eBROKER GROUP LIMITED
電子交易集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 8036

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This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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BOARD OF DIRECTORS

Executive Directors

Mr. Chan Lap Tak, Douglas *(Chairman)*

Mr. Lo Chi Ho *(Chief Executive Officer)*

Independent Non-Executive Directors

Mr. Chan Chi Kwong Dickson

Mr. Liu Kin Sing

Mr. Au Yeung Po Fung

COMPANY SECRETARY

Mr. Liew Swee Yean, *Certified Public Accountant*

COMPLIANCE OFFICER

Mr. Lo Chi Ho

AUTHORISED REPRESENTATIVES

Mr. Chan Lap Tak, Douglas

Mr. Liew Swee Yean

AUDIT COMMITTEE

Mr. Au Yeung Po Fung *(Chairman)*

Mr. Chan Chi Kwong Dickson

Mr. Liu Kin Sing

REMUNERATION COMMITTEE

Mr. Liu Kin Sing *(Chairman)*

Mr. Au Yeung Po Fung

Mr. Chan Lap Tak, Douglas

NOMINATION COMMITTEE

Mr. Chan Lap Tak, Douglas *(Chairman)*

Mr. Liu Kin Sing

Mr. Chan Chi Kwong Dickson

COMPLIANCE ADVISER

Somerley Capital Limited

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AUDITORS

Gary Cheng CPA Limited

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HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

STOCK CODE

8036

WEBSITE OF THE COMPANY

www.ebrokersystems.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2021.

For the year ended 31 December 2021, the Group recorded revenue of approximately HK$41.6 million, representing an increase of approximately 3.0% as compared to the year ended 31 December 2020. Profit attributable to owners of the Company decreased by approximately 78.3% from approximately HK$1.5 million for the year ended 31 December 2020 to approximately HK$0.3 million for the year ended 31 December 2021. If the decrease of other income and other gains and losses of approximately HK$1.3 million were excluded, the profit attributable to owners of the Company increased by approximately 68.6% from approximately HK$0.2 million for the year ended 31 December 2020 to approximately HK$0.3 million for the year ended 31 December 2021.

The outbreak of Covid-19 in Hong Kong severely impacts the business environment and the daily life in Hong Kong. The travel restrictions make it difficult to expand our business beyond Hong Kong. We rely on our business model emphasizing recurring income and cost control measures to maintain profitability while investing on additional products and services using the latest technologies. We are offering new product features, such as mobile futures and derivatives trading apps, A shares with steaming prices on wealth management app solution Wealto and artificial intelligence functions in various areas of our trading solutions.

On behalf of the Board, I would like to express our sincere gratitude for the hard work of our staff, and the continuous and valuable support of the Group from all our Shareholders and stakeholders.

Chan Lap Tak, Douglas

Chairman

Hong Kong, 23 March 2022

BUSINESS REVIEW

The Group is principally engaged in the provision of financial software solution services to primarily financial institutions (including mainly brokerage firms, proprietary trading firms and wealth management companies) in Hong Kong. The Group derives its revenue mainly from front offices solution service, back office solution service, installation and customisation services, managed cloud service and other services income.

For the year ended 31 December 2021, the Group recorded a revenue of approximately HK$41.6 million, representing an increase of approximately 3.0% from approximately HK$40.4 million recorded for the year ended 31 December 2020. Profit attributable to owners of the Company for the year ended 31 December 2021 amounted to approximately HK$0.3 million, representing a decrease of approximately 78.3% as compared with the profit of approximately HK$1.51 million for the year ended 31 December 2020 mainly due to the decrease of other income and other gains and losses of approximately HK$1.3 million.

OUTLOOK

With the Group's long term objective to strengthen its position as one of the major financial software solution services providers by enhancing its overall competitiveness in the financial technology market, the Group intends to focus on (i) expanding its customer base in wealth management solution; (ii) improving user trading applications; and (iii) expanding our managed cloud services to local brokerage firm clients. The Group believes that the coming year will continue to be shaped by the impact of the Covid-19 pandemic, ongoing geopolitical tensions and the challenging road to economic recovery. Despite these challenges, the Group will continue its focus on executing and delivering its business strategies in response to changes of the external environment, whilst adopting prudent approach to cost control and risk management. We will continue to explore market opportunities so as to achieve a sustainable business growth and long-term benefits of our Shareholders.

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the provision of financial technology solutions which can be classified into (i) front office solution service; (ii) back office solution service; (iii) installation and customisation services; (iv) managed cloud service and (v) other services income. For the year ended 31 December 2021, the Group recorded revenue of approximately HK$41.6 million, representing an increase of approximately 3.0% as compared with the previous year of approximately HK$40.4 million. Such increase was mainly attributable to the significant increase in the revenue from installation and customisation services. The revenue from front office solution service decreased by approximately 8.0% from approximately HK$21.4 million for the year ended 31 December 2020 to approximately HK$19.7 million for the year ended 31 December 2021 due to adverse business and economic conditions. The revenue from installation and customisation services increased by approximately 80.6% from approximately HK$3.0 million for the year ended 31 December 2020 to approximately HK$5.5 million for the year ended 31 December 2021 mainly due to increase in demand for customisation services. The income from managed cloud service decreased by approximately 14.6% from approximately HK$3.7 million for the year ended 31 December 2020 to approximately HK$3.2 million for the year ended 31 December 2021. Other services income increased by approximately 52.1% from approximately HK$1.9 million for the year ended 31 December 2020 to approximately HK$3.0 million for the year ended 31 December 2021 due to increase in product sales.

Purchases of and Changes in Inventories

The Group's purchases of and changes in inventories for the year ended 31 December 2021 increased by approximately HK$0.5 million. Such increase was primarily due to increase of approximately HK$0.6 million in product sales of the Group for the year ended 31 December 2021.

Profit before Tax

The Group's profit before tax for the year ended 31 December 2021 was approximately HK$231,000, representing a decrease by approximately 84.3% when compared with its profit before tax of approximately HK$1.5 million for the year ended 31 December 2020. This was primarily due to (i) decrease of other income and other gains and losses by approximately HK$1.3 million; (ii) decrease of front office solution service income by approximately HK$1.7 million; set off with (iii) increase of installation and customisation service income by approximately HK$2.4 million; and (iv) decrease of legal and professional fees by approximately HK$1.1 million.

Other Income

The Group's other income consists of rental income and interest income on bank deposits. The Group's other income decreased to approximately HK$1.3 million from approximately HK$2.2 million for the year ended 31 December 2020 due to the Government employment support scheme subsidies of approximately HK$1.6 million.

Staff Costs

For the year ended 31 December 2021, the Group's staff costs net of capitalization of approximately HK$2.4 million were approximately HK$24.8 million, representing an increase of approximately 2.0% over the staff costs of approximately HK$24.3 million for the year ended 31 December 2020. The increase was primarily due to the rise in inflation and exchange rate in Renminbi.

Depreciation

The Group's depreciation expenses decreased significantly to approximately HK$2.0 million for the year ended 31 December 2021 representing a decrease of approximately 34.0% from approximately HK$3.1 million for the year ended 31 December 2020. The decrease was primarily due to the decrease in depreciation of right of use assets of approximately HK$1.4 million during the year ended 31 December 2021.

Other Operating Expenses

The Group's other operating expenses mainly include (i) cost of services; (ii) legal and professional expenses; and (iii) rental expenses. The Group's other operating expenses for the year ended 31 December 2021 were approximately HK$13.7 million, representing an increase of approximately 9.8% over the other operating expenses of approximately HK$12.5 million for the year ended 31 December 2020.

Income Tax Credit

The Group's income tax credit for the year ended 31 December 2021 was approximately HK$96,000, representing an increase of approximately 166.7% from tax credit of approximately HK$36,000 for the year ended 31 December 2020. The tax credit for the years ended 31 December 2021 and 2020 represented over-provision of profits tax in prior years.

Profit for the year attributable to owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2021 amounted to approximately HK$0.3 million, representing a decrease of approximately 78.3% as compared with the profit of approximately HK$1.51 million for the year ended 31 December 2020. The decrease was primarily attributable to decrease of other income and other gains and losses of approximately HK$1.3 million for the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts conservative treasury policies and control tightly over its cash and risk management. The Group's operations are financed mainly by of cash generated from operations. The Group recorded net current assets of approximately HK$38.6 million as at 31 December 2021 (2020: HK$39.0 million).

As at 31 December 2021, the Group's current assets amounted to approximately HK$45.1 million (2020: HK$45.9 million) of which approximately HK$7.3 million was trade and other receivables (2020: HK$11.7 million); and approximately HK$19.7 million was bank and cash balances (2020: HK$28.0 million).

As at 31 December 2021, the Group had no interest-bearing and non-interest bearing borrowing. On the same date, the Group had unused banking facilities of HK$5.0 million which was secured by cash deposits of not less than HK$5.0 million, and unused unsecured banking facilities of approximately HK$254,000 (2020: HK$273,000).

Given that there was no interest-bearing borrowing as at 31 December 2021 and 31 December 2020, the gearing ratio is not applicable for analysis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations include: (i) the Group's research and development may not be able to catch up with technological advancements which are important for the Group to maintain its competitiveness; and (ii) the Group may be unable to collect its trade receivables in a timely manner and have to record impairment losses. In addition, the Group's activities are exposed to a variety of financial risks including, credit risk, liquidity risk and interest rate risk.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 19 February 2019. There has been no change in the capital structure of the Company since then. As at 31 December 2021, the capital structure of the Company comprised mainly of issued share capital and reserves.

PLEDGE OF ASSETS

As at 31 December 2021, the Group had pledged its HK$5 million (2020: HK$5 million) bank deposits to secure overdraft facilities granted to the Group to the extent of HK$5 million (2020: HK$5 million).

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the year ended 31 December 2021 and the year ended 31 December 2020.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material capital commitments and contingent liabilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's foreign currency risk is primarily attributable to cash and cash equivalents and the trade payables in Renminbi as set out in note 6(a) to the consolidated financial statements, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents and the trade receivables due from customers and contract assets as set out in note 6(b) to the consolidated financial statements. Our management does not expect significant credit risk as all bank balances are placed with banks with good credit rating and the Group has comprehensive credit policy in place.

EXPOSURE TO LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out in note 6(c) to the consolidated financial statements.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition. The Group does not have significant exposure on interest rate risk. Except as stated above, the Group has no other interest-bearing assets and liabilities as at the end of the reporting period, its income and operating cash flows are substantially independent of changes in variable interest rates.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had a workforce of 52 (2020: 57) full-time employees. The remuneration of the Group's employees is determined depending on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations. For the year ended 31 December 2021, the total employee benefit expenses (including salaries, bonuses, allowances, equity-settled share-based payment and retirement benefit scheme contributions) of the Group after capitalization of approximately HK$2.4 million (2020: HK$1.9 million) to intangible assets was approximately HK24.8 million (2020: HK$24.3 million). The Company has adopted a share option scheme on 22 January 2019 to enable the Company to grant options to, amongst others, the employees and directors of the Group. To recognise and reward the eligible employees for their contributions to the business and development of the Group, the Company has adopted a share award scheme on 12 August 2019.

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments as at 31 December 2021. Save as disclosed in the Prospectus and the events after the reporting period as set out in note 39 to the consolidated financial statements, the Company did not have other plans for material investments or capital assets.

CHANGE IN AUDITOR IN ANY OF THE PRECEDING THREE YEARS

RSM Hong Kong retired as auditor of the Company on 21 June 2021. Gary Cheng CPA Limited was appointed as auditor of the Company on 21 June 2021. Save for the above-mentioned changes, in any of the preceding three years, the auditor of the Company had not been changed.

USE OF PROCEEDS FROM LISTING

The net proceeds from the share offer were approximately HK$23.3 million, which was based on the gross proceeds from the share offer less the actual expenses related to the Listing.

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

On 29 September 2021, the Board resolved to change the use of the unutilized net proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's announcement dated 29 September 2021 ("2nd UOP Announcement"). Subsequent to the Listing and up to 31 December 2021, these proceeds were used for the purposes in accordance with the future plans as set out in the Prospectus (as changed on 22 January 2020 and 29 September 2021) and the details of the utilization amount of net proceeds from Listing up to 31 December 2021 set out as below:

Intended use of the net proceeds	Amount of net proceeds allocated at the Listing (as revised on 22 January 2020) HK$million	Actual amount utilized from the date of Listing up to 29 September 2021 HK$million	Reallocation in use of unutilized net proceeds on 29 September 2021 HK$million	Amount of unutilized net proceeds after reallocation HK$million	Actual amount utilized up to 31 December HK$million	Unutilized net proceeds up to 31 December HK$million	Expected timeline for full utilisation of the unutilized net proceeds
Expand our business in Wealth Management Solution	2.60	1.08	2.11	3.63	1.72	2.99	End of December 2022
(i) man power investment by hiring one experienced business analyst	1.09	1.07	–	0.02	1.09	–	N/A
(ii) man power investment by hiring independent third party research and development personnels	1.45	–	(1.45)	–	–	–	N/A
(iii) establishing and developing own in-house research and development team	–	–	3.46	3.46	0.59	2.87	End of December 2022
(iv) marketing communication expenses including fees for participating in industry exhibitions or seminars and running sales campaigns	0.06	0.01	(0.05)	–	0.01	–	N/A
(v) marketing communication expenses including fees for digital marketing activities	–	–	0.15	0.15	0.03	0.12	End of December 2022
Improve our user trading applications	6.80	1.60	(0.71)	4.49	2.54	3.55	End of December 2022
(i) man power investment by hiring one experienced business analyst	1.16	1.08	–	0.08	1.16	–	N/A
(ii) man power investment by hiring independent third party research and development personnels	1.91	–	(1.91)	–	–	–	N/A
(iii) establishing and developing own in-house research and development team	–	–	3.44	3.44	0.59	2.85	End of December 2022
(iv) application for market data licence from HKEX involving OMD securities premium feed redistribution fee, OMD derivatives premium feed redistribution fee, and connection fee	1.88	0.50	(0.57)	0.81	0.73	0.58	End of December 2022
(v) data centre deployment involving fees for deployment of low latency infrastructure at HKEX co-location data centre, network equipment, and annual maintenance cost	1.58	–	(1.58)	–	–	–	N/A
(vi) marketing communication expenses including fees for digital marketing activities	0.27	0.02	(0.09)	0.16	0.06	0.12	End of December 2022
Expand our managed cloud services to local brokerage firm clients	2.60	1.23	(0.25)	1.12	1.69	0.66	End of December 2022
(i) man power investment by hiring a network support engineering for running the cloud services	0.83	0.67	–	0.16	0.82	0.01	End of December 2022
(ii) data centre deployment	1.28	0.56	(0.14)	0.58	0.75	0.39	End of December 2022
(iii) marketing communication expenses involving hosting industry seminar, participating in industry exhibitions and seminars, and putting advertisements	0.49	–	(0.49)	–	–	–	N/A
(iv) marketing communication expenses including fees for digital marketing activities	–	–	0.38	0.38	0.12	0.26	End of December 2022
Establish our research and development centre in the PRC	10.70	9.45	(1.25)	–	9.45	–	N/A
(i) Acquisition of property in Luohu, Shenzhen, the PRC	9.50	9.43	(0.07)	–	9.43	–	N/A
(ii) Renovation of the acquired property and acquisition of furnitures	0.37	–	(0.37)	–	-	–	N/A
(iii) Acquisition of computer hardware such as computers and network modules	0.55	0.02	(0.53)	–	0.02	–	N/A
(iv) Acquisition of computer software such as operating system and data processing software	0.28	–	(0.28)	–	–	–	N/A
General working capital	0.60	0.60	0.10	0.10	0.70	–	End of December 2022
	23.30	13.96	–	9.34	16.10	7.20	

