

NOVACON TECHNOLOGY GROUP LIMITED 連成科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8635



2021

INTERIM REPORT

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

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

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

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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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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Chau Kan (*Chief Executive Officer*)
Mr. Wong Wing Hoi

Non-executive Director

Mr. Wei Ming (*Chairman*)

Independent Non-executive Directors

Mr. Moo Kai Pong
Mr. Lo Chi Wang
Mr. Wu Kin San Alfred

COMPANY SECRETARY

Ms. Chu Mei Po (*CPA*)

COMPLIANCE OFFICER

Mr. Chung Chau Kan

AUTHORISED REPRESENTATIVES

Mr. Chung Chau Kan
Ms. Chu Mei Po

AUDIT COMMITTEE

Mr. Lo Chi Wang (*Chairman*)
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

REMUNERATION COMMITTEE

Mr. Moo Kai Pong (*Chairman*)
Mr. Chung Chau Kan
Mr. Wu Kin San Alfred

NOMINATION COMMITTEE

Mr. Wei Ming (*Chairman*)
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

COMPLIANCE ADVISER

Dongxing Securities (Hong Kong) Company Limited
6805-6806A, 68/F,
International Commerce Centre,
1 Austin Road West, Kowloon, Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower, 3 Connaught Road Central,
Central, Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
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REGISTERED OFFICE

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HONG KONG LEGAL ADVISERS

Raymond Siu & Lawyers
Units 1302-3 & 1802, Ruttonjee House,
Ruttonjee Centre, 11 Duddell Street,
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre, 183 Queen's Road East,
Hong Kong

STOCK CODE

8635

WEBSITE OF THE COMPANY

www.novacontechgroup.com

Unaudited Interim Results

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding period in 2020, as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2021

	Note	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	12,840	10,204	24,639	20,413
Other income	5	2	1,240	486	1,372
Expenses					
Cost of sale of computer hardware and software		–	–	(7)	–
License and subscription cost		(450)	(442)	(900)	(952)
Internet services cost		(725)	(626)	(1,484)	(1,237)
Employee benefit expenses		(4,676)	(3,186)	(8,771)	(6,338)
Depreciation of property and equipment		(630)	(657)	(1,262)	(1,313)
Amortisation of intangible assets		(1,037)	(1,212)	(2,285)	(2,355)
Other expenses	6	(1,212)	(971)	(2,676)	(1,834)
Finance costs	7	(9)	(40)	(24)	(103)
Profit before income tax		4,103	4,310	7,716	7,653
Income tax expense	8	(936)	(942)	(1,532)	(1,556)
Profit and total comprehensive income attributable to owners of the Company for the period		3,167	3,368	6,184	6,097
Earnings per share attributable to owners of the Company for the period					
– Basic (express in HK cents per share)	9a	0.79	0.84	1.55	1.52
– Diluted (express in HK cents per share)	9b	0.79	0.84	1.55	1.52

Unaudited Condensed Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2021

	Note	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	11	33,452	34,589
Intangible assets		20,615	20,265
Deposits	12	19	19
Financial assets at fair value through profit or loss		4,555	4,209
Deferred income tax asset		181	198
		58,822	59,280
Current assets			
Trade receivables	12	2,271	1,899
Deposits, prepayments and other receivables	12	1,225	1,358
Contract assets	4	5,192	1,985
Cash and cash equivalents		68,032	66,241
		76,720	71,483
Total assets		135,542	130,763
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	4,000	4,000
Other reserves	15	45,097	44,660
Retained earnings		70,661	65,277
Total equity		119,758	113,937
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		594	581
		594	581
Current liabilities			
Bank borrowing		10,673	10,957
Accruals and other payables	13	2,868	4,285
Contract liabilities		208	366
Income tax payable	4	1,441	637
		15,190	16,245
Total liabilities		15,784	16,826
Total equity and liabilities		135,542	130,763

