’s independent auditors but have been reviewed by the Company’s Audit Committee.

## 3. REVENUE AND SEGMENT INFORMATION

### (a) Revenue

The principal activity of the Group is the provision of online advertising services. Revenue represents the service revenue from the provision of online advertising services.

The Group has one reportable segment which is the provision of online advertising services. The Group’s chief operating decision maker, which has been identified as the board of directors, reviews the consolidated results of the Group for the purposes of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

### (b) Segment reporting

#### *Geographic information*

The following table sets out information about the geographical location of (i) the Group’s revenue from external customers and (ii) the Group’s property, plant and equipment and intangible assets (“**Specified non-current assets**”). The geographical location of customers is based on the location at which the service was provided. The geographical location of the Specified non-current assets is based on the physical location of the operation to which they are allocated.

	Six months ended 30 September			
	Revenue from external customers		Specified non-current assets	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong	6,544	7,019	1,543	3,255
Taiwan	1,103	3,004	72	169
Southeast Asia	771	1,193	43	41
	<u>8,418</u>	<u>11,216</u>	<u>1,658</u>	<u>3,465</u>

#### 4. OTHER INCOME

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	3	224
Fair value gain on financial assets at fair value through profit or loss	841	330
Government grant	96	538
Sundry income	13	6
	<u>953</u>	<u>1,098</u>

#### 5. LOSS BEFORE TAXATION

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance cost — interest on lease liabilities	4	9
Staff costs (including directors' emoluments)	5,861	5,625
Auditor's remuneration	530	511
Depreciation charge		
— owned property, plant and equipment	51	53
— right-of-use assets	165	171
Amortisation of intangible assets	641	638
Net foreign exchange (gain)/loss	(7)	217
	<u>(7)</u>	<u>217</u>



## 6. INCOME TAX

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Current tax - Hong Kong</b>		
Provision for the period	–	–
<b>Current tax - Other jurisdictions</b>		
Provision for the period	40	266
<b>Deferred tax</b>		
Origination of temporary differences	–	–
	<u>40</u>	<u>266</u>

### Notes:

- (i) Pursuant to the laws, rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.
- (ii) The provision for Hong Kong Profits Tax for the six months ended 30 September 2021 is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits.
- (iii) In accordance with the relevant Taiwan rules and regulations, the Taiwan Corporate Income Tax rate applicable to the Group's subsidiary in Taiwan is 20% for the six months ended 30 September 2021 (2020: 20%).
- (iv) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

## 7. LOSSES PER SHARE

The calculation of the basic losses per share for the six months ended 30 September 2021 and 2020 are based on the following:

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss for the period attributable to equity shareholders of the Company (HK\$'000)	(5,324)	(3,604)
Weighted average number of ordinary shares in issue during the period ('000)	<u>200,000</u>	<u>200,000</u>
Basic and diluted losses per share (HK\$)	<u>(0.03)</u>	<u>(0.02)</u>

During the six months ended 30 September 2021 and 2020, there was no dilutive potential ordinary shares in issue.

The amount of dilutive losses per share is the same as basic losses per share for the six months ended 30 September 2021 and 2020.

## 8. TRADE AND OTHER RECEIVABLES

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Trade receivables	5,298	5,943
Deposits, prepayments and other receivables	3,208	1,285
	<u>8,506</u>	<u>7,228</u>

### Ageing Analysis

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Within 30 days	1,787	1,351
31 to 60 days	1,072	1,262
61 to 90 days	1,131	1,181
91 to 180 days	872	1,529
Over 180 days	436	620
	<u>5,298</u>	<u>5,943</u>

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

## 9. TRADE AND OTHER PAYABLES

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Points provision ( <i>Note</i> )	7,024	7,115
Other payables and accruals	<u>1,261</u>	<u>1,872</u>
	<u><u>8,285</u></u>	<u><u>8,987</u></u>

*Note:* The point provision is analysed as follows:

Balance at beginning of the period/year	7,115	7,375
Exchange adjustments	105	80
Distribution for the period/year	3,032	7,963
Redemption during the period/year	(2,911)	(7,744)
Reversal during the period/year	<u>(317)</u>	<u>(559)</u>
	<u><u>7,024</u></u>	<u><u>7,115</u></u>

## 10. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2021 (2020: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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, Indonesia, the Philippines 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.