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL PROGRESS

The following is a comparison of the Group's business objectives as set out in the Prospectus and the 1st UOP Announcement and 2nd UOP Announcement with actual progress for the year ended 31 December 2021:

Business objectives as set out in the Prospectus (as amended in the 1st UOP Announcement and 2nd UOP Announcement)	Actual progress from 1 January 2021 up to 31 December 2021
Expand business in Wealth Management Solution	
– man power investment by hiring one experienced business analyst – establishing and developing own in-house research and development team – marketing communication expenses including fees for digital marketing activities	As disclosed in the 2nd UOP Announcement, the Board considered that it is important for the Group to maintain its competitive edge of its technical competence, and thus the Group needs additional funds to continue to develop its existing research and development capability in order to differentiate the Group's performance and market share from other market players. The Group has decided to establish its own in-house research and development team rather than leaning on third-party personnel. Following the setting up of our research and development centre in the PRC in 2020, we have hired 20 staff for the centre by the end of 2021. The in-house research and development team were involved in the Wealth Management Solution enhancement projects. The Company keeps reviewing the recruitment plan for the R&D team based on market situation. Further, as disclosed in the 2nd UOP Announcement, the Board considered that instead of participating external events and engaging vendors to host face-to-face marketing communication activities for the Group, it is more appropriate and realistic to undertake alternative marketing activities. During the year ended 31 December 2021, the Group has recruited two additional marketing staff, who are responsible for devising digital marketing campaigns and maintaining the Group's social media accounts.
Improve user trading applications	
– man power investment by hiring one experienced business analyst – establishing and developing own in-house research and development team – application for market data licence from HKEX involving OMD securities premium feed redistribution fee, OMD derivatives premium feed redistribution fee, and connection fee – marketing communication expenses including fees for digital marketing activities	As disclosed in the 2nd UOP Announcement, the Board considered that it is important for the Group to maintain its competitive edge of its technical competence, and thus the Group needs additional funds to continue to develop its existing research and development capability in order to differentiate the Group's performance and market share from other market players. The Group has decided to establish its own in-house research and development team rather than leaning on third-party personnel. Following the setting up of our research and development centre in the PRC in 2020, we have hired 20 staff for the centre by the end of 2021. The in-house research and development team has started on the internet trading application projects and market data services project. The Company keeps reviewing the recruitment plan for the R&D team based on market situation. Further, as disclosed in the 2nd UOP Announcement, the Board considered that instead of participating external events and engaging vendors to host face-to-face marketing communication activities for the Group, it is more appropriate and realistic to undertake alternative marketing activities. During the year ended 31 December 2021, the Group has recruited two additional marketing staff, who are responsible for devising digital marketing campaigns and maintaining the Group's social media accounts.

Business objectives as set out in the Prospectus (as amended in the 1st UOP Announcement and 2nd UOP Announcement)	**Actual progress from 1 January 2021 up to 31 December 2021**
Expand our managed cloud services to local brokerage firm clients	
– man power investment by hiring a network support engineering for running the cloud services – data centre deployment – marketing communication expenses including fees for digital marketing activities	As disclosed in the 2nd UOP Announcement, the Board has weighted up the costs and the benefits and considered that based on (i) the current infrastructure and capacity of the data centre, (ii) the Group's current and its clients' business and operation need, and (iii) the Group's current direction of expansion, and has resolved to make a downward adjustment to the allocation of Net Proceeds for further deploying the data centre for managed cloud services. To improve our managed cloud services, the Company has been working closely with the data centre partners to enhance the connectivity for its customers and migrated all lease line connections to the new HKT CE2.0 platform. Further, as disclosed in the 2nd UOP Announcement, the Board considered that instead of participating external events and engaging vendors to host face-to-face marketing communication activities for the Group, it is more appropriate and realistic to undertake alternative marketing activities. During the year ended 31 December 2021, the Group has recruited two additional marketing staff, who are responsible for devising digital marketing campaigns and maintaining the Group's social media accounts.
Establish our research and development centre in the PRC	
– acquisition of property in Luohu, Shenzhen, the PRC – acquisition of computer software such as operating system and data processing software	The establishment of our research and development centre in the PRC has been completed and the centre was in operation during the year ended 31 December 2020. As disclosed in the 2nd UOP Announcement, due to the availability existing partners' licenses and open source licenses and considering its actual business and operation needs, the Group considered that there is no need to purchase additional computer software for use in the research and development centre. Hence, the Board has resolved that no further capital expenditure would be required for the intended use for the establishment of the research and development centre.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. CHAN Lap Tak, Douglas(陳立德), aged 56, is an executive Director, founder of the Group and Chairman. Mr. Chan is responsible for formulating and monitoring the Company's overall strategic plan and research and development. Mr. Chan is the architect of the Group's global order management system as well as a key researcher of alpha investment model. Mr. Chan has over 30 years of experience in the securities and derivatives field in the United States and Hong Kong. He was the first generation involved in financial network computing technologies with over 30 years of experience on the Arpanet/Internet and over 30 years of experience in the brokerage industry. Prior to founding the Group, Mr. Chan was a vice president and executive director at The Goldman Sachs Group, Inc. in the United States, a global investment banking, securities and investment management firm that provides a wide range of financial services and listed on the New York Stock Exchange (stock symbol: GS), between July 1991 and January 2000 and helped in setting up its Asian equity derivatives business in 1994. He was also a member of the quantitative strategies group at The Goldman Sachs Group, Inc. and was responsible for developing various global trading and risk management systems for both cash and equity derivatives. Mr. Chan was then transferred to the Hong Kong office in September 1994 and gained experience with trading systems at both the Stock Exchange and the Hong Kong Futures Exchange. He worked at The Bear Stearns Companies, Inc., a New York-based global investment bank and securities trading and brokerage firm as vice president in advanced technologies between August 1987 and September 1989. In the late 1980s, he was also the first generation in developing program trading systems in a distributed computing environment when he worked at Salomon Brothers, an investment banking firm providing investment-banking, securities underwriting, and foreign exchange trading services as manager of systems programming between October 1989 and July 1991 in the United States.

Mr. Chan was a member of the derivatives market consultative panel of HKEX from June 2009 to May 2015. He was awarded the Hong Kong Computer Society Outstanding IT Achiever Awards 2008 – IT Professional Competency Award in March 2009.

Mr. Chan graduated from the State University of New York at Stony Brook, United States as the valedictorian with Bachelor's Degree of science majoring in computer science in May 1985 and was further awarded the degree of Master of Science majoring in computer science by the New York University, United States in May 1992.

Mr. LO Chi Ho(盧志豪), aged 49, is an executive Director and the chief executive officer. Mr. Lo is responsible for developing the Group's solutions with the latest technology. Mr. Lo has over 18 years of experience in the software industry and more than 10 years of experience in applying the latest technology to improve finance business processes. Prior to joining the Group in 2007, Mr. Lo worked for Hongkong and Shanghai Banking Corporation, a licensed bank in Hong Kong, as an IT project manager of CIBM IT cross products between September 2006 and July 2007 and he was responsible for project management in relation to information technology.

Mr. Lo graduated from the University of Michigan, United States with the degree of bachelor of science in engineering in August 1994. He subsequently obtained a degree of Master of Science in information systems management from the Hong Kong University of Science and Technology in November 2003.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Chi Kwong, Dickson (陳智光), aged 50, was appointed as an independent non-executive Director of the Company on 19 June 2018. He is a member of the Company's audit committee and nomination committee.

Mr. Chan has over 30 years of experience in accounting, auditing and taxation matters. Mr. Chan was an independent non-executive director of Sanbase Corporation Limited (stock code: 8501) from January 2020 to November 2021.

Mr. Chan is a fellow member and CPA (Practising) of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. Chan holds a master's degree in corporate finance from The Hong Kong Polytechnic University and a bachelor of laws degree from the City University of Hong Kong.

Mr. AU YEUNG, Po Fung (歐陽寶豐), aged 54, was appointed as an independent non-executive Director on 19 June 2018. He is the chairman of the Company's audit committee and a member of the remuneration committee.

Mr. Au Yeung has over 31 years of experience in property development, financing, credit control, tax and other financial matters.

Mr. Au Yeung has worked at various financial institutions, conglomerates and an international audit firm. Mr. Au Yeung has been a fellow member of the Institute of Chartered Accountants in England and Wales since July 2015, a chartered financial analyst of the CFA Institute since September 2006, a fellow member of the Association of Chartered Certified Accountants since November 2000, and a fellow member of the Hong Kong Institute of Certified Public Accountants since May 2003.

Mr. Au Yeung was an independent non-executive director of China LNG Group Limited (stock code: 931) from July 2016 to September 2019 and an independent non-executive director of GR Properties Limited (stock code: 108) from July 2017 to February 2020 and an independent non-executive director of Shanshan Brand Management Co., Ltd. (stock code: 1749) from May 2018 to June 2021.

Mr. Au Yeung has been appointed as an independent non-executive director of Redsun Properties Group Limited (stock code: 1996) since June 2018, an independent non-executive director of Zhongliang Holdings Group Company Limited (stock code: 2772) since June 2019, an independent non-executive director of Sinic Holdings (Group) Company Limited (stock code: 2103) since August 2019, an independent non-executive director of Zhenro Services Limited (stock code: 6958) since June 2020 and an independent non-executive director of Sunkwan Properties Group Limited (stock code:6900) since October 2020.

Mr. Au Yeung graduated from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1990 with a degree of bachelor of arts in business studies.

Mr. LIU Kin Sing (廖健昇), aged 53, was appointed as an independent non-executive Director on 19 June 2018. He is the chairman of the Company's remuneration committee and a member of the audit committee and the nomination committee. Mr. Liu has over 30 years of experience in the legal industry in Hong Kong. He started his career as an articled clerk in Boase Cohen & Collins Solicitors & Notaries ("BC&C"), a law firm in Hong Kong, between August 1991 and July 1993, and was an assistant solicitor there between August 1993 and April 1995. In September 1999, he re-joined BC&C as a consultant and has been a partner of BC&C since December 2000.

Mr. Liu is also a member of the Guardianship Board and the Transport Tribunal's Panel. He is also an independent director of the Travel Industry Council of Hong Kong. He was also a member of the Solicitors Disciplinary Tribunal Panel between January 2005 and January 2017 and a member of the Board of Review (Inland Revenue Ordinance) between 2008 and 2019. He was also an honorary legal adviser of the International Association of Lions Clubs District 303 Hong Kong & Macao, China between 2015 and 2020.

Mr. Liu is also an honorary legal adviser of the Hong Kong Small and Medium Enterprises Association, the Deputy School Supervisor of Lions College and the legal adviser of the Hong Kong General Chamber of Young Entrepreneurs.

Mr. Liu graduated from the University of Hong Kong with a bachelor degree of laws in June 1990. He then obtained a Postgraduate Certificate in Laws from the same university in June 1991. Mr. Liu was admitted as a solicitor in the Supreme Court, now the High Court of Hong Kong in July 1993. In June 2008, Mr. Liu obtained a Master of Business Administration from the Kellogg School of Management, Northwestern University jointly with the School of Business and Management of the Hong Kong University of Science and Technology.

SENIOR MANAGEMENT

Mr. LIEW Swee Yean (劉瑞源), aged 58, is the financial controller and company secretary of our Group. Mr. Liew joined our Group in 2012 and he has over 30 years of experience in finance and general management. Mr. Liew is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Liew holds a Master of Business Administration (Executive) Degree from the City University of Hong Kong. He has been an independent non-executive director with Kaisun Holdings Limited (stock code: 8203) since November 2006.

DIRECTORS' REPORT

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 May 2016 under the Companies Law. Pursuant to a reorganisation of the Group in preparation for the listing of the Shares on GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group. Details of the corporate reorganisation are set out in the section headed "History, Reorganisation and Group Structure" in the Prospectus. The Shares were listed on GEM of the Stock Exchange on 19 February 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the provision of financial technology solution to primarily financial institutions. Details of the principal activities of the subsidiaries are set out in note 22 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2021.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a fair review of the Group's business, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 4 to 10 of this report. The discussion forms part of this Directors' report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2021 and the Group's financial position at that date are set out in the consolidated financial statements on pages 32 to 33 respectively of this report.

The Company has adopted a general dividend policy on 25 March 2019, pursuant to which the Company may declare and distribute dividends to allow Shareholders to participate in the Company's profits and for the Company to retain adequate reserves for further growth. In deciding whether to recommend the payment of dividend to Shareholders, the Board shall take into account, inter alia, the following factors:

- the general financial condition of the Group;
- the Group's actual and future operations and liquidity position;
- the Group's expected working capital requirements and future expansion plans;
- the Group's debt to equity ratios and the debt level;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the Shareholders' and the investors' expectation and industry's norm;
- the general market conditions; and
- any other factors that the Board deems appropriate.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board's discretion. The Board will review the dividend policy of the Company on a regular basis.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

There is no arrangement that a Shareholder has waived or agreed to waive any dividends.

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and the Prospectus, is set out on page 82. This summary does not form part of the audited consolidated financial statements.

REVENUE

An analysis of the Group's revenue for the year ended 31 December 2021 is set out in note 8 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2021 are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2021 are set out in note 32 to the consolidated financial statements.