Unaudited Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Share capital HK\$'000 (Note 14)	Share Premium HK\$'000 (Note 15)	Other reserves HK\$'000 (Note 15)	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	4,000	34,992	8,546	53,045	100,583
Total comprehensive income					
Profit and other comprehensive income for the period	–	–	–	6,097	6,097
Transaction with owners in their capacity as owners					
Dividend paid (Note 10)	–	–	–	(800)	(800)
Share-based payment expenses	–	–	827	–	827
At 30 September 2020 (unaudited)	4,000	34,992	9,373	58,342	106,707
At 1 April 2021 (audited)	4,000	34,992	9,668	65,277	113,937
Total comprehensive income					
Profit and other comprehensive income for the period	–	–	–	6,184	6,184
Transaction with owners in their capacity as owners					
Dividend paid (Note 10)	–	–	–	(800)	(800)
Share-based payment expenses	–	–	437	–	437
At 30 September 2021 (unaudited)	4,000	34,992	10,105	70,661	119,758

Unaudited Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net cash generated from operating activities	5,662	10,448
Net cash used in investing activities	(2,763)	(6,712)
Net cash used in financing activities	(1,108)	(1,164)
Net increase in cash and cash equivalents	1,791	2,572
Cash and cash equivalents at beginning of the period	66,241	57,666
Cash and cash equivalents at end of the period	68,032	60,238

Notes to the Unaudited Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Shares were listed on GEM by way of placing and public offer on the Listing Date. The address of the Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is located at Office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the development and provision of financial trading solutions and development and supply of resource allocation, planning, scheduling and management of software and services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 has been prepared in accordance with the HKAS 34 "Interim Financial Reporting" and the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2021 and the notes thereto (the **"2021 Audited Consolidated Financial Statements"**). The significant accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2021 Audited Consolidated Financial Statements except for the new and revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period's financial statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited condensed consolidated financial statements. Although the estimates are based on the management's best knowledge of and judgement on the present events and actions, the actual results may eventually differ from those estimates.

The unaudited condensed consolidated financial statements has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Audit Committee.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Certain new and revised HKFRSs have been issued. The Directors considered that the adoption of those new HKFRSs which are effective for the accounting periods beginning on 1 April 2021 will not have any material impact on the preparation and presentation of the results and financial conditions of the current period and previous periods. For the HKFRSs that are not yet effective nor have not been early adopted, the Group is in the process of making an assessment of the potential impact of the newly issued HKFRSs.

Notes to the Unaudited Condensed Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Licensing and maintenance services	9,685	10,152	19,310	20,037
Initial set up and customisation services	3,155	52	5,320	376
Sales of computer hardware and software	–	–	9	–
	12,840	10,204	24,639	20,413

(a) Disaggregation of revenue from contracts with customers

During the six months ended 30 September 2021, all sources of revenue were recognised over time, except for revenue from sales of computer hardware and software which was recognised at a point in time (2020: all sources of revenue were recognised over time).

(b) Assets and liabilities related to contracts with customers

	Note	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Contract assets	(i)	5,192	1,985
Contract liabilities	(ii)-(iii)	208	366

Notes:

- (i) Contract assets represent revenue of initial set up and customisation services and licensing and maintenance services recognised prior to the agreed payment schedule date. Contract assets increased by approximately HK\$3,207,000 during the six months ended 30 September 2021 and such increase was primarily due to more initial set up and customisation service in progress during the period. There was no impairment loss recognised on contract assets during the six months ended 30 September 2021.
- (ii) Contract liabilities represent advance payments received from provision of initial set up and customisation services and provision of licensing and maintenance services. During the six months ended 30 September 2021, contract liabilities decreased by approximately HK\$158,000 and such decrease was due to decrease in advance payments of approximately HK\$192,000 received from customers for provision of initial set up and customisation services. It was partially offset by increase in advance payments of approximately HK\$34,000 received from customers for provision of licensing and maintenance services.
- (iii) During the six months ended 30 September 2021, approximately HK\$348,000 of carried-forward contract liabilities at the beginning of financial year were recognised as revenue and the remaining approximately HK\$18,000 was not yet recognised as revenue, which is mainly because services have not yet been provided to the customers.

Notes to the Unaudited Condensed Consolidated Financial Statements

4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Assets and liabilities related to contracts with customers (continued)

Notes: (continued)

- (iv) As at 30 September 2021, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) was approximately HK\$15,045,000 (31 March 2021: approximately HK\$7,587,000). Management expects that the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the related services, mainly related to provision of customisation and maintenance services, are provided over the next 3 years (31 March 2021: 5 years) for the six months ended 30 September 2021.