The COVID-19 pandemic continues to slow down the advertising industry in all the markets the Group operates in. As a result, the Group has recorded approximately 24.9% decrease in revenue to approximately HK\$8,418,000 (2020: approximately HK\$11,216,000) for the Relevant Period.

Gross profit (after reversal of JAG points i.e. the points which the Group distributes to reward its members to participate in the Group's advertising campaigns) decreased by approximately 49.5% to approximately HK\$2,852,000 (2020: approximately HK\$5,649,000). The Group recorded a loss of approximately HK\$5,324,000 (2020: approximately HK\$3,604,000) for the Relevant Period.

#### **By geographical market**

During the Relevant Period, approximately 77.7% of the Group's revenue (2020: approximately 62.6%) was generated from clients in Hong Kong, while approximately 13.1% (2020: approximately 26.8%) was generated from clients in Taiwan. Malaysia, Indonesia, the Philippines and Singapore contributed to approximately 9.2% of the revenue to the Group (2020: approximately 10.6%).

#### *Hong Kong*

During the Relevant Period, revenue from Hong Kong decreased to approximately HK\$6,544,000 from approximately HK\$7,019,000 in the Previous Period, representing approximately 6.8% decrease. The business environment is still challenging with increasing competition from other online advertising service providers and unstable economic environment. The Group will continue to adjust the service mix to meet clients' needs.

## *Taiwan*

During the Relevant Period, the operating environment in Taiwan continued to be challenging, mainly attributable to the changing behaviour of internet users, increasing competition from other online advertising service providers and the lockdown impact of COVID-19 pandemic. The Group is dealing with the change with a shift of focus on service type. With the various challenges encountered, the revenue from Taiwan for the Relevant Period decreased to approximately HK\$1,103,000 (2020: approximately HK\$3,004,000), representing approximately 63.3% decrease.

## *Southeast Asia*

The COVID-19 pandemic continues to disrupt regular business flow in Southeast Asian countries. Malaysia, Indonesia and the Philippines experienced varying levels of lockdown measures, which affected the advertising industry as well. Total revenue from the Southeast Asia operations was approximately HK\$771,000 (2020: approximately HK\$1,193,000).

## **PROSPECTS**

It is anticipated that the COVID-19 pandemic will continue to affect the advertising industry in the near future. Nevertheless, as soon as those governments in our operating markets ease lockdown measures, the Group remains confident in its ability to rejuvenate sales with our experienced sales team, differentiated advertising services, our strengthened member base and our extensive relationship with reputable clients in various industries. Leveraging on the good relations with media agencies, the Group also expects substantial opportunities such as referrals 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 focus on grooming our new operations to maturity and driving our core markets to new heights.

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

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

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased from approximately HK\$11,216,000 for the Previous Period to approximately HK\$8,418,000 for the Relevant Period, representing a decrease of approximately 24.9%, primarily attributable to decrease in sales in Taiwan.

### **Cost of Services**

The Group's cost of services slightly decreased from approximately HK\$5,567,000 for the Previous Period to approximately HK\$5,566,000 for the Relevant Period.

### **Gross Profit**

Gross profit of the Group decreased by approximately 49.5% from approximately HK\$5,649,000 for the Previous Period to approximately HK\$2,852,000 for the Relevant Period.

### **Selling and Distribution Costs**

Selling and distribution costs of the Group decreased from approximately HK\$3,895,000 for the Previous Period to approximately HK\$3,377,000 for the Relevant Period. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. The decrease was mainly attributable to decrease in promotional expenses on other media platforms.

### **Administrative and Other Operating Expenses**

Administrative and other operating expenses of the Group decreased by approximately 7.7% from approximately HK\$6,181,000 for the Previous Period to approximately HK\$5,708,000 for the Relevant Period. Administrative and other operating expenses mainly consist of staff costs, professional fees, office supplies and stationeries and others. The decrease was mainly attributable to the decrease in professional fees.