PURCHASE, SALE, REDEMPTION OR CANCELLATION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any securities, convertible securities, options, warrants or similar rights of the Company during the year ended 31 December 2021 and up to the date of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2021 are set out in note 33(b) to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the reserves available for distribution to owners of the Company were approximately HK$58,650,000 (2020: HK$60,871,000).

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to HK$200,000 (2020: HK$Nil).

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2021, sales to the Group's five largest customers accounted for approximately 23.6% (2020: 24.9%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 7.0% (2020: 7.9%). Sales to the five largest customers did not exceed 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for approximately 86.2% (2020: 92.7%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 36.1% (2020: 53.5%).

As at 31 December 2021, Mr. Chan Lap Tak, Douglas, an executive Director and the Chairman, was together with his close associates, interested in approximately 16.67% (2020:16.67%) in one of the Group's five largest suppliers. Save as disclosed above, during the year ended 31 December 2021, none of the Directors, their associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued shares) had any interest in the Group's five largest suppliers.

DIRECTORS

The Directors during the year ended 31 December 2021 and up to the date of this report were:

EXECUTIVE DIRECTORS

Mr. Chan Lap Tak, Douglas *(Chairman)*
Mr. Lo Chi Ho *(Chief Executive Officer)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Kwong Dickson
Mr. Liu Kin Sing
Mr. Au Yeung Po Fung

Pursuant to article 84(1) of the Articles, not less than one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Company has received, from each of the independent non-executive Directors, a written confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and as at the date of this report, the Company still considers them to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 11 to 12 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from the Listing Date and each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for a term of three years commencing from the Listing Date. Both the service contract and the appointment letter may be terminated by not less than three months' notice in writing served by either party on the other.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICY AND SHARE-BASED COMPENSATION SCHEME

The remuneration of the Group's employees is determined based on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its compensation and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations. The long term incentive scheme of the Group include share option scheme and share award scheme.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration committee of the Company is set up for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group. The Directors' fees are subject to Shareholders' approval at general meeting. Other emoluments of the Directors are determined with reference to market conditions, directors' duties, responsibilities and performance and the results of the Group.

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 16 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled under the Articles to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him or her as a Director in the execution or discharge of his or her duty.

As at the date of this report, the Company has taken out Directors' and officers' liabilities insurance which provides appropriate coverage for the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as those disclosed in the paragraph headed "Continuing connected transactions" and in notes 16(d) and 38 to the consolidated financial statements, no other transactions, arrangements or contracts of significance, to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with him had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2021 or at any time during the year.

CONTRACT OF SIGNIFICANCE

Save for the related party transactions disclosed in note 38(a) to the consolidated financial statements, there was no contract of significance between the Company or any of its subsidiaries and a Controlling Shareholder or any of its subsidiaries, nor any contract of significance for provision of services to the Company or any of subsidiaries by a Controlling Shareholder or any of its subsidiaries during the year ended 31 December 2021.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 December 2021.

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

As at 31 December 2021, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions

Number of Director	**Capacity and nature of interest**	**Number of Shares held**	**Approximate percentage of the issued Shares**
Mr. Chan Lap Tak, Douglas ("**Mr. Chan**")	Interest of Spouse *(Note 1)*	2,291,420	0.19%
Mr. Lo Chi Ho *(who is also the chief executive officer)*	Beneficial interest *(Note 2)*	10,810,010	0.9%

Notes:

1. Mr. Chan is the spouse of Ms. Cheung Mee Kuen, Amy ("**Ms. Cheung**") and is deemed to be interested in all the Shares in which Ms. Cheung is interested by virtue of the SFO.
2. The interest comprises 9,100,010 shares and 730,000 and 980,000 underlying shares in respect of award shares were vested on 31 December 2020 and 20 January 2022 respectively.

Save as disclosed above, as at the date of this report, none of the Directors or chief executive of the Company nor their associates had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long positions in the Shares

Name	**Capacity and nature of interest**	**Number of Shares held**	**Approximate percentage of the issued Shares**
Quantsmile (BVI) Limited ("**Quantsmile (BVI)**")	Beneficial interests	411,902,870 *(note 1)*	33.49%
Eagle Business Consulting Limited ("**Eagle Business Consulting**")	Beneficial interests /Interest in a controlled corporation	664,296,910 *(note 1 and note 2)*	54.01%
Good Steward Foundation Limited ("**Good Steward Foundation**")	Interest in a controlled corporation	664,296,910 *(note 2 and note 3)*	54.01%
Financial Data Technologies Limited ("**Financial Data Technologies**")	Beneficial interests	130,000,000 *(note 4)*	10.57%
Mr. Nie Lehui	Interest in a controlled corporation	130,000,000 *(note 4)*	10.57%
Bank of Communications Trustee Ltd.	Trustee	112,300,000 *(note 5)*	9.13%

Notes:

(1) Quantsmile (BVI) is an investment holding company incorporated in the BVI and is held as to approximately 50.85% by Eagle Business Consulting, 23.73% by Supergrand and 25.42% jointly by Mr. Chan (our executive Director) and Ms. Cheung (the spouse of Mr. Chan). By virtue of the SFO, Eagle Business Consulting is deemed to be interested in the Shares held by Quantsmile (BVI) in the Company.

(2) Eagle Business Consulting is an investment holding company incorporated in Hong Kong and is held as to approximately 95.24% by Good Steward Foundation and 4.76% by Ms. Cheung (the spouse of Mr. Chan), Good Steward Foundation is deemed to be interested in the Shares held by Quantsmile (BVI), which held approximately 33.49% interests in the Company.

(3) Good Steward Foundation is a charitable company incorporated in Hong Kong and holds approximately 95.24% interest in Eagle Business Consulting, which holds approximately 50.85% in Quantsmile (BVI), which in turn held approximately 33.49% interests in the Company. By virtue of the SFO, Good Steward Foundation is deemed to be interested in the Shares held by Eagle Business Consulting.

(4) Financial Data Technologies, is beneficially wholly owned by Mr. Nie Lehui.

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

Save as disclosed above, as at 31 December 2021, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "**Scheme**") pursuant to the resolutions passed by the Shareholders at an extraordinary general meeting held on 22 January 2019. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors (including executive directors, non-executive directors and independent non-executive directors) and employees of any member the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture partners, promoters, service providers of any member of the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years after the date on which the Scheme is adopted.

The total number of securities available for issue under the Scheme is 123,000,000 ordinary Shares, being 10% of the issued Shares of the Company as at the date of this report. The maximum number of share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the ordinary Shares in issue at any time. The maximum number of shares issuable under share options granted to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the Shares in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of grant. A consideration of HK$1.00 is payable on the acceptance of the offer of grant of an option. The exercise period of the share options granted is determinable and notified by the directors, but shall end not later than 10 years from the date on which the share option is deemed to be granted and accepted in accordance with the Scheme.

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Shares on the date of offer of the share options which must be a Business Day; (ii) the average Stock Exchange closing price of the Shares for the five Business Days immediately preceding the date of offer; and (iii) the nominal value of the Shares on the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. Details of the Scheme are set out in the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus.

No share option has been granted since the adoption of the Scheme.

SHARE AWARD SCHEME

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

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

During the year ended 31 December 2021, a total of 21,400,000 award shares were granted under the Share Award Scheme. For details of the grant of award shares, please refer to the announcement of the Company dated 10 February 2021.

During the year ended 31 December 2021, the Company did not issue any new shares nor arranged any funds to be paid to the trustee for purchasing shares of the Company on the Stock Exchange. As at 31 December 2021, there were 10,248,000 shares held in trust under the Share Award Scheme (excluding shares vested but not yet transferred to the awardees).

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the sections headed "Directors' and chief executive's interests in shares, underlying shares and debentures", "Share option scheme" and "Share Award Scheme" above, at no time during the year ended 31 December 2021 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the year ended 31 December 2021 or subsisted at the end of the year.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 December 2020 and 2021 are set out in note 38 to the consolidated financial statements.

During the year ended 31 December 2020, the income arising from a related company, as described in note 38(a) to the consolidated financial statements, were management fees received from Winner Star Technology. Winner Star Technology was a related person of the Company as it was owned as to 49% by eBroker Systems Limited ("**eBroker Systems**"), an indirect subsidiary of the Company, and 51% by Megahub Limited, an independent third party.

The related party transactions constitute connected transactions under the GEM Listing Rules, details of which are disclosed in the paragraph headed "Continuing connected transactions" below.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions of the Group during the years ended 31 December 2020 and 2021 are as follows:

Tenancy agreement with Easy System Design Company Limited ("Easy System")

Easy System, a company incorporated in Hong Kong with limited liability, is wholly owned by eBroker Limited (Cayman Island) ("**eBroker Limited**"), which is in turn owned by Quantsmile (BVI), one of the Company's controlling shareholders, as to approximately 41.19%. Easy System is therefore an associate of Quantsmile (BVI) under Rule 20.11(3) of the GEM Listing Rules and accordingly, a connected person of the Company under Rule 20.07(4) of the GEM Listing Rules.

On 5 November 2018, eBroker Systems (as tenant) and Easy System (as landlord) entered into a tenancy agreement ("**Tenancy Agreement**") for a term of three years from 1 January 2019 to 31 December 2021 at a monthly rent of HK$180,000 for leasing of a property in Hong Kong (the "**Property**") as its office. The total rent paid by eBroker Systems to Easy System under the Tenancy Agreement for the year ended 31 December 2020 amounted to HK$2,160,000. As disclosed in the announcement on 31 December 2020, eBroker Systems was informed by Easy System that eBroker Limited disposed its 100% shares held in Easy System (which wholly owns the property), to an independent third party and such sale was completed on 31 December 2020. Following the completion of the sale, Easy System ceased to be a connected person of the Company. Accordingly, the transaction contemplated under the Tenancy Agreement no longer constitutes continuing connected transaction for the Company pursuant to the GEM Listing Rules. Further, in view of the change in ownership of Easy System, eBroker Systems and Easy System mutually agreed to an early termination of the New Tenancy Agreement and entered into a new tenancy agreement for a term of six months commencing from 1 January 2021 to 30 June 2021 as eBroker Systems will continue to use the Property for use as office. For details, please refer to the announcement of the Company dated 31 December 2020.

Provision of financial software solutions and maintenance services to Beevest Securities Limited ("Beevest Securities")

Financial Data Technologies is the Company's substantial Shareholder and is a connected person of the Company under Rule 20.07(1) of the GEM Listing Rules.

Beevest Securities, a company incorporated in Hong Kong with limited liability, was acquired by Beevest Capital Limited in August 2016 and became its direct wholly-owned subsidiary. As Beevest Capital Limited is directly wholly owned by Financial Data Technologies, Beevest Securities is an indirect wholly-owned subsidiary of Financial Data Technologies. Beevest Securities is therefore an associate of Financial Data Technologies under Rule 20.11(1) of the GEM Listing Rules upon Listing and accordingly, a connected person of the Company under Rule 20.07(4) of the GEM Listing Rules.

On 22 January 2019, eBroker Systems entered into a master service agreement (the "**Master Service Agreement**") with Beevest Securities for a term of three years commencing from the Listing Date and shall continue for the period ending on 31 December 2021, being the last day of the third financial year from the effective date. Pursuant to the Master Service Agreement, the Group would provide financial software solutions and maintenance services to Beevest Securities. For the year ended 31 December 2019, the aggregate amount received and receivable from Beevest Securities to the Group under the Master Service Agreement was approximately HK$538,800. The annual caps for the service fees are HK$2,200,000 and HK$2,200,000, respectively, for each of the years ending 31 December 2020 and 2021.

During the year ended 31 December 2021, the actual amounts of all the continuing connected transactions paid under the agreements did not exceed the respective aggregate annual cap as previously disclosed in the Prospectus.

Confirmation of independent non-executive directors

Pursuant to Rule 20.53 of the GEM Listing Rules, the audit committee comprising three independent non-executive Directors, under the authority delegated by the Board, reviewed all the aforesaid continuing connected transactions.

All of the independent non-executive Directors confirmed that the continuing connected transactions were entered into in the ordinary and usual course of business of the Group, and on normal commercial terms or better and which are no less favourable than those terms available from independent third parties, and in accordance with the terms of the continuing connected transactions under the respective agreements which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Gary Cheng CPA Limited, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740" Auditor's Letter on continuing connected transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing the findings and conclusions in respect of the continuing connected transactions set out above in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules as at the date of this report.

COMPETING INTEREST

During the year ended 31 December 2021 and up to the date of this report, none of the Directors or the Controlling Shareholders or their close associates (as defined in the GEM Listing Rules) are interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor did they have any conflicts of interest with the Group.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders, namely Quantsmile (BVI), Mr. Chan, Ms. Cheung, Eagle Business Consulting and Good Steward Foundation, entered into a deed of non-competition dated 22 January 2019 (the "**Deed of Non-Competition**") in favour of the Company, under which each of the Controlling Shareholders, among other things, irrevocably and unconditionally, jointly and severally, warrants and undertakes to the Company (for itself and as trustee for each of its subsidiaries) on competition related matters. Details of the Deed of Non-Competition are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in, or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and on the basis of such confirmation, are of the view that the Controlling Shareholders have complied during the year ended 31 December 2021 that the undertakings under the Deed of Non-Competition.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

INTERESTS OF THE COMPLIANCE ADVISER

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

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group has maintained a good relationship with its employees, customers and suppliers:

Employees: The employees of the Group are its key assets and their dedication contribute to the successful business operations of the Group. The Group, therefore, strives to treat all of its employees with respect and equity, and create a safe and motivating workplace for its employees to work in. To realize fully its employees' potentials and ensure job satisfaction, the Group has organized various trainings for its employees to acquire new knowledge and skills, and to further develop their careers. By organizing different staff activities, the Group works to improve staff relationships and build up a sense of belonging, and to maintain a good work-life balance for its employees.

Customers: The Group maintains ongoing communication with its customers through various channels such as presentation of ideas, calls, emails and meetings. The Group generates new business through its own marketing initiatives, referrals from existing clients and the IT professionals from the finance industry.

Suppliers: Maintaining a reliable and sustainable service supply chain is the key to the success of the Group's services. The Group strives to maintain good partnership with its suppliers, and technical service providers. The Group has a comprehensive supplier selection and assessment process to select suitable suppliers for the business operations of the Group. This process ensures that the suppliers can meet the Group's requirements, and deliver quality products and services.