The Group has elected the practical expedient for not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for revenue contracts which have an original expected duration of one year or less.

(c) Segment information

The executive Directors have been identified as the chief operating decision-makers of the Group who review the Group's internal reporting in order to assess performance and allocate resources. For the six months ended 30 September 2021, the Directors considered that the Group's operations were operated and managed as a single segment and no separate segment information was presented for the financial periods (2020: same).

The Group domiciles and operates in Hong Kong. All revenue of the Group was generated in Hong Kong during the six months ended 30 September 2021 (2020: same).

(d) Information about major customers

Certain customers contributed more than 10% of the total sales of the Group during the period. The amount of sales of these customers are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Customer A	1,956	1,951	3,911	3,934
Customer B	N/A	1,046	N/A	2,093
Customer C	N/A	1,135	2,578	2,261
Customer D	2,153	N/A	3,533	N/A

N/A: The revenue of the particular customer for the particular period was less than 10% of the Group's revenue for the particular period.

Notes to the Unaudited Condensed Consolidated Financial Statements

5. OTHER INCOME

	Note	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Other income		30	33	34	35
Interest income on bank deposits		–	–	1	1
Government grant	(i)	30	1,071	60	1,071
Dividend from fund investments		4	3	9	3
Change in fair value of financial assets at fair value through profit or loss ("Change in FV of FATPL")		(77)	77	340	77
Interest income on time deposits		15	56	42	185
		2	1,240	486	1,372

Note:

- (i) For the six months ended 30 September 2021, wages subsidies of approximately HK\$60,000 were granted from the FinTech Anti-epidemic Scheme for Talent Development launched by Cyberport (2020: nil).

No wages subsidy was granted from the HKSAR Government's Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees for the six months ended 30 September 2021 (2020: approximately HK\$1,071,000).

Notes to the Unaudited Condensed Consolidated Financial Statements

6. OTHER EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Advertising expenses	5	38	7	48
Auditor's remuneration				
– Audit services	170	200	341	325
– Non-audit services	–	17	–	34
Building management fees	21	16	42	35
Entertainment expenses	47	27	79	46
Exchange (gain)/loss, net	(28)	29	(22)	28
Insurance expenses	54	58	109	100
(Gain)/loss on write-off of property and equipment	–	–	(4)	2
Legal and professional fee	348	349	697	760
Telephone and utilities	194	27	386	52
Others	401	210	1,041	404
Total other expenses	1,212	971	2,676	1,834

7. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Finance costs on				
– Bank borrowing	42	53	86	136
Amounts capitalised (<i>Note</i>)	(33)	(13)	(62)	(33)
Finance costs	9	40	24	103

Note: The amounts represent borrowing costs capitalised as development costs of intangible assets. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings. During the six months ended 30 September 2021, the capitalisation rate was 1.59% (2020: 2.39%).

Notes to the Unaudited Condensed Consolidated Financial Statements

8. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying group entity in Hong Kong will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits for the Group's qualifying entity and at 16.5% on the estimated assessable profits above HK\$2,000,000 for the six months ended 30 September 2021 (2020: same). The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% (2020: same). The amount of tax charged to the unaudited condensed consolidated statement of comprehensive income represents:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Hong Kong profits tax				
– Current period	921	928	1,502	1,534
Deferred income tax	15	14	30	22
Income tax expense	936	942	1,532	1,556

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary Shares in issue during the period.

	Three months ended 30 September		Six months ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Profit attributable to owners of the Company (HK\$'000)	3,167	3,368	6,184	6,097
Weighted average number of ordinary shares in issue (thousands)	400,000	400,000	400,000	400,000
Basic earnings per share (HK cents)	0.79	0.84	1.55	1.52

Notes to the Unaudited Condensed Consolidated Financial Statements

9. EARNINGS PER SHARE (continued)

(b) Diluted

In calculating the diluted earnings per share, the weighted average number of Shares is adjusted to assume conversion of all dilutive potential Shares from share options. For the six months ended 30 September 2021, adjustment has been made to determine the number of Shares that could have been acquired at fair value (according to the average period market price of the Shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of Shares calculated below is compared with the number of Shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share for the six months ended 30 September 2020 was the same as basic earnings per share since the exercise of share options would have an anti-dilutive effect.