### **Income Tax Expenses**

Income tax expenses for the Group decreased from approximately HK\$266,000 for the Previous Period to approximately HK\$40,000 for the Relevant Period. The decrease was mainly attributable to the decrease in taxable profits of our subsidiaries in the Relevant Period.

### **Loss for the Relevant Period**

The Group's net loss was approximately HK\$5,324,000 for the Relevant Period compared to approximately HK\$3,604,000 for the Previous Period. The increase in net loss was mainly attributable to the decrease in revenue for the Relevant Period.

## **Liquidity and Financial Resources**

As at 30 September 2021, the Group had total assets of approximately HK\$49,777,000 (as at 31 March 2021: approximately HK\$56,243,000), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$8,467,000 (as at 31 March 2021: approximately HK\$9,400,000) and approximately HK\$41,310,000 (as at 31 March 2021: approximately HK\$46,843,000) respectively. The current ratio, being the ratio of current assets to current liabilities, as at 30 September 2021 was 5.4 times (as at 31 March 2021: 5.5 times).

## **Capital Expenditure**

Total capital expenditure for the Relevant Period was approximately HK\$3,000 (as at 31 March 2021: approximately HK\$673,000), which was mainly used in the purchase of property, plant and equipment.

## **Contingent Liabilities**

As at 30 September 2021, the Group had no significant contingent liabilities.

## **Gearing Ratio**

The gearing ratio, being the ratio of bank loan to total equity, of the Group as at 30 September 2021 was nil (as at 31 March 2021: nil) due to no bank borrowings for the Relevant Period.

## **Foreign Exchange Exposure**

The functional currency and reporting currency for the Company and its subsidiaries is Hong Kong dollar, except that the functional currencies of certain subsidiaries are New Taiwan dollar, Malaysian Ringgit, Indonesian Rupiah, Philippine peso and Singapore dollar. During the Relevant Period, the Group was not exposed to any significant currency risk.

## **Capital Structure**

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

## **Segmental Information**

Segmental information of the Group is disclosed in note 3 of the unaudited condensed consolidated financial statements.

## Material Acquisitions and Disposals of Subsidiaries

Save as disclosed herein, there was no material acquisition and disposal of subsidiaries by the Company during the Relevant Period.

## Significant Investments Held

During the six months ended 30 September 2021, the Group had the following significant investment held which was classified as financial assets at fair value through profit or loss:

Name of investments	Percentage of shareholding held by the Group as at 30 September 2021	Investment costs <i>HK\$'000</i>	Fair value as at 30 September 2021 <i>HK\$'000</i>	Change in fair value for the six months ended 30 September 2021 <i>HK\$'000</i>	Size as compared to the Group's total assets as at 30 September 2021
<b>Unlisted shares</b>					
— Asia Interactive Content Holdings Limited (“Asia Interactive Content”) ( <i>Note 1</i> )	1.6026%	5,000	1,885	–	3.8%
<b>Wealth management product</b>					
— Wealth management product from UBS AG ( <i>Note 2</i> )	N/A	15,503	18,230	841	36.6%

*Notes:*

- Asia Interactive Content principally provides marketing agency services, including brand building, digital and social media marketing, video production, online and offline strategies and event management. The Directors expect that not only can the investment in Asia Interactive Content bring synergies by forming closer strategic relationship between the Group and Asia Interactive Content for expanding social media coverage and providing business referral opportunities, but can also assist the business of the Group to gain access to China market. It is also expected that the Group can benefit from the growth of marketing agency services of Asia Interactive Content in the coming years.
- On 12 June 2020, the Company subscribed for a wealth management product from UBS AG in the amount of USD2 million. The wealth management product will be invested in investment instruments (such as liquidity, bonds and equities). The portfolio does not include hedge funds, real estate and commodities. The subscription amount had been settled in cash in one lump sum. Details of the subscription of the wealth management product were set out in the announcement of the Company dated 12 June 2020.