A separate report on environmental, social and governance matters ("**ESG Report**") will be published within three months after the publication of this annual report. The ESG Report will be prepared in accordance with Appendix 20 to the GEM Listing Rules. The ESG Report will be available on the website of the Company at www.ebrokersystems.com. The Company will provide a shareholder with an ESG Report in printed from upon its specific request.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular those which have significant impact on the Group. The Board reviews and monitors the Group's policies and practices on compliance with legal and regulatory requirements on a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

From the Listing Date and up to the date of this annual report, to the best of the Company's knowledge, information and belief, having made all reasonable enquiries, the Group has complied with the requirements under the GEM Listing Rules, SFO and the Companies Law. Details of the Company's compliance with the code provisions as set out in the CG Code are provided in the Corporate Governance Report of this annual report.

CORPORATE GOVERNANCE

Details of the principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 22 to 28 of this report.

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2022, the Board has resolved to grant an aggregate of 9,280,000 award shares, all in the form of existing Shares, to 42 selected persons and 3 connected persons under the Scheme. The award shares represent approximately 0.75% of the total number of Shares in issue as at the date of this report. Based on the closing price of HK$0.09 per share on the date of grant of the award shares, the market value of the 9,280,000 award shares in aggregate is approximately HK$835,200. Subject to the satisfaction of the vesting conditions, 980,000 of the award shares shall be vested on the date of grant, 4,640,000 of the award shares shall be vested to the respective selected persons on 31 December 2022 and 3,660,000 of the award shares shall be vested to the respective selected persons on 31 December 2023.

The number of Award Shares granted is determined after taken into account, among others, the selected persons' positions, experience, years of service, performance and contribution to the Company, its subsidiaries and/or associated entities.

For further details, please refer to the Company's announcements dated 20 January 2022 and 27 January 2022.

INDEPENDENT AUDITOR

Following the resignation of RSM Hong Kong ("**RSM**") as auditors of the Company on 21 June 2021, Gary Cheng CPA Limited ("**GCCPAL**") was appointed as the auditors of the Company by the Board with effect from 21 June 2021 to fill the vacancy following the resignation of RSM.

The Board confirmed that there was no disagreement between RSM and the Company.

Save as disclosed above, there were no other changes in auditors of the Company during the past three years.

The consolidated financial statements for the year have been audited by GCCPAL, who will retire and, being eligible, will offer themselves for re-appointment at the AGM. A resolution will be proposed at the AGM for the re-appointment of GCCPAL as auditor of the Company.

By order of the Board

Chan Lap Tak, Douglas

Chairman and Executive Director

Hong Kong, 23 March 2022

The Board hereby presents this corporate governance report ("CG Report") in the Group's annual report for the year ended 31 December 2021.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that during the year ended 31 December 2021 (the "**Relevant Period**"), the Company has complied with all applicable code provisions as set out in the CG Code.

BOARD OF DIRECTORS

Board composition and responsibilities

Our Board consists of five Directors, including two executive Directors and three independent non-executive Directors. Details of their composition by category are as follows:

Executive Directors

Mr. Chan Lap Tak, Douglas *(Chairman)*
Mr. Lo Chi Ho *(Chief Executive Officer)*

Independent Non-Executive Directors

Mr. Chan Chi Kwong Dickson
Mr. Liu Kin Sing
Mr. Au Yeung Po Fung

Details of background and qualifications of all Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. There is no relationship, including financial, business, family or other material/relevant relationship(s) among members of the Board.

RESPONSIBILITIES OF THE BOARD

The Board oversees the overall management and administration of the business and operations of the Group. The Board is primarily responsible for overall development, strategic planning, reviewing and monitoring the business performance, approving the financial statements and annual budgets, internal controls and risk management as well as supervising the management of the Group. The management are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Company. The delegated functions and work tasks are reviewed by the Board periodically.

The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director(s) and other person(s) as the Board thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

Regular meetings of the Board will be held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. Directors are also provided with access to independent professional advice in carrying out their obligations as Directors as and when required, at the expense of the Company.

Appointment and Re-election of Directors

Each executive Director has entered into a service contract with the Company for a term of three years and each independent non-executive Director has entered into a letter of appointment for a term of three years. Each Director is subject to retirement by rotation at least once every three years but is eligible for re-election at an annual general meeting in accordance with the Articles.

The Articles specify that any Directors appointed during the year to fill a casual vacancy are subject to re-election by Shareholders at the first general meeting after such appointments and any Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. The Company has also taken out Directors' and Officers' liabilities insurance for such purposes with effect from the Listing.

Independent Non-executive Directors

During the Relevant Period, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Continuous Professional Development of Directors

During the year ended 31 December 2021, the Directors have participated in continuous professional development by attending a training session in respect of the roles and responsibilities of directors of a company listed on the GEM, as well as reading related materials. They also received from the Company from time to time updates on laws, rules and regulations which may be relevant to their roles, duties and functions as directors of a listed company. Particulars of participation by the Directors are set out as follows:

	Reading materials relevant to directors' roles and responsibilities	Attending training session relevant to directors' roles and responsibilities
Executive Directors		
Mr. Chan Lap Tak, Douglas	✓	✓
Mr. Lo Chi Ho	✓	✓
Independent Non-Executive Directors		
Mr. Chan Chi Kwong Dickson	✓	✓
Mr. Liu Kin Sing	✓	✓
Mr. Au Yeung Po Fung	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should not be performed by the same individual. The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. During the Relevant Period, the Group has complied with the CG Code, Mr. Chan is currently performing the role of chairman and Mr. Lo as chief executive officer of the Company.

BOARD COMMITTEES

In order to assist the Board in discharging its duties in a more efficient manner, the Board has established, with written terms of reference, three Board committees, namely the audit committee, remuneration committee and nomination committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for each Board committee are in compliance with the GEM Listing Rules and they are posted on the websites of the Stock Exchange and the Company.

Audit Committee

The Company established an audit committee on 19 June 2018 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code have been adopted. The primary duties of the audit committee are mainly to make recommendations to the Board on appointment, reappointment and removal of the external auditor, review and supervise the financial reporting process and the financial controls, internal control and risk management systems of the Company.

The audit committee of the Company consists of three independent non-executive Directors, being Mr. Au Yeung Po Fung, Mr. Chan Chi Kwong Dickson and Mr. Liu Kin Sing. Mr. Au Yeung Po Fung is the chairman of the audit committee.

The Audit Committee held four meetings in the year ended 31 December 2021, to review, the interim, quarterly and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems, and continuing connected transactions.

During the Relevant Period, the chairman of the Audit Committee also met the external auditors twice without the presence of the executive Directors.

Nomination Committee

The Company established a nomination committee on 19 June 2018. Written terms of reference in compliance with code provision A.5.2 of the CG Code have been adopted. The primary duties of the nomination committee are to review the structure, size and composition (including the skills, knowledge, length of service and the breath of expertise) of the Board and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of the chairman and the chief executive.

The nomination committee of the Company consists of one executive Director and two independent non-executive Directors, being Mr. Chan Lap Tak, Douglas, Mr. Chan Chi Kwong Dickson and Mr. Liu Kin Sing. Mr. Chan Lap Tak, Douglas is the chairman of the nomination committee.

The Board recognises the importance of its diversity in relation to its business, and adopted on 19 June 2018 a Board diversity policy (the "**Diversity Policy**"). As a summary of the Diversity Policy, selection of candidates has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. As an objective of the Group's diversity policy, the Board shall consist of at least one member with financial or accounting expertise. During the year ended 31 December 2021 the above objective has been achieved. All Board appointments will be based on meritocracy, and will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision of Board appointment will be based on merit and contribution that the selected candidates will bring to the Board.

The nomination committee met once during the Relevant Period to review among other things, the independence of the independent non-executive Directors; consider the qualifications of the retiring directors standing for election at the 2018 annual general meeting; review the structure, size and composition of the Board and review the Board diversity policy adopted by the Company. In identifying and selecting suitable candidates for directorships, the nomination committee would consider various factors including the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. Having reviewed the composition of the Board, the nomination committee considered that there is an appropriate balance of Board diversity.

Remuneration Committee

The Company established a remuneration committee on 19 June 2018 in compliance with Rule 5.34 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and code provision B.1.2 of the CG Code have been adopted. The primary duties of the remuneration committee are mainly to make recommendations to the Board on the remuneration policy and the structure relating to all Directors and senior management of the Group, review the remuneration packages of the Directors and senior management of the Group and ensure none of the Directors determine their own remuneration. No Director or any of his associates were involved in deciding his own remuneration.

The remuneration committee of the Company consists of three Directors, being Mr. Liu Kin Sing, Mr. Au Yeung Po Fung and Mr. Chan Lap Tak, Douglas. Mr. Liu Kin Sing is the chairman of the remuneration committee.

The Remuneration Committee met once during the Relevant Period to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors.

Pursuant to code provision B.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended 31 December 2021 are as follows:

	Number of employees
Nil to HK$1,000,000	1

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance functions set out in code provision D.3.1 of the CG Code, namely:

(i) to develop and review the Company's policies and practices on corporate governance;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and

(v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual reports.

During the Board meeting on 23 March 2022, the Board has reviewed the corporate governance measures of the Group and this corporate governance report.

Board meetings and attendance record of Directors

Code provision A.1.1 of the CG Code states that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

The Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

The attendance record of each Director at the Board meetings, committee meetings and annual general meeting held during the Relevant Period is set out in the table below:

	Attendance/Number of Meeting				
Name of Director	**Board meeting**	**Nomination Committee**	**Audit Committee**	**Remuneration Committee**	**Annual General Meeting**
Mr. Chan Lap Tak, Douglas	6/6	1/1	N/A	1/1	1/1
Mr. Lo Chi Ho	6/6	N/A	N/A	N/A	1/1
Mr. Liu Kin Sing	6/6	1/1	4/4	1/1	1/1
Mr. Au Yeung Po Fung	6/6	N/A	4/4	1/1	1/1
Mr. Chan Chi Kwong Dickson	6/6	1/1	4/4	N/A	1/1

COMPANY SECRETARY

Mr. Liew Swee Yean ("**Mr. Liew**"), the Company's company secretary, has undertaken no less than 15 hours of relevant professional training to update his skills and knowledge in respect of the year ended 31 December 2021.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Specific enquiry has been made with all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Relevant Period.

During the year ended 31 December 2021, the Company is not aware of any incident of non-compliance of the Model Code by the Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR ACCOUNTS

The Directors acknowledge their responsibility for the preparation of consolidated financial statements of the Group for the year ended 31 December 2021 under applicable statutory and regulatory requirements, which give a true and fair view of the state of affairs, profit or loss and cash flow of the Group on a going concern basis.

Statements of Directors' responsibilities for preparing of the consolidated financial statements of the Group and external auditors' responsibilities for the audit of the consolidated financial statements are set out in the "Independent Auditor's Report" in this report.

AUDITOR'S REMUNERATION

The fees paid or payable to the external auditor of the Group, Gary Cheng CPA Limited, for the year ended 31 December 2021 are as follows:

Services rendered	Fees paid/ payable HK$
Audit services	650,000
Non-audit services (including but not limited to professional advice on financial activities and taxation)	133,170
	783,170

The fees paid to the previous external auditor of the Group, RSM Hong Kong, for the year ended 31 December 2021 are as follows:

Services rendered	Fees paid HK$
Non-audit services (including but not limited to professional advice on financial activities and taxation)	50,917

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's risk management and internal control systems in order to safeguard the Group's assets and the Shareholders' interest and conducts a review on an annual basis. The main features of the risk management and internal control systems of the Group include the identification of risks, the assessment and evaluation of risks, the development and continuous updating of mitigation measures, and the ongoing review of internal control procedures to ensure their effectiveness in aspects of the Group's financial, operational, compliance controls and risk management functions.

The Group has also established organisational structure in such control systems, clearly defining the power and obligations of each department in the Group, in order to protect the Group's assets against improper use and ensure compliance with rules and regulations. Such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Process used to identify, evaluate and manage significant risks

The Group's risk management process involves the identification, evaluation, response, monitoring and reporting of risks. After risks that may potentially affect the Group's business and operations are identified by the management of the Company, the Board will perform risk assessment by prioritising risks identified to determine key risks exposed to the Group and discuss measures to mitigate such key risks. Besides, existing risk mitigation measures are subject to regular monitoring by the management of the Company, which will review the Group's risk management strategies, and report such results and make appropriate suggestions to the Board.

Risk Register

The risks identified are evaluated with a risk matrix which prioritises risks according to the likelihood of their occurrence and the significance of their impact on the achievement of the Group's business objectives. Following the review of the risk matrix, the Group selects and deploys the corresponding risk responses and investigates the mitigation procedures to be executed to ensure the identified significant risks were managed to an acceptable level.

Independent Assessment

To ensure the independent review of the effectiveness of the risk management and internal control systems, the Group engaged an independent external consulting firm as the Group's internal control adviser to perform annual review and assessment of the risk management and internal control system of the Group covering the financial year ended 31 December 2021. The Group has carried out risk oriented internal control evaluation on financial reporting and disclosure control process, revenue and receivable process, and expenditure and payable.

Review of the Effectiveness

The management and the Audit Committee have reviewed the internal control evaluation report and have evaluated the effectiveness of the Group's risk management and internal control systems. The review covers all material controls, including financial, operational and compliance controls. The Group does not have an internal audit function and is of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The Board and the Audit Committee will reconsider the need for an internal audit function from time to time.

Handling and Dissemination of Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the SFO and the GEM Listing Rules. The Group adopts and implements an information disclosure policy and procedures in order to protect inside information from unauthorised and inaccurate disclosure.

The Group has strictly prohibited unauthorised use of confidential or inside information. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Chairman of the Board and the financial controller to decide on the need for disclosure. The audit committee of the Board regularly review and asses the effectiveness of the information disclosure policy and procedures and propose recommendations to the Board.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide a forum for the Shareholders to exchange views directly with the Board. Subject to provisions of the applicable laws in the Cayman Islands and rules and regulations of the Stock Exchange, an annual general meeting of the Company is held each year and at the venue as determined by the Board. Each general meeting, other than an annual general meeting, is called an extraordinary general meeting ("**EGM**").

Right to Convene EGMs and Procedures

Pursuant to Article 58 of the Articles, the Board may, whenever it thinks fit, convene an EGM. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. The requisition must be deposited at the registered office or the head office of the Company.

If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to requisitionist(s) by the Company.

Putting Forward Enquiries to the Board

To put forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Suite 1410-11, North Tower, World Finance Centre, 19 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (For the attention of the Board)
Fax: +852 2928 9008
Email: info@ebrokersystems.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company maintains a website at www.ebrokersystems.com as a communication platform with the Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

Right to Put Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands. Subject to provisions of the Articles, eligible Shareholders who wish to move a resolution may by means of requisition convene an extraordinary general meeting following the procedures set out above.