	Three months ended 30 September		Six months ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Profit attributable to owners of the Company (HK\$'000)	3,167	3,368	6,184	6,097
Weighted average number of ordinary shares in issue (thousands) (Note)	400,384	400,000	400,220	400,000
Diluted earnings per share (HK cents)	0.79	0.84	1.55	1.52

Note:

The following were used as the denominator in calculating the diluted earnings per share:

	Three months ended 30 September		Six months ended 30 September	
	2021 Thousands (unaudited)	2020 Thousands (unaudited)	2021 Thousands (unaudited)	2020 Thousands (unaudited)
Weighted average number of ordinary Shares used as the denominator in calculating basic earnings per share	400,000	400,000	400,000	400,000
Adjustments for calculation of diluted earnings per share:				
Share options	384	–	220	–
Weighted average number of ordinary Shares used as the denominator in calculating diluted earnings per share	400,384	400,000	400,220	400,000

Notes to the Unaudited Condensed Consolidated Financial Statements

10. DIVIDEND

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
2021 Final, paid – HK\$0.002 per ordinary share (2020: HK\$0.002)	800	800	800	800

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

11. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired items of property and equipment with cost of approximately HK\$125,000 (2020: approximately HK\$160,000). Items of property and equipment with cost of approximately HK\$1,006,000 were written off during the six months ended 30 September 2021 (2020: approximately HK\$204,000), resulting in a gain on write-off of property and equipment of approximately HK\$4,000 (2020: loss on write-off of property and equipment of approximately HK\$2,000).

The land and building amounted to approximately HK\$31,430,000 and HK\$32,039,000 as at 30 September 2021 and 31 March 2021 respectively was pledged as security against the bank borrowing.

12. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Trade receivables	2,271	1,899
Deposits	449	507
Prepayments	758	864
Other receivables	37	6
	3,515	3,276
Less: non-current portion of deposits	(19)	(19)
Trade receivables, deposits, prepayments and other receivables	3,496	3,257

The carrying amounts of the Group's trade receivables, deposits, prepayments and other receivables approximated their fair values at the end of each reporting period.

Notes to the Unaudited Condensed Consolidated Financial Statements

12. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Credit period ranging from 0 days to 30 days were granted to the customers. As at the end of each reporting period, the ageing analysis of trade receivables by the invoice date was as follows:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Less than 30 days	1,350	1,143
31 days to 90 days	493	603
Over 90 days	428	153
	2,271	1,899

The Group's trade receivables were denominated in the following currencies:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
US\$	2,130	1,650
HK\$	141	249
	2,271	1,899

No impairment loss was recognised during the six months ended 30 September 2021 (2020: same). Information about the impairment of trade receivables can be found in note 3.1(b) to the 2021 Audited Consolidated Financial Statements.

The maximum exposure to credit risk at the reporting date was the fair value of the receivables mentioned above. The Group did not hold any collateral as security.

13. ACCRUALS AND OTHER PAYABLES

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Accrued payroll and employee benefits	2,244	3,213
Accrued expenses and other payables	624	1,072
Accruals and other payables	2,868	4,285

Notes to the Unaudited Condensed Consolidated Financial Statements

13. ACCRUALS AND OTHER PAYABLES (continued)

The Group's accruals and other payables were denominated in the following currencies:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
US\$	96	13
HK\$	2,772	4,272
	2,868	4,285

All accruals and other payable were expected to be settled within one year.

14. SHARE CAPITAL

	Number of Shares	Nominal value HK\$'000
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 (audited) and 30 September 2021 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary Shares of HK\$0.01 each		
At 1 April 2020, 31 March 2021, 1 April 2021 (audited) and 30 September 2021 (unaudited)	400,000,000	4,000

15. OTHER RESERVES

	Share Premium HK\$'000	Capital Reserve HK\$'000 (Note)	Share-based payment Reserve HK\$'000 (Note 16)	Total HK\$'000
At 1 April 2020 (audited)	34,992	7,500	1,046	43,538
Transaction with owners in their capacity as owners				
Share-based payment expenses	–	–	827	827
At 30 September 2020 (unaudited)	34,992	7,500	1,873	44,365
At 1 April 2021 (audited)	34,992	7,500	2,168	44,660
Transaction with owners in their capacity as owners				
Share-based payment expenses	–	–	437	437
At 30 September 2021 (unaudited)	34,992	7,500	2,605	45,097

Note: Capital reserve of HK\$7,500,000 represented the difference between the share capitals of Global eSolutions (HK) Limited ("GES"), Real Logic Technology Company Limited and Win Investment (HK) Limited acquired over the nominal value of the share capital of the Company issued in exchange thereof as part of the Reorganisation prior to the Listing of the Company.