Saved as disclosed above and the investment in its subsidiaries, the Group did not hold other significant investments during the six months ended 30 September 2021.



## **Employees and Emolument Policy**

As at 30 September 2021, the Group employed a total of 36 employees (2020: 37 employees). The staff costs of our Group (including directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the Relevant Period were approximately HK\$5,861,000 (2020: approximately HK\$5,625,000).

The remuneration package for our employees generally includes salary and bonus. Our employees also receive welfare benefits, including retirement benefits and medical insurance. We conduct annual review of the performance of our employees for determining 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.

## **EVENT AFTER THE RELEVANT PERIOD**

There is no significant event subsequent to 30 September 2021 which would materially affect the Group's operating and financial performance.

## **OTHER INFORMATION**

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

During the Relevant Period and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **CORPORATE GOVERNANCE CODE**

During the Relevant Period and up to the date of this announcement, the Company has complied with all the code provisions ("**Code Provisions**") of the Corporate Governance Code ("**CG Code**") as set out in Appendix 15 of the GEM Listing Rules except the following deviations. Under Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Meanwhile, Code Provisions A.2.2 to A.2.9 further stipulate the roles of chairman for good corporate governance practices. As the Company has not specifically appointed any one with the respective title of "chairman" and "chief executive officer", the Company has deviated from the aforesaid Code Provisions A.2.1 to A.2.9. The roles of chairman and chief executive officer have been performed by the three executive Directors, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee collectively. Since the three executive Directors are the founders of the Company and have in-depth knowledge about the management as well as the business operations of the Company, the Board believes that vesting the roles of chairman and chief executive officer in the three executive Directors allows efficient business planning and decisions.

The Board is also of the view that the following matters can still be carried out properly under the current structure:

- (i) all Directors are properly briefed on issues arising at board meetings (Code Provision A.2.2);
- (ii) all Directors receive accurate and adequate information in a timely manner (Code Provision A.2.3);
- (iii) establishment of corporate governance practice and procedures (Code Provision A.2.5);
- (iv) effective communication with shareholders (Code Provision A.2.8); and
- (v) full and active contribution of all Directors to the affairs of the Board and constructive relations between executive and non-executive Directors (Code Provisions A.2.6 and A.2.9).

The company secretary has been delegated with the responsibility of drawing up agenda for board meetings, taking into account any matters proposed by other Directors (Code Provision A.2.4).

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

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

Specific enquiries have been made with all Directors, and all Directors confirmed in writing that they have complied with the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules regarding their securities during the Relevant Period and up to the date of this announcement.

## **SHARE OPTION SCHEME**

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

During the Relevant Period and up to the date of this announcement, there was no options granted, exercised, lapsed or cancelled under the Share Option Scheme. As at 30 September 2021, there was no outstanding share option not yet exercised under the Share Option Scheme.

## **COMPETING AND CONFLICT OF INTERESTS**

The Directors are not aware of any business or interests of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the Relevant Period. None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the Relevant Period, and the Directors confirm that none of them is engaged in any business which directly or indirectly, competes or is likely to compete with the business of the Company and any of its subsidiaries or has interest in such business.

## AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 7 March 2018 with its written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 and paragraph D.3 of the CG Code. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ho Ho Tung Armen, Mr. Fenn David and Mr. Kwan Chi Hong. Mr. Ho Ho Tung Armen is the chairman of the Audit Committee.

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

The Audit Committee had reviewed the unaudited condensed consolidated financial statements of the Group for the Relevant Period and is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 8 November 2021

*As at the date of this announcement, the Board of Directors comprises five executive Directors, namely Ms. Cheung Lee, Mr. Law Ka Kin, Mr. Lee Wing Leung Garlos, Mr. Leung Wai Lun and Ms. Xu Xiuhong; and four independent non-executive Directors, namely Mr. Kwan Chi Hong, Mr. Fenn David, Mr. Ho Ho Tung Armen and Ms. Guo Hongyan.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://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](http://www.stream-ideas.com).*