INVESTOR RELATIONS

The Company establishes different communication channels with investors to update them with the latest business development and financial performance including the publication of quarterly, interim and annual reports, the publish and posting of notices, announcements and circulars on the GEM website and the Company's website in order to maintain a high level of transparency.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published its memorandum of association and the Articles on the respective websites of the Stock Exchange and the Company. Since the Listing, no amendments have been made to the constitutional documents of the Company.

GARY CHENG CPA LIMITED
Certified Public Accountants
加多利會計師事務所有限公司

TO THE SHAREHOLDERS OF eBROKER GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of eBroker Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 81, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables	
Refer to notes 5(g) and 26 to the consolidated financial statements. As at 31 December 2021, the carrying amount of trade receivables was approximately HK$4,458,000 which represented 7.5% of the Group's net assets. The Group's trading terms with customers are due upon presentation of invoices. However, as the Group seeks to develop long-term relationship with its customers, it may allow an average credit period of 60 days to its customers, depending on the creditworthiness of customers and the existing relationships with the Group.	Our audit procedures in relation to management's assessment of the recoverability of trade receivables included: — Assessing whether trade receivables had been appropriately grouped by management based on their shared credit risk characteristics; — Testing the accuracy and completeness of the data used by management to develop the historical loss rates and assessing the sufficiency, reliability and relevance of that data;

KEY AUDIT MATTERS (CONT'D)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables (cont'd) Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, aging of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement. We identified assessing the recoverability of trade receivable as a key audit matter because of the involvement of significant judgements and assumptions in determining the expected credit loss allowance of the trade receivables and the significance of the carrying amounts of trade receivables to the Group's consolidated financial statements.	— Testing the accuracy of the aging of trade receivables on a sample basis to supporting documents; and — Testing the calculation of expected credit loss provisions applying the provision rates to the age categories of the trade receivables outstanding at the reporting date.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OTHER MATTER

The consolidated financial statements for the year ended 31 December 2020 were audited by another auditor who expressed unmodified opinion on those statements on 24 March 2021.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Dr. Cheng Faat Ting Gary.

Gary Cheng CPA Limited

Certified Public Accountants

Cheng Faat Ting Gary

Practising Certificate Number: P03255

Hong Kong

23 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	**2021** **HK$'000**	2020 HK$'000
Revenue	8	**41,631**	40,409
Other income	9	**1,331**	2,170
Other gains and losses, net	10	**(1,331)**	(854)
Impairment losses on trade receivables, net of reversal		**(56)**	–
Purchases of and changes in inventories		**(668)**	(152)
Depreciation		**(2,039)**	(3,091)
Staff costs	16	**(24,788)**	(24,314)
Other operating expenses	11	**(13,724)**	(12,503)
Profit from operations		**356**	1,665
Finance costs	13	**(125)**	(191)
Profit before tax		**231**	1,474
Income tax credit	14	**96**	36
Profit for the year attributable to owners of the Company	15	**327**	1,510
Other comprehensive income after tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating financial statements of a foreign subsidiary		**763**	1,196
Other comprehensive income for the year, net of tax		**763**	1,196
Total comprehensive income for the year attributable to owners of the Company		**1,090**	2,706
Earnings per share	18		
– Basic (HK cents per share)		**0.03**	0.14
– Diluted (HK cents per share)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment	19	16,002	15,977
Intangible assets	20	3,752	1,837
Right-of-use assets	21	2,941	247
Investment in a joint venture	23	5	5
		22,700	18,066
Current assets			
Contract assets	25	232	508
Trade and other receivables	26	7,291	11,676
Due from a joint venture	27	–	45
Financial assets at fair value through profit or loss	24	12,516	–
Current tax assets		368	643
Pledged bank deposits	28	5,000	5,000
Cash and cash equivalents	28	19,713	28,001
		45,120	45,873
Current liabilities			
Contract liabilities	25	2,544	2,873
Lease liabilities	30	1,335	215
Trade and other payables	31	2,651	3,759
Current tax liabilities		–	13
		6,530	6,860
Net current assets		38,590	39,013
Total assets less current liabilities		61,290	57,079
Non-current liabilities			
Lease liabilities	30	1,740	38
Deferred tax liabilities	29	–	83
		1,740	121
NET ASSETS		59,550	56,958
Capital and reserves			
Share capital	32	1,230	1,230
Reserves		58,320	55,728
TOTAL EQUITY		59,550	56,958

Approved by the Board of Directors on 23 March 2022 and are signed on its behalf by:

Chan Lap Tak, Douglas
Director

Lo Chi Ho
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital	Share premium (note 34(b)(i))	Capital reserve (note 34(b)(ii))	Foreign currency translation reserve (note 34(b)(iii))	Shares held for share award scheme	Share-based compensation reserve	Retained profits	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2020	1,230	61,921	(54,333)	48	(23,300)	–	68,032	53,598
Grant of shares under shares award scheme	–	–	–	–	–	654	–	654
Shares vested under share award scheme (note 33(b))	–	–	–	–	1,495	(654)	(841)	–
Total comprehensive income for the year	–	–	–	–	–	–	1,510	1,510
Other comprehensive income for the year	–	–	–	1,196	–	–	–	1,196
Changes in equity for the year	–	–	–	1,196	1,495	–	669	3,360
At 31 December 2020 and 1 January 2021	1,230	61,921	(54,333)	1,244	(21,805)	–	68,701	56,958
Grant of shares under shares award scheme	–	–	–	–	–	1,502	–	1,502
Shares vested under share award scheme (note 33(b))	–	–	–	–	1,907	(751)	(1,156)	–
Total comprehensive income for the year	–	–	–	–	–	–	327	327
Other comprehensive income for the year	–	–	–	763	–	–	–	763
Changes in equity for the year	–	–	–	763	1,907	751	(829)	2,592
At 31 December 2021	1,230	61,921	(54,333)	2,007	(19,898)	751	67,872	59,550

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021 HK$'000	2020 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	231	1,474
Adjustments for:		
Finance costs	125	191
Interest income	(22)	(358)
Dividend income	(30)	–
Amortisation of intangible assets	450	63
Depreciation of property, plant and equipment	1,143	789
Depreciation of right-of-use assets	896	2,302
Impairment losses on trade receivables, net of reversal	56	–
Gain on termination of right-of-use assets	–	(99)
Share-based payment expenses	1,502	654
Written off of amount due to a joint venture	(17)	–
Operating profit before working capital changes	4,334	5,016
Decrease/(increase) in trade and other receivables and contract assets	4,606	(4,749)
Decrease/(increase) in amount due from a joint venture	62	(14)
(Decrease)/increase in trade and other payables and contract liabilities	(1,442)	1,708
Cash generated from operations	7,560	1,961
Other interest expenses	–	(2)
Hong Kong Profits Tax refunded/(paid)	275	(1,580)
Net cash generated from operating activities	7,835	379
CASH FLOWS FROM INVESTING ACTIVITIES		
Change of financial assets at fair value through profit or loss	(12,516)	–
Dividends received from listed equity investments	30	–
Expenditure on development projects	(2,365)	(1,865)
Purchases of property, plant and equipment	(675)	(15,321)
Bank interest received	22	358
Net cash used in investing activities	(15,504)	(16,828)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal elements of lease payments	(768)	(2,298)
Interest expenses on lease liabilities	(91)	(162)
Interest expenses on margin loans	(34)	(27)
Net cash used in financing activities	(893)	(2,487)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,562)	(18,936)
Effect of foreign exchange rate changes	274	(35)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	28,001	46,972
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	19,713	28,001
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	19,713	28,001

1. GENERAL INFORMATION

eBroker Group Limited (the "Company") was incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 23 May 2016. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Suites 1401-11, 14th Floor, North Tower, World Finance Centre, 19 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 February 2019. The principal activity of the Company is investment holding. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group") are set out in note 22 to the consolidated financial statements.

The consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000) unless otherwise stated. Hong Kong dollars ("HK$") is the Company's functional and the Group's presentation currency.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622). Significant accounting policies adopted by the Group are disclosed in note 4.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

(a) Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. ADOPTION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2021. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to HKFRS 3 Business Combination - Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16 Property Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to HKFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17 Insurance Contracts and the related Amendments	1 January 2023
Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12 Income Taxes - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group has assessed the type of each of its joint arrangements and determined them to all be joint ventures.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Joint arrangements (cont'd)

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's entire carrying amount of that joint venture (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land and buildings	Shorter of the remaining lease term or 20 years
Computer software	10%
Furniture and fixtures	20%
Office equipment	20%
Computer equipment	20%
Motor vehicles	33%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's software system development is recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- There is ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available;
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 5 years. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

The residual value, useful lives and amortisation method are reviewed and adjusted, if appropriate, at end of each reporting period.

(f) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less which, for the Group are primarily car park and rack spaces of data centres. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases (cont'd)

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

(g) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 4(u) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(h) Contract for services

A contract with a customer of installation and customisation services is classified by the Group as a contract for services when the Group's performance relates to work on installation and customisation services does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date or enhance an asset under the customer's control.

When the outcome of an installation and customisation services contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15.

The Group becomes entitled to invoice customers for rendering of installation and customisation services based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the payment is always less than one year.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Contract for services (cont'd)

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(j) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- Fair value through other comprehensive income ("FVTOCI")-recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the investment revaluation reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment revaluation reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank 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 cash flow statement. Cash and cash equivalents are assessed for ECL.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Equity instruments

Ordinary shares

Ordinary shares are classified as equity. An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Shares held for share award scheme

Where shares are acquired by the trustee for the share award scheme (the "Share Award Scheme") from the market or by electing for scrip in lieu of cash dividends, the total consideration of shares acquired from the market (including any directly attributable incremental costs) or under the scrip dividend scheme is presented as shares held for Share Award Scheme and deducted from total equity.

Upon vesting, the related costs of the vested awarded shares purchased from the market and shares acquired under the scrip dividend scheme (dividend shares) are credited to shares held for Share Award Scheme, with a corresponding decrease in employee share-based compensation reserve for awarded shares, and decrease in retained earnings for dividend shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue recognition and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(i) Revenue from provision of services

Revenue is recognised when or as the control of services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of services may be transferred over time or at a point in time. Control of the services is transferred over time if the Group's performance:

– provides all of the benefits received and consumed simultaneously by the customer;

– creates and enhances an asset that the customer control as the Group performs; or

– does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.

The progress towards complete satisfaction of the performance obligation is measured using an input method, by reference relative to total expected costs to the cost incurred to date of each individual project.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Services fee income from solution services on front office and back office systems, managed cloud services and other related services are recognised as a performance obligation satisfied over time when the related services are rendered.

The Group provides installation and customisation services to its customers through contracts with customers. Services revenue are recognised as a performance obligation satisfied over time as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Management fee income is recognised as a performance obligation satisfied over time when the services are rendered.

(ii) Revenue from the sales of hardware and software products are recognised when control of the goods has been transferred which generally coincides with the time when the goods are delivered and the title has passed to the customers. Following delivery, the customer has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(iii) Interest income is recognised on a time-proportion basis using the effective interest method.

(iv) Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Subsidiaries incorporated in the People's Republic of China ("PRC") participate in the retirement schemes operated by the local authorities for the Group's employees in the PRC. Contributions to these schemes are charged to profit or loss when incurred.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(p) Share-based payments

(i) Share option scheme

The Group issues equity-settled share-based payments to certain directors, employees, substantial shareholders of the Company and other eligible person subject to be approved by the independent non-executive directors.

Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(ii) Share award scheme

The Group operates the Share Award Scheme, which is an equity-settled share-based compensation plan under which awarded shares are granted to employees of the Group selected by the board of directors (including the executive director).

The amount to be expensed as share-based compensation expenses is determined by reference to the fair value of the awarded shares granted, taking into account all non-vesting conditions associated with the grants on grant date. The total expense is recognised on a straight-line basis over the relevant vesting periods (or on the grant date if the shares vest immediately), with a corresponding credit to an employee share-based compensation reserve under equity.

For those awarded shares which are amortised over the vesting periods, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to employee share-based compensation expense in the current year, with a corresponding adjustment to the employee share-based compensation reserve.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Related parties

A related party is a person or entity that is related to the reporting entity.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the Company 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(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 the group of which it is a part, provides key management personnel services to the reporting entity or to the parent of reporting entity.

(t) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
– significant deterioration in external market indicators of credit risk for a particular financial instrument;
– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
– an actual or expected significant deterioration in the operating results of the debtor;
– significant increases in credit risk on other financial instruments of the same debtor;
– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of financial assets and contract assets (cont'd)

Significant increase in credit risk (cont'd)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial recognisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of financial assets and contract assets (cont'd)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures 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 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 is remote.

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2021 were approximately HK$16,002,000 (2020: HK$15,977,000) and HK$2,941,000 (2020: HK$247,000) respectively.

(b) Impairment loss on investments in subsidiaries

The Company evaluates annually whether impairment loss should be recognised for its investments in subsidiaries. This evaluation requires use of estimates. Where the actual result is different from the original estimate, such difference will impact the carrying amount of the investments in subsidiaries in the year in which such estimate has been changed.

As at 31 December 2021, no impairment loss on investments in subsidiaries was required (2020: HK$Nil).

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year, approximately HK$96,000 (2020: HK$36,000) of income tax was credited to profit or loss, represented the over-provision of profits tax in prior years.

(d) Revenue and profit recognition

As explained in policy notes 4(h) and 4(n) revenue from provision of installation and customisation services is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 25 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the year, approximately HK$5,464,000 (2020: HK$3,025,000) of revenue from installation and customisation services was recognised.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

Key sources of estimation uncertainty (cont'd)

(e) Recoverability of intangible assets

During the year, the Group assessed the recoverability of its internally-generated intangible assets arising from the Group's software system development, which is included in its consolidated statement of financial position at 31 December 2021 of approximately HK$3,752,000 (2020: HK$1,837,000). The project continues to progress in a very satisfactory manner, and customer reaction has reconfirmed the Group's estimates of anticipated revenues from the project.

However, increased competitor activities have caused the Group to reconsider its assumptions regarding future market share and anticipated margins on these products. Detailed sensitivity analysis has been carried out and the Group is confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored and adjustments will be made in future periods if future market activity indicates that such adjustments are appropriate.

(f) Estimated useful lives of intangible assets

The estimated useful lives of intangible assets reflect management's estimation on the Group's intention to derive future economic benefits from the intangible assets. The management performs annual reviews of whether the assumptions made of useful lives continue to be valid. When useful lives of intangible assets are different from those previously estimated, the amortisation charges for future periods will be adjusted accordingly.