Notes to the Unaudited Condensed Consolidated Financial Statements

16. SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 29 March 2019. The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest.

(i) 2019 Share Option

On 15 August 2019, the Company has granted a total number of 36,400,000 share options ("**2019 Share Option**") to certain eligible participants ("**Grantee(s)**") under the Share Option Scheme which will entitle the Grantees to subscribe for a total number of 36,400,000 Shares. The details of 2019 Share Option are summarised as follows:

	% of the total share options	2019 Share Option	
		Vesting period	Exercise period
Tranche 1	50%	15 August 2019 to 14 August 2020	15 August 2020 to 14 August 2029
Tranche 2	50%	15 August 2019 to 14 August 2021	15 August 2021 to 14 August 2029

Among the 36,400,000 share options granted above, 4,800,000 share options were granted to two Grantees who are a Director and an associate of a Director and Substantial Shareholder of the Company ("**Connected Grantee(s)**").

The movements of the share options outstanding under the 2019 Share Option during the six months ended 30 September 2021 and 2020 are as follows:

Name and position/ capacity of participant	Date of Grant	Exercise price (HK\$)	Number of Shares represented by share options outstanding as at 1 April 2021 (Audited)	Share options		Number of Shares represented by share options outstanding as at 30 September 2021 (Unaudited)
				exercised during the period	forfeited during the period	
Connected Grantees						
Mr. Wong Wing Hoi (" Mr. Wong ") <i>(Executive Director)</i>	15 August 2019	0.178	4,000,000	-	-	4,000,000
Mr. Wei Chun Pong Benjamin (" Mr. Benjamin Wei ") <i>(Associate of a non-executive Director and substantial shareholder)</i>	15 August 2019	0.178	800,000	-	-	800,000
Employees	15 August 2019	0.178	23,600,000	-	-	23,600,000
Consultant	15 August 2019	0.178	4,000,000	-	-	4,000,000
Total number of share options			32,400,000	-	-	32,400,000

Notes to the Unaudited Condensed Consolidated Financial Statements

16. SHARE OPTION SCHEME (continued)

(i) 2019 Share Option (continued)

Name and position/ capacity of participant	Date of Grant	Exercise price (HK\$)	Number of Shares represented by share options outstanding as at 1 April 2020 (Audited)	Share	Share	Number of Shares represented by share options outstanding as at 30 September 2020 (Unaudited)
				exercised during the period	options forfeited during the period	
Connected Grantees						
Mr. Wong	15 August 2019	0.178	4,000,000	-	-	4,000,000
Mr. Benjamin Wei	15 August 2019	0.178	800,000	-	-	800,000
Employees	15 August 2019	0.178	27,600,000	-	-	27,600,000
Total number of share options			32,400,000	-	-	32,400,000

	2019 Share Option	
	Tranche 1	Tranche 2
Fair value at date of grant (per share)	HK\$0.078	HK\$0.082

The 2019 Share Option was measured at fair value at Date of Grant using Black-Scholes model with following key assumptions:

	2019 Share Option	
	Tranche 1	Tranche 2
Share price at grant date (per share)	HK\$0.162	HK\$0.162
Exercise price (per share)	HK\$0.178	HK\$0.178
Expected life (years)	5.5	6
Expected volatility	55.89%	56.23%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	1.15%	1.15%

For the six months ended 30 September 2021, the Group recognised share-based payment expenses amounting to approximately HK\$435,000 (2020: approximately HK\$827,000), which has been charged to the unaudited condensed consolidated statement of comprehensive income.

32,400,000 share options were exercisable as at 30 September 2021 (2020: 16,200,000).