The carrying amount of intangible assets as at 31 December 2021 was approximately HK$3,752,000 (2020: HK$1,837,000).

(g) Impairment of trade receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2021, the carrying amounts of trade receivables and contract assets are approximately HK$4,458,000 (net of allowance for doubtful debts of approximately HK$152,000) and HK$232,000 respectively (2020: HK$5,070,000 (net of allowance for doubtful debts of approximately HK$96,000) and HK$508,000 respectively).

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk, interest rate risk and other price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK$, Renminbi ("RMB") and United States dollars ("US$") and the functional currencies of the Group entities. The HK$ currently closely aligned to the US$. The Group does not expect any significant movement in the HK$/US$ exchange rate.

At 31 December 2021, if the HK$ had strengthened/weakened 10 per cent against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK$465,000 (2020: HK$59,000) higher/lower, arising mainly as a result of the net foreign exchange loss/gain on bank balances, trade and other payables and FVTPL denominated in RMB.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions and amount due from a joint venture. Management has a credit policy in place and the exposure to these credit risks are monetised on an ongoing basis.

The Group has no significant concentrations of credit risk.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies for which the Group considers to have low credit risk.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. 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. Trade receivables are due from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2021:

	2021		
	Expected loss rate %	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**
Not past due	**0.00%**	**232**	**–**
0-30 days	**0.63%**	**1,989**	**12**
31-60 days	**1.15%**	**591**	**7**
61-90 days	**2.40%**	**150**	**4**
91-120 days	**4.37%**	**243**	**10**
More than 120 days	**7.26%**	**1,637**	**119**
		4,842	**152**

	2020		
	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Not past due	0.00%	508	–
0-30 days	0.36%	2,638	9
31-60 days	0.48%	1,315	6
61-90 days	1.58%	113	2
91-120 days	3.60%	388	14
More than 120 days	9.06%	712	65
		5,674	96

Expected loss rates are based on actual loss experience over the past four years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Movement in the loss allowances for trade receivables and contract assets during the year is as follows:

	2021 HK$'000	2020 HK$'000
At 1 January	96	96
Impairment losses recognised for the year, net of reversal	56	–
At 31 December	152	96

Other receivables and amount due from a joint venture

The management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables and amount due from a joint venture are not material under the 12-month expected credit losses method. Thus no loss allowance was recognised during the year (2020: HK$Nil).

(c) Liquidity risk

The Group's objective and policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Weighted average effective interest rate %	On demand or less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
At 31 December 2021							
Trade and other payables	–	2,651	–	–	–	2,651	2,651
Lease liabilities	4.75%	1,444	1,328	466	–	3,238	3,075
		4,095	1,328	466	–	5,889	5,726
At 31 December 2020							
Trade and other payables	–	3,759	–	–	–	3,759	3,759
Lease liabilities	4.51%	219	39	–	–	258	253
		3,978	39	–	–	4,017	4,012

(d) Interest rate risk

The Group's exposure to interest rate risk arises from its bank balances. These deposits bear interests at variable rates varied with the then prevailing market condition. The Group does not have significant exposure on interest rate risk. Except as stated above, the Group has no other interest-bearing assets and liabilities as at the end of the reporting period, its income and operating cash flows are substantially independent of changes in variable interest rates.

The Group's pledged bank deposits bear interests at fixed interest rate and therefore are subject to fair value interest rate risk.

(e) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities measured at FVTPL at the end of the reporting period, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks profile.

Sensitivity analysis

The sensitivity analysis have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments had been 10% higher/lower, the post-tax profit for the year ended 31 December 2021 would increase/decrease by approximately HK$1,045,000 as a result of the changes in fair value of financial assets at FVTPL.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Categories of financial instruments of the Group as at 31 December

	2021 HK$'000	2020 HK$'000
Financial assets:		
Financial assets at amortised cost	31,702	44,353
Financial assets at FVTPL	12,516	–
	44,218	44,353
Financial liabilities:		
Financial liabilities at amortised cost	5,726	4,012

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy at 31 December 2021:

	Fair value measurements using:			Total
Description	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	2021 HK$'000
Recurring fair value measurements:				
Financial assets at FVTPL				
Listed equity securities	12,516	–	–	12,516

During the year ended 31 December 2021, there were no transfers between level 1 and 2, or transfer into or out of level 3.

8. REVENUE

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

	2021 HK$'000	2020 HK$'000
Front office solution service income	19,724	21,444
Back office solution service income	10,295	10,260
Installation and customisation service income	5,464	3,025
Managed cloud service income	3,192	3,736
Others	2,956	1,944
	41,631	40,409

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product items and geographical regions:

	2021 HK$'000	2020 HK$'000
Products and services transferred at a point in time		
Others	830	203
Products and services transferred over time		
Front office solution service income	19,724	21,444
Back office solution service income	10,295	10,260
Installation and customisation service income	5,464	3,025
Managed cloud service income	3,192	3,736
Others	2,126	1,741
Total	41,631	40,409
Primary geographical markets		
Hong Kong	39,737	39,348
Macau	1,894	1,061
	41,631	40,409

9. OTHER INCOME

	2021 HK$'000	2020 HK$'000
Interest income on bank deposits	22	358
Dividend income from financial assets at FVTPL	30	–
Management fee from a joint venture	–	142
Government grants under Employment Support Scheme	–	1,571
Government subsidies (note)	191	–
Gain on termination of right-of-use assets	–	99
Rental income	1,088	–
	1,331	2,170

Note: During the year ended 31 December 2021, the Group successfully applied for funding support from FinTech Anti-epidemic Scheme for Talent Development, set up by the Hong Kong SAR Government. The purpose of the funding is to provide financial support to local industries affected by the COVID-19 pandemic. Besides, it also included maternity allowance and subsidies provided by the PRC government. PRC government provides subsidies for stabilising employment. It shall be granted from unemployment insurance funds to enterprises that adopt effective measures to conduct no layoffs or fewer layoffs and stabilise employment.

10. OTHER GAINS AND LOSSES, NET

	2021 HK$'000	2020 HK$'000
Fair value changes on financial assets at fair value through profit or loss		
– Listed equity investments	(509)	90
– Derivatives	(839)	(944)
Written off of amount due to a joint venture	17	–
	(1,331)	(854)

11. OTHER OPERATING EXPENSES

	2021 HK$'000	2020 HK$'000
Cost of services	2,526	2,057
Auditor's remuneration	525	980
Donation	200	–
Insurance	449	426
Legal and professional fees	1,840	2,919
Office expenses	1,725	1,403
Expenses relating to short-term lease	2,411	507
Technical support services fees	2,446	2,539
Transportation and entertainment expenses	814	885
Other miscellaneous expenses	788	787
Total other operating expenses	13,724	12,503

12. SEGMENT INFORMATION

During the year, all of the Group's contract revenue has been generated from the sale of computer products, provision of contracted trading solutions and development of electronics trading systems for brokerage.

The Group has one reportable segment which is the provision of services to the Group's customers. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and assessment of the Group's performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group's services is presented.

The following table sets out information about the geographical location of (i) the Group's revenue from customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and investment in a joint venture ("specified non-current assets"). The geographical location of customers is based on the location of which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and right-of-use assets and the location of the operation to which they are allocated, in the case of intangible assets and investment in a joint venture.

	Revenue from customers		**Specified non-current assets**	
	2021 **HK$'000**	2020 HK$'000	**2021** **HK$'000**	2020 HK$'000
Hong Kong	**39,737**	39,348	**7,492**	2,639
Macau	**1,894**	1,061	**–**	–
Mainland China	**–**	–	**15,208**	15,427
	41,631	40,409	**22,700**	18,066

During the years ended 31 December 2021 and 2020, no individual customer contributes over 10% of the total revenue of the Group.

13. FINANCE COSTS

	2021 **HK$'000**	2020 HK$'000
Interest expenses on lease liabilities	**91**	162
Interest expenses on margin loans	**34**	27
Bank charges	**–**	2
	125	191

14. INCOME TAX CREDIT

Income tax credit has been recognised in profit or loss as follows:

	2021 HK$'000	2020 HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	–	–
Over-provision in prior years	(13)	(36)
	(13)	(36)
Deferred tax (note 29)	(83)	–
	(96)	(36)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for the years ended 31 December 2021 and 2020 since the Group has no assessable profits or has tax losses brought forward to set off assessable profits for the year ended 31 December 2021 and no assessable profits for the year ended 31 December 2020.

People's Republic of China ("PRC") Enterprise Income Tax rate for the subsidiary in the PRC is 25%. However, no provision was made for the years ended 31 December 2021 and 2020 as the subsidiary has tax losses brought forward to set off assessable profit and incurred tax loss, respectively.

The reconciliation between the income tax credit and the product of profit before tax multiplied by the applicable rates is as follows:

	2021 HK$'000	2020 HK$'000
Profit before tax	231	1,474
Tax at the domestic income tax rate of 16.5% (2020: 16.5%) (note)	38	243
Tax effect of expenses that are not deductible	94	77
Tax effect of income that is not taxable	(21)	(319)
Tax effect of temporary differences not recognised	(407)	(304)
Tax effect of unused tax losses not recognised	251	333
Tax effect of utilisation of tax losses not previously recognised	(48)	–
Effect of different tax rate of a subsidiary	10	(30)
Over-provision in prior years	(13)	(36)
Income tax credit	(96)	(36)

Note: The domestic tax rate, which is the Hong Kong Profits Tax rate, in the jurisdiction where the operations of the Group are substantially based is used.

15. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging and (crediting) the following:

	2021 HK$'000	2020 HK$'000
Auditor's remuneration		
Current year	655	980
Over-provision in prior years	(130)	–
	525	980
Amortisation on intangible assets	450	63
Cost of inventories sold	668	152
Depreciation on property, plant and equipment	1,143	789
Depreciation on right-of-use assets	896	2,302
Impairment losses on trade receivables, net of reversal	56	–

16. SALARIES AND EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2021 HK$'000	2020 HK$'000
Salaries, bonuses and allowances (including directors' emoluments)	24,078	24,774
Equity-settled share-based payments	1,502	654
Retirement benefit scheme contributions (note 16(a))	1,573	751
	27,153	26,179
Less: Capitalisation to intangible assets (note 20)	(2,365)	(1,865)
	24,788	24,314

(a) Retirement benefit scheme contributions

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary established in the PRC are members of a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme.

16. SALARIES AND EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONT'D)

(b) The remuneration of each director is as follows:

Name of directors	Fees HK$'000	Salaries, and allowances HK$'000	Discretionary bonuses HK$'000	Share-based payments HK$'000	Retirement benefit scheme HK$'000	Total HK$'000
For the year ended 31 December 2021						
Executive directors						
Mr. Chan Lap Tak, Douglas	**–**	**1,493***	**35**	**–**	**18**	**1,546**
Mr. Lo Chi Ho	**–**	**1,488***	**17**	**–**	**18**	**1,523**
Independent non-executive directors						
Mr. Chan Chi Kwong Dickson	**180**	**–**	**–**	**–**	**–**	**180**
Mr. Liu Kin Sing	**180**	**–**	**–**	**–**	**–**	**180**
Mr. Au Yeung Po Fung	**180**	**–**	**–**	**–**	**–**	**180**
Total for 2021	**540**	**2,981**	**52**	**–**	**36**	**3,609**
For the year ended 31 December 2020						
Executive directors						
Mr. Chan Lap Tak, Douglas	–	1,493*	40	–	18	1,551
Mr. Lo Chi Ho	–	1,488	40	62	18	1,608
Independent non-executive directors						
Mr. Chan Chi Kwong Dickson	180	–	–	–	–	180
Mr. Liu Kin Sing	180	–	–	–	–	180
Mr. Au Yeung Po Fung	180	–	–	–	–	180
Total for 2020	540	2,981	80	62	36	3,699

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

No director waived or agreed to waive any remuneration during the years ended 31 December 2021 and 2020.

* From the directors' remuneration, approximately HK$1,397,000 (2020: HK$705,000) was included in the cost of intangible assets.

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included two (2020: two) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining three (2020: three) highest paid individuals are set out below:

	2021 HK$'000	2020 HK$'000
Basic salaries and allowances	**3,905**	3,905
Discretionary bonuses	**121**	160
Equity-settled share-based payment	**73**	45
Retirement benefit scheme contributions	**54**	54
	4,153	4,164

The emoluments of the remaining individuals with highest emoluments fell within the following bands:

	2021	2020
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**2**	2
HK$1,500,001 to HK$2,000,000	**1**	1

No emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2021 and 2020.

16. SALARIES AND EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONT'D)

(d) Directors' material interests in transactions, arrangements or contracts

During the year, the Group entered into the following transactions with the following companies in which the directors have beneficial interest:

Name	Nature	2021 HK$'000	2020 HK$'000
T G Securities Limited ("TG")	Service income received	1,316	1,312
	Interest expenses paid	34	27
	Transaction fee of investment trading	19	6
Winner Star Technology Limited ("Winner Star")	Management fee received	–	142
Shenzhen Yiboke Financial Engineering Systems Company Limited ("Shenzhen Yiboke")	Rental expenses paid	235	507
	Acquisition of property	–	14,686
Brilliant Technology Limited ("Brilliant")	Technical support services fee paid	–	2,539
Front Office Technology (HK) Company Limited ("Front Office Technology")	Technical support services fee paid	2,446	–
	Rental income	1,088	–
Easy System Design Company Limited ("Easy System")	Rental expenses paid	–	2,160
Quantsmile (HK) Limited ("Quantsmile")	Management fee paid	24	33
	Brokage fee paid	32	54

Mr. Chan Lap Tak, Douglas is interested in the aforesaid transactions to the extent that he is a beneficial shareholder of TG, Winner Star, ShenzhenYiboke, Brilliant, Front Office Technology, Easy System and Quantsmile. Mr. Lo Chi Ho is interested in the aforesaid transactions to the extent that he is a beneficial shareholder of Easy System and beneficial shareholder and director of Winner Star. Mr. Chan Lap Tak, Douglas and Mr. Lo Chi Ho are beneficial shareholders of Winner Star because (i) Mr. Chan Lap Tak, Douglas and Mr. Lo Chi Ho have direct or indirect shareholding on the Company and (ii) eBroker Systems Limited ("eBroker Systems") which is an indirect wholly-owned subsidiary of the Company, holds 49% equity interest in Winner Star.

The Company granted 980,000 award shares to Mr. Lo Chi Ho on 20 January 2022 pursuant to a share award scheme adopted by the Company on 12 August 2019. The said 980,000 award shares were vested on 20 January 2022 and Mr. Lo Chi Ho became the beneficial owner of these awarded shares.

Save for the aforementioned transactions, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company and other director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

17. DIVIDENDS

No dividend was paid or proposed by the Company during the year ended 31 December 2021 nor has any dividend been proposed since the end of the reporting period (2020: HK$Nil).

18. EARNINGS PER SHARE

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

	2021 **HK$'000**	2020 HK$'000
Earnings		
Profit for the year attributable to owners of the Company	**327**	1,510

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,110,000**	1,110,000

The weighted average number of ordinary shares in issue during the years ended 31 December 2021 and 2020 for the purpose of basic earnings per share has excluded the shares held for share award scheme.

No diluted earnings per share were presented for the years ended 31 December 2021 and 2020 as there was no potential diluted ordinary share in existence.

19. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Motor vehicles HK$'000	Computer software HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Computer equipment HK$'000	Total HK$'000
Cost							
At 1 January 2020	–	–	17,000	998	950	4,694	23,642
Additions	14,686	599	–	12	–	24	15,321
Exchange realignment	1,218	–	–	–	–	–	1,218
At 31 December 2020 and 1 January 2021	15,904	599	17,000	1,010	950	4,718	40,181
Additions	–	–	–	596	6	73	675
Disposals	–	–	–	(452)	–	–	(452)
Exchange realignment	523	–	–	–	–	–	523
At 31 December 2021	16,427	599	17,000	1,154	956	4,791	40,927
Accumulated depreciation							
At 1 January 2020	–	–	17,000	998	950	4,445	23,393
Charge for the year	455	200	–	2	–	132	789
Exchange realignment	22	–	–	–	–	–	22
At 31 December 2020 and 1 January 2021	477	200	17,000	1,000	950	4,577	24,204
Charge for the year	726	199	–	122	1	95	1,143
Disposals	–	–	–	(452)	–	–	(452)
Exchange realignment	30	–	–	–	–	–	30
At 31 December 2021	1,233	399	17,000	670	951	4,672	24,925
Carrying amount							
At 31 December 2021	15,194	200	–	484	5	119	16,002
At 31 December 2020	15,427	399	–	10	–	141	15,977

20. INTANGIBLE ASSETS

	Development costs on software system (internally generated) HK$'000
Cost	
At 1 January 2020	–
Additions through internal development	1,865
Exchange realignment	35
At 31 December 2020 and 1 January 2021	1,900
Additions through internal development	2,365
At 31 December 2021	4,265
Accumulated amortisation	
At 1 January 2020	–
Change for the year	63
At 31 December 2020 and 1 January 2021	63
Change for the year	450
At 31 December 2021	513
Carrying amount	
At 31 December 2021	3,752
At 31 December 2020	1,837

The capitalised development costs for the year ended 31 December 2021 represented the expenditure incurred for developing software system.

The average remaining amortisation period of the software system is 4.0 years (2020: 4.8 years).

The Group carried out reviews of the recoverable amount of its development costs on software system as at 31 December 2021, having regard to the market conditions of the Group's products. The management is of the view that the carrying amount of intangible assets as at 31 December 2021 could be supported by the future economic benefits. No impairment loss was provided.

21. RIGHT-OF-USE ASSETS

	Leased office HK$'000	**Leased car parks** HK$'000	**Leased rack space** HK$'000	**Total** HK$'000
At 1 January 2020	4,028	76	367	4,471
Additions	–	127	–	127
Termination	(2,014)	(35)	–	(2,049)
Depreciation	(2,014)	(68)	(220)	(2,302)
At 31 December 2020 and 1 January 2021	–	100	147	247
Additions	3,150	–	440	3,590
Depreciation	(613)	(63)	(220)	(896)
At 31 December 2021	2,537	37	367	2,941

21. RIGHT-OF-USE ASSETS (CONT'D)

As at 31 December 2021 and 2020, the lease agreements do not impose any covenants and leased assets are not used as security for borrowing purposes.

	2021 HK$'000	2020 HK$'000
Depreciation expenses on right-of-use assets	896	2,302
Interest expenses on lease liabilities (included in finance costs)	91	162
Expenses relating to short-term lease (included in other operating expenses)	2,411	507
Gain on termination of right-of-use assets	–	99

Details of total cash outflow for leases is set out in note 36(b).

For both years, the Group leases an office, various car parks, and rack spaces of data centres for its operations. Lease contracts are entered into for fixed term of six months to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

22. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2021 are as follows:

Name	Place of incorporation/ registration and operation/ form of legal entity	Issued and paid up capital and registered capital	Percentage of ownership interest/voting power/profit sharing Direct	Indirect	Principal activities
eBrokerSys (BVI) Limited ("eBroker (BVI)")	British Virgin Islands/ Limited liability company	2 ordinary shares of US$2	100%	–	Investment holding
eBroker Systems	Hong Kong/Limited liability company	5,913,488,372 ordinary shares of HK$48,631,819	–	100%	Investment holding, selling of computer products, provision of automated trading solutions and development of the electronics trading systems for the brokerage
eBroker Systems (HK) Limited	Hong Kong/Limited liability company	300,000 ordinary shares of HK$300,000	–	100%	Investment holding and provision of electronics trading systems for the brokerage and computer maintenance services
Qianhai Yibo Information Technology (Shenzhan) Co., Limited* ("Qianhai")	The PRC/Limited liability company	Registered capital of RMB10,000,000 and paid up capital of RMB8,000,000 (note(i))	–	100%	Provision of research and development activities

Note (i): On 23 July 2019, the Group established a wholly owned subsidiary, Qianhai in the PRC with registered capital of RMB10,000,000 (equivalent to approximately HK$11,879,000). At 31 December 2021, the Group has fulfilled its investment obligation in Qianhai to the extent of RMB8,000,000 (2020: RMB8,000,000).

* *The English name represents management's best efforts at translating the Chinese name for identification purpose as no English name has been registered.*

23. INVESTMENT IN A JOINT VENTURE

	2021 HK$'000	2020 HK$'000
Unlisted investment:		
Share of net assets	**5**	5

Details of the Group's joint venture as at 31 December 2021 are as follows:

Name	**Place of incorporation**	**Issued and paid up capital**	**Percentage of ownership interest/profit sharing**	**Principal activities**
Winner Star	Hong Kong	10,000 ordinary shares of HK$10,000	49%	Provision of market data

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 HK$'000	2020 HK$'000
Equity investments, at fair value		
Listed in Hong Kong	**10,329**	–
Listed outside Hong Kong	**2,187**	–
	12,516	–

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

None of the equity investments of which the carrying amount exceeds 5% of the total assets of the Group at 31 December 2021.

In order to minimise credit risk, the directors have delegated a team to be responsible for the formulation of a credit policy governing the control of credit risk. In this regard, the directors consider that there is no concentration of credit risk in respect of the financial assets at fair value through profit or loss.

The carrying amounts of financial assets at fair value through profit or loss are denominated in the following currencies:

	2021 HK$'000	2020 HK$'000
HK$	**10,329**	–
RMB	**2,187**	–
	12,516	–

25. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2021 HK$'000	2020 HK$'000
Contract assets related to provision of services	232	508

	2021 HK$'000	2020 HK$'000
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables"	4,458	5,070

Amounts relating to contract assets are balance due from customers under contracts that arise when the Group receives payment from customers in line with a series of performance related milestones.

Payment for services is not due from the customer until the services are complete and therefore a contract asset is recognised over the period in which the services are performed to represent the entity's right to consideration for the services transferred to date. Contract assets decreased in 2021 was primarily due to the decrease in work completed but not billed as at 31 December 2021.

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous period is approximately HK$16,000 (2020: HK$21,000), mainly due to the changes in estimate of the stage of completion of certain installation and customisation contracts.

The amount of contract assets that is expected to be recovered after more than one year is HK$Nil (2020: HK$Nil).

(b) Contract liabilities

	2021 HK$'000	2020 HK$'000
Contract liabilities related to provision of services	2,544	2,873

25. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

(b) Contract liabilities (cont'd)

Contract liabilities relating to services are balances due to customers under the services contracts for which advanced consideration was received from customer. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

There were no significant change in the contract liabilities balance during the reporting period.

Movements in contract liabilities:

	2021 HK$'000	2020 HK$'000
Balance at 1 January	**2,873**	1,644
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the year	**(1,821)**	(754)
Increase in contract liabilities as a result of billing in advance of installation and customisation services	**1,492**	1,983
Balance at 31 December	**2,544**	2,873

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

26. TRADE AND OTHER RECEIVABLES

	2021 HK$'000	2020 HK$'000
Trade receivables	**4,610**	5,166
Impairment losses on trade receivables	**(152)**	(96)
	4,458	5,070
Prepayments, deposits and other receivables*	**1,067**	758
Amount due from a trustee	**689**	701
Amounts due from brokers**	**1,077**	5,147
	7,291	11,676

* *Included in the deposits as at 31 December 2021 are approximately HK$47,000 (2020: HK$45,000) of rental deposits paid to another company in which Mr. Chan Lap Tak, Douglas has beneficial interests.*

** *Amounts due from brokers represent the net position held by two brokers in respect of cash and margin trading accounts. Included in the amounts due from brokers as at 31 December 2021 is approximately HK$968,000 (2020: HK$91,000) due by a company in which Mr. Chan Lap Tak, Douglas has beneficial interests.*

The Group's trading terms with customers are due upon presentation of invoices. However, as the Group seeks to develop long-term relationship with its customers, it may allow an average credit period of 60 days to its customers, depending on the creditworthiness of customers and the existing relationships with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

26. TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing analysis of trade receivables, based on the invoice date, and net of allowance is as follows:

	2021 HK$'000	2020 HK$'000
0 to 30 days	1,977	2,628
31 to 60 days	584	1,309
61 to 90 days	146	111
91 to 120 days	233	375
Over 120 days	1,518	647
	4,458	5,070

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

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

	2021 HK$'000	2020 HK$'000
HK$	2,678	1,505
RMB	47	45
US$	108	5,056
	2,833	6,606

27. DUE FROM A JOINT VENTURE

Name	As at 31 December 2021 HK$'000	As at 1 January 2021 HK$'000	Maximum amount outstanding during the year HK$'000
Winner Star	–	45	60

The amount due is unsecured, interest-free and repayable on demand. The amount due is trade nature and denominated in HK$.

28. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2021 **HK$'000**	2020 HK$'000
Cash on hand	**2**	2
Cash at banks	**19,711**	27,999
Cash and cash equivalents	**19,713**	28,001
Pledged bank deposits	**5,000**	5,000
	24,713	33,001

At 31 December 2021, the Group's pledged bank deposits represented deposits pledged to a bank to secure overdraft facilities granted to the Group to the extent of HK$5,000,000 (2020: HK$5,000,000). The pledged bank deposits are interest bearing at fixed rate of 0.13% (2020: 0.38%) per annum and denominated in HK$. Pledged bank deposits exposed the Group to fair value interest rate risk.

As at 31 December 2021, the Group had available undrawn secured and unsecured banking facilities of approximately HK$5,000,000 (2020: HK$5,000,000) and HK$254,000 (2020: HK$273,000) respectively.

The cash and cash equivalents of the Group are denominated in the following currencies:

	2021 **HK$'000**	2020 HK$'000
HK$	**22,166**	26,924
US$	**–**	–*
RMB	**2,547**	1,077
	24,713	28,001

* Represents amount less than HK$1,000.

As at 31 December 2021, the bank and cash balances of the Group's subsidiary in the PRC denominated in RMB amounted to approximately HK$2,191,000 (2020: HK$371,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

29. DEFERRED TAX

The following are the deferred tax liabilities and assets recognised and movements thereon during the current year and prior years:

	Tax losses HK$'000	**Accelerated tax depreciation** HK$'000	**Total** HK$'000
At 1 January 2020, 31 December 2020 and 1 January 2021	–	83	83
Credit to profit or loss for the year	(39)	(44)	(83)
At 31 December 2021	(39)	39	–

29. DEFERRED TAX (CONT'D)

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2021 HK$'000	2020 HK$'000
Deferred tax liabilities	39	83

At the end of the reporting period the Group has unused tax losses of approximately HK$4,461,000 (2020: HK$3,038,000) available for offset against future profits. No deferred tax assets in respect of tax losses carried forward has been recognised due to the unpredictability of the future profit streams. Included in unrecognised tax losses are losses of approximately RMB984,000 (equivalent to HK$1,208,000) (2020: RMB1,081,000, equivalent to HK$1,251,000) and approximately RMB68,000 (equivalent to HK$84,000) (2020: RMB68,000, equivalent to HK$78,000) that will expire in 2024 and 2025 respectively. Other unrecogised tax losses may be carried forward indefinitely.

30. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000
Within one year	1,444	219	1,335	215
In the second to fifth years, inclusive	1,794	39	1,740	38
	3,238	258	3,075	253
Less: Future finance charges	(163)	(5)	–	–
Present value of lease obligations	3,075	253	3,075	253
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,335)	(215)
Amount due for settlement after 12 months			1,740	38

All lease liabilities are denominated in HK$.

The weight average incremental borrowings rates applied to lease liabilities range from 4.5% to 4.8% (2020: from 4.5% to 4.9%).

31. TRADE AND OTHER PAYABLES

	2021 HK$'000	2020 HK$'000
Trade payables	349	359
Accruals and other payables	2,302	3,400
	2,651	3,759

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

	2021 HK$'000	2020 HK$'000
0 to 30 days	248	92
31 to 60 days	101	157
61 to 90 days	–	86
Over 90 days	–	24
	349	359

The credit terms granted by the suppliers generally ranged from 0 to 60 days.

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

	2021 HK$'000	2020 HK$'000
RMB	33	–
HK$	316	280
US$	–	79
	349	359

32. SHARE CAPITAL

The Group

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. At 31 December 2021, the ratio of the Group's total liabilities over its total assets was 12.2% (2020: 10.9%). The increase in the ratio during 2021 resulted primarily from increase of lease liabilities.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The externally imposed capital requirements for the Group are in order to maintain its listing on the GEM of the Stock Exchange it has to have a public float of at least 25% of the shares.

The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2021, 27.09% (2020: 26.31%) of the shares were in public hands.