Notes to the Unaudited Condensed Consolidated Financial Statements

16. SHARE OPTION SCHEME (continued)

(ii) 2020 Share Option

On 3 November 2020, the Company has granted a total number of 1,600,000 share options ("2020 Share Option") to the Grantees under the Share Option Scheme which will entitle the Grantees to subscribe for a total number of 1,600,000 Shares. The details of 2020 Share Option are summarised as follows:

	% of the total share options	2020 Share Option	
		Vesting period	Exercise period
Tranche 1	50%	3 November 2020 to 2 November 2021	3 November 2021 to 2 November 2030
Tranche 2	50%	3 November 2020 to 2 November 2022	3 November 2022 to 2 November 2030

Among the 1,600,000 share options granted above, 800,000 share options were granted to one Connected Grantee who is a Director.

The movements of the share options outstanding under the 2020 Share Option during the six months ended 30 September 2021 are as follows:

Name and position/ capacity of participant	Date of Grant	Exercise price (HK\$)	Number of Shares represented by share options outstanding as at		Number of Shares represented by share options outstanding as at	
			1 April 2021 (Audited)	Share options exercised during the period	Share options forfeited during the period	30 September 2021 (Unaudited)
Connected Grantees						
Mr. Wong	3 November 2020	0.095	800,000	-	-	800,000
Employee	3 November 2020	0.095	800,000	-	(800,000)	-
Total number of share options			1,600,000	-	(800,000)	800,000

	2020 Share Option	
	Tranche 1	Tranche 2
Fair value at date of grant (per share)	HK\$0.046	HK\$0.046

Notes to the Unaudited Condensed Consolidated Financial Statements

16. SHARE OPTION SCHEME (continued)

(ii) 2020 Share Option (continued)

The 2020 Share Option was measured at fair value at Date of Grant using Black-Scholes model with following key assumptions:

	2020 Share Option	
	Tranche 1	Tranche 2
Share price at grant date (per share)	HK\$0.095	HK\$0.095
Exercise price (per share)	HK\$0.095	HK\$0.095
Expected life (years)	5.5	6
Expected volatility	55.27%	54.01%
Expected dividend yield	0.20%	0.20%
Risk-free interest rate	0.29%	0.29%

For the six months ended 30 September 2021, the Group recognised share-based payment expenses amounting to approximately HK\$2,000 (2020: nil), which has been charged to the unaudited condensed consolidated statement of comprehensive income.

No share options were exercisable as at 30 September 2021.

Share options which are forfeited prior to the expiry date will be released directly to the reserve. The calculation results of the value of the share options are subject to a number of assumptions of the parameters used herein and the limitation of the model adopted, therefore the estimated value of the share options may be subjective and subject to uncertainties.

The maximum entitlement of each eligible participant under the Share Option Scheme in any 12-month period up to the date of offer to grant shall not exceed 1% of the Shares in issue as at the date of offer to grant.

17. RELATED PARTY TRANSACTION

As at 30 September 2021, the Directors considered Mr. Wei Ming (“**Mr. Wei**”) and Essential Strategy, which was incorporated in the British Virgin Islands, as the ultimate Controlling Shareholder and immediate holding company of the Company, respectively (2020: same).

(a) Significant related party transactions

The Group had the following related party transaction during the period.

Name of party	Nature of transaction	Three months ended 30 September		Six months ended 30 September	
		2021	2020	2021	2020
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Mr. Benjamin Wei (Note)	Employee benefits expenses	97	94	186	185

Note: Mr. Benjamin Wei is a close family member of Mr. Wei, the non-executive Director. The above transaction was conducted in the normal course of business of the Company and charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.

Notes to the Unaudited Condensed Consolidated Financial Statements

17. RELATED PARTY TRANSACTION (continued)

(b) Key management compensation

Compensation of key management personnel of the Group, including Directors' emoluments, was as follows:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Salaries and allowances	875	1,000	1,949	1,963
Discretionary bonuses	–	–	–	–
Pension costs – defined contribution plans	12	14	25	27
Staff welfare and benefits	8	11	16	19
Share-based payment expenses	84	100	131	204
	979	1,125	2,121	2,213

18. FAIR VALUE ESTIMATION

The Group analyses the financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All the Group's financial assets at fair value through profit or loss are included in Level 1 as at 30 September 2021 (31 March 2021: same).