The Company

	Nominal value per share HK$	**Number of shares** '000	**Amount** HK$'000
Authorised:			
Ordinary share			
At 1 January 2020, 31 December 2020 and 31 December 2021	0.001	5,000,000	5,000
Issued and fully paid:			
Ordinary share			
At 1 January 2020, 31 December 2020 and 31 December 2021	0.001	1,230,000	1,230

Note: During the year ended 31 December 2021, total number of shares included 102,480,000 (2020: 112,300,000) shares were held by the trustee under Share Award Scheme and 9,820,000 (2020: 7,700,000) shares were held by the trustee on behalf of selected persons. Detail are set out in note 35(b).

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	**2021 HK$'000**	2020 HK$'000
Non-current assets			
Investments in subsidiaries		**13,651**	13,651
Current assets			
Other receivables		**907**	5,792
Financial assets at fair value through profit or loss		**9,922**	–
Due from a subsidiary		**9,040**	6,434
Bank and cash balances		**13,852**	18,696
		33,721	30,922
Current liabilities			
Accruals and other payables		**68**	17
Due to a subsidiary		**6,571**	4,247
Current tax liabilities		**–**	13
		6,639	4,277
Net current assets		**27,082**	26,645
NET ASSETS		**40,733**	40,296
Capital and reserves			
Share capital		**1,230**	1,230
Reserves	33(b)	**39,503**	39,066
TOTAL EQUITY		**40,733**	40,296

Approved by the Board of Directors on 23 March 2022 and are signed on its behalf by:

Chan Lap Tak, Douglas
Director

Lo Chi Ho
Director

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONT'D)

(b) Reserve movement of the Company

	Share premium (note 34(b)(i)) HK$'000	Shares held for share award scheme HK$'000	Share-based Compensation reserve HK$'000	Retained profits/ (Accumulated losses) HK$'000	Total HK$'000
At 1 January 2020	61,921	(23,300)	–	504	39,125
Grant of shares under share award scheme	–	–	654	–	654
Shares vested under share award scheme	–	1,495	(654)	(841)	–
Total comprehensive income for the year	–	–	–	(713)	(713)
At 31 December 2020 and 1 January 2021	61,921	(21,805)	–	(1,050)	39,066
Grant of shares under share award scheme	–	–	1,502	–	1,502
Shares vested under share award scheme	–	1,907	(751)	(1,156)	–
Total comprehensive income for the year	–	–	–	(1,065)	(1,065)
At 31 December 2021	61,921	(19,898)	751	(3,271)	39,503

34. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium account

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

(ii) Capital reserve

The capital reserve arose as a result of the followings:

A. As a result of group reorganisations implemented in 2013 and 2016, the capital reserve represented the difference between the nominal value of share capital of the Company and the paid-up capital of eBroker (BVI) pursuant to the group reorganisations.

B. As part of the group reorganisation in 2016, the Group recorded a deemed distribution of approximately HK$13,240,000 in the capital reserve.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c) to the consolidated financial statements.

35. SHARE-BASED PAYMENTS

(a) Share option scheme

The Company has adopted a share option scheme (the "Scheme") pursuant to a resolution passed by the shareholders of the Company at an extraordinary general meeting on 22 January 2019. The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years after the date on which the Scheme is adopted.

The total number of securities available for issue under the Scheme is 123,000,000 ordinary shares, being 10% of the issued shares of the Company as at the date of this report. The maximum number of share options permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the ordinary shares in issue at any time. The maximum number of shares issuable under share options granted to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit subject by the Company's shareholder in general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the shares in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of grant. A consideration of HK$1.00 is payable on the acceptance of the offer of grant of an option. The exercise period of the share options granted is determinable and notified by the directors, but shall end not later than 10 years from the date on which the share option is deemed to be granted and accepted in accordance with the Scheme.

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of offer of the share options which must be a business day; (ii) the average Stock Exchange closing price of the Shares for the five business days immediately preceding the date of offer; and (iii) the nominal value of the shares on the date of the offer.

No share option has been granted since the adoption of the Scheme.

(b) Share award scheme

On 12 August 2019 (the "Adoption Date"), the Company adopted the Share Award Scheme. The objectives of the Share Award Scheme is to provide (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the board of directors pursuant to the rules of the Share Award Scheme (the "Scheme Rules"), the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

The Share Award Scheme is subject to the administration of the board of directors and a trustee in accordance with the Scheme Rules and a trust deed.

The board of directors may, from time to time, at its absolute discretion select any eligible person (other than any excluded person) for participation in the Share Award Scheme as a selected person (the "Selected Person"), and grant such number of share awarded shares to any Selected Person at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

The maximum number of shares which may be awarded to a Selected Person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. The board of directors shall not make any further award of share awarded shares which will result in the number of the shares awarded by the board of directors under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time.

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective share awarded shares held by the trustee on behalf of a Selected Person pursuant to the provision of the scheme rules shall vest in such Selected Person in accordance with the vesting schedule (if any) and the trustee shall cause the share awarded shares to be transferred to such Selected Person on the vesting date.

For details of the Share Award Scheme are set out in the Company's announcements dated 12 August 2019, 20 August 2019, 3 October 2019 and 28 November 2019.

On 7 August 2020, the Board resolved to grant an aggregate of 8,010,000 award shares (the "1st Lot Award Shares"), all in the form of existing shares, to 40 selected persons ("Selected Persons Group A") under the Share Award Scheme. The Selected Persons Group A entitle to receive the award shares on 31 December 2020 if they still retain as employees of the Group.

35. SHARE-BASED PAYMENTS (CONT'D)

(b) Share award scheme (cont'd)

The 1st Lot Award Shares represented approximately 0.65% of the total number of shares in issue of the Company as at the date of grant. Based on the closing price of HK$0.085 per share of the Company on the date of grant of the 1st Lot Award Shares, the market value of the 8,010,000 award shares in aggregate was approximately HK$680,000.

Out of 8,010,000 award shares, 310,000 award shares were lapsed before 31 December 2020. The remaining of 1st Lot Award Shares have been vested on 31 December 2020 and recognised as staff costs in the financial statements for the year ended 31 December 2020.

Movements of the awarded shares granted under the Share Award Scheme are as follow:

	Number of awarded shares granted '000
Granted on 7 August 2020	8,010
Vested on 31 December 2020	(7,700)
Lapsed	(310)
Unvested on 31 December 2020	–

On 10 February 2021, the Board resolved to grant an aggregate of 21,400,000 award shares (the "2nd Lot Award Shares"), all in the form of existing shares, to 50 selected persons ("Selected Persons Group B") under the Share Award Scheme. Subject to the satisfaction of the vesting conditions, 50% of the 2nd Lot Award Shares shall be vested to the respective Selected Persons Group B on 31 December 2021 and the remaining 50% of the 2nd Lot Award Shares shall be vested to the respective Selected Persons Group B on 31 December 2022.

The 2nd Lot Award Shares represented approximately 1.74% of the total number of shares in issue of the Company as at the date of grant. Based on the closing price of HK$0.104 per share of the Company on the date of grant of the 2nd Lot Award Shares, the market value of the 21,400,000 award shares in aggregate was approximately HK$2,225,600.

Out of 21,400,000 award shares 1,760,000, award shares were lapsed before 31 December 2021. The remaining of 2nd Lot Award Shares have been vested on 31 December 2021 and recognised as staff costs in the financial statements for the year ended 31 December 2021.

Movements of the awarded shares granted under the Share Award Scheme are as follow:

	Number of awarded shares granted '000
Granted on 10 February 2021	21,400
Vested on 31 December 2021	(9,820)
Lapsed	(1,760)
Unvested on 31 December 2021	9,820

35. SHARE-BASED PAYMENTS (CONT'D)

(b) Share award scheme (cont'd)

On 20 January 2022, the Board resolved to grant an aggregate of 9,280,000 award shares (the "3rd Lot Award Shares"), all in the form of existing shares, to 42 selected persons ("Selected Persons Group B") and 3 connected persons under the Share Award Scheme. Subject to the satisfaction of the vesting conditions, 980,000 of the 3rd Lot Award Shares shall be vested on the date of grant, 4,640,000 of the 3rd Lot Award Shares shall be vested to the respective Selected Person Group B and Connected Person on 31 December 2022 and 3,660,000 of the 3rd Lot Award Shares shall be vested to the respective Selected Person Group B and Connected Person on 31 December 2023. For further details, please refer to the Company's announcement dated 20 January 2022.

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2021 HK$'000	**Additions** HK$'000	**Termination** HK$'000	**Cash flows** HK$'000	**Interest expenses** HK$'000	**31 December 2021** HK$'000
Lease liabilities (note 30)	253	3,590	–	(859)	91	3,075
Amount due to broker	–	–	–	(34)	34	–
	253	3,590	–	(893)	125	3,075

	1 January 2020 HK$'000	**Additions** HK$'000	**Termination** HK$'000	**Cash flows** HK$'000	**Interest expenses** HK$'000	**31 December 2020** HK$'000
Lease liabilities (note 30)	4,572	127	(2,148)	(2,460)	162	253
Amount due to broker	–	–	–	(27)	27	–
	4,572	127	(2,148)	(2,487)	189	253

(b) Total cash outflow for leases

Amounts included in the consolidation statement of cash flows for leases comprise the following:

	2021 **HK$'000**	2020 HK$'000
Within operating cash flows	**2,411**	507
Within financing cash flows	**859**	2,460
	3,270	2,967

These amounts relate to the following:

	2021 **HK$'000**	2020 HK$'000
Lease rental paid	**3,270**	2,967

37. OPERATING LEASE ARRANGEMENTS

The Group regularly entered into a short-term lease for its office premises in the PRC. As at 31 December 2021, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed in note 21. As at 31 December 2021 and 2020, there was no outstanding lease commitments relating to office premises in the PRC.

On 31 December 2020, the Group entered into a short-term lease for its office premises in Hong Kong. As at 31 December 2020, the outstanding lease commitments relating to office premises in Hong Kong is approximately HK$2,176,000.

38. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2021 HK$'000	2020 HK$'000
Management fee received from a joint venture	**–**	142
Rental income received from a related party (note (i))	**1,088**	–
Rental expenses paid to a related party (note (ii))	**–**	2,160

Notes:

(i) Mr. Chan Lap Tak, Douglas and his spouse are the beneficial shareholders of Front Office Technology.

(ii) During the year ended 31 December 2020, Mr. Chan Lap Tak, Douglas and Mr. Lo Chi Ho are the beneficial shareholders of Easy System.

The related party transactions were carried out at terms mutually negotiated between the Group and the respective related parties.

(b) Compensation of with key management personnel.

All key management personnel are directors of the Company, their remuneration are disclosed in note 16.

39. EVENTS AFTER THE REPORTING PERIOD

(a) On 20 January 2022, the Board has resolved to grant an aggregate of 9,280,000 award shares, all in the form of existing shares, to 42 Selected Persons Group B and 3 Connected Persons under the Scheme. The 3rd Lot Award Shares represent approximately 0.75% of the total number of shares in issue as at the date of this report. Based on the closing price of HK$0.09 per share on the date of grant of the 3rd Lot Award Shares, the market value of the 9,280,000 award shares in aggregate is approximately HK$835,200. Subject to the satisfaction of the vesting conditions, 980,000 of the 3rd Lot Award Shares shall be vested on the date of grant, 4,640,000 of the 3rd Lot Award Shares shall be vested to the respective Selected Person Group B and Connected Person on 31 December 2022 and 3,660,000 of the 3rd Lot Award Shares shall be vested to the respective Selected Person Group B and Connected Person on 31 December 2023. For further details, please refer to the Company's announcement dated 20 January 2022.

(b) The emergence of the highly transmissible Omicron variant is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of Omicron variant on the Group's business and financial performance. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

Save as disclosed above, no other significant events took place subsequent to 31 December 2021 and up to the date of this report.

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

RESULTS

	Year ended 31 December				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Continuing operations					
Revenue	**41,631**	40,409	44,287	53,291	48,665
Profit before tax	**231**	1,474	1,719	3,369	12,104
Income tax credit/(expense)	**96**	36	(705)	(2,487)	(2,227)
Profit for the year from continuing operations	**327**	1,510	1,014	882	9,877
Profit and total comprehensive income for the year attributable to owners of the Company	**1,090**	2,706	1,062	882	9,877

ASSETS AND LIABILITIES

	2021	2020	2019	2018	2017
Non-current assets	**22,700**	18,066	4,725	372	487
Current assets	**45,120**	45,873	59,438	36,016	32,204
Non-current liabilities	**(1,740)**	(121)	(2,364)	(83)	(83)
Current liabilities	**(6,530)**	(6,860)	(8,201)	(9,969)	(7,154)
Net assets	**59,550**	56,958	53,598	26,336	25,454
Equity attributable to owners of the Company:					
Paid-up capital	**1,230**	1,230	1,230	1,000	1,000
Reserves	**58,320**	55,728	52,368	25,336	24,454
Total equity	**59,550**	56,958	53,598	26,336	25,454

Note: The financial information for the year ended 31 December 2017 was extracted from the Prospectus. Such financial information was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in the Prospectus of the Company.

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions have the following meaning:

"Articles"	The articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"Auditors"	Gary Cheng CPA Limited
"Board"	The board of Directors
"Business Day"	Has the meaning ascribed to it under the GEM Listing Rules
"China" or "PRC"	The People's Republic of China and, except where the context requires otherwise and only for the purposes of this annual report, references to China or the PRC exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company"	eBroker Group Limited (電子交易集團有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands on 23 May 2016
"Companies Law"	The Companies Law (As revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholder(s)"	Has the meaning ascribed to it under the GEM Listing Rules
"CG Code"	Corporate Governance Code and Corporate Governance Report set out in Appendix 15 of the GEM Listing Rules (effective up to 31 December 2021)
"Director(s)"	The director(s) of the Company
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time as the context may require
"Group"	The Company and its subsidiaries, or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	The Hong Kong Special Administrative Region of the PRC
"Listing"	The listing of the Shares on GEM on the Stock Exchange on 19 February 2019
"Listing Date"	19 February 2019, the date on which the Shares were listed on GEM of the Stock Exchange
"Model Code"	A code of conduct adopted by the Company regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules effective from the Listing Date
"Prospectus"	The prospectus of the Company published on 30 January 2019 in connection with the Listing
"Renminbi"	The lawful currency of the PRC
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	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 the Company
"Shareholder(s)"	Holder(s) of the Shares
"Share Option Scheme"	The share option scheme of the Company adopted by the Shareholders on 22 January 2019
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Two-factor Authentication"	a security mechanism which requires the adoption of any two of the following authentication factors for accessing a database, operating system, or platform: (1) "what a client knows"; (2) "what a client has"; and (3) "who a client is
"United States"	United States of America
"%"	Per cent