There were no transfers of financial assets between levels 1, 2 and 3 during the six months ended 30 September 2021 and 2020.

Management Discussion and Analysis

BUSINESS REVIEW

We are a Hong Kong-based financial trading solution provider principally engaged in the development and provision of financial trading solutions and development and supply of resource allocations, planning, scheduling and management of software and services. We mainly provide comprehensive and integrated financial trading solutions that enable trading of OTC-traded financial instruments, stock exchange-traded financial instruments and fund management to brokerage firms and wealth management companies to satisfy their various business needs.

For the six months ended 30 September 2021, the Group recorded a revenue of approximately HK\$24.6 million, representing an increase of approximately 21% from approximately HK\$20.4 million recorded for the six months ended 30 September 2020. Profit attributable to owners of the Company for the six months ended 30 September 2021 amounted to approximately HK\$6.2 million, representing an increase of approximately 1% as compared with the profit of approximately HK\$6.1 million for the six months ended 30 September 2020. Such increase is mainly due to increase in revenue by approximately HK\$4.2 million and decrease in some of the expenses by approximately HK\$0.3 million in total, including but not limited to decrease in depreciation of property and equipment of approximately HK\$0.1 million, amortisation of intangible assets of approximately HK\$0.1 million and finance cost of approximately HK\$0.1 million. It was partially offset by decrease in other income by approximately HK\$0.9 million and increase in some of the expenses by approximately HK\$3.5 million in total, including but not limited to increase in internet service cost of approximately HK\$0.2 million, employee benefit expenses of approximately HK\$2.4 million and other expenses of approximately HK\$0.8 million. If the Change in FV of FATPL (included in other income) was excluded, the profit attributable to owners of the Company would decrease by approximately 3% from approximately HK\$6.0 million for the six months ended 30 September 2020 to approximately HK\$5.8 million for the six months ended 30 September 2021.

OUTLOOK

In line with the Group's long-term objective to strengthen our position as a financial technology solution provider and to expand our market share, the Group intends to expend resources on enhancing and upgrading our existing financial trading solutions, exploring the development of new IT solutions, establishing our research and development ("R&D") centre and pursuing selective acquisition(s).

Looking forward, the Group believe that the COVID-19 may continue to adversely affect the financial performance of the Group for the coming financial year. In response to the unfavorable market conditions, the Group will continue to focus on R&D in innovative IT products and services and provide stable and reliable financial trading solutions and non-financial IT solutions. Our next focus will be the financial and non-financial IT solutions projects awarded in January 2021 and April 2021 respectively. We believe that we can build a strong reputation after completing those projects successfully. Our management will also keep an eye on the progress of other business objectives such as pursuing selective acquisition(s) and establishment of R&D centre.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the provision of financial trading solutions which can be classified into (i) licensing and maintenance services; (ii) initial set up and customisation services; and (iii) sales of computer hardware and software. For the six months ended 30 September 2021, the Group recorded revenue of approximately HK\$24.6 million, representing an increase of approximately 21% as compared with the corresponding period in 2020 of approximately HK\$20.4 million. The following table sets forth the breakdown of our revenue by source of revenue:

	Three months ended 30 September				Six months ended 30 September			
	2021		2020		2021		2020	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)		(unaudited)		(unaudited)		(unaudited)	
Licensing and maintenance services	9,685	75	10,152	99	19,310	78	20,037	98
Initial set up and customisation services	3,155	25	52	1	5,320	22	376	2
Sales of computer hardware and software	-	-	-	-	9	*	-	-
	12,840	100	10,204	100	24,639	100	20,413	100

* Less than 1%

The increase was mainly attributable to the increase in revenue from initial set up and customisation services and sales of computer hardware and software. It was partially offset by the decrease in revenue from licensing and maintenance services. Revenue from initial set up and customisation services increased by approximately 1,315% from approximately HK\$0.4 million for the six months ended 30 September 2020 to approximately HK\$5.3 million for the six months ended 30 September 2021, which mainly arose from the projects awarded in January 2021 and April 2021 (as mentioned in the paragraph headed "Outlook" under this section). In addition, during the six months ended 30 September 2021, the Group generated revenue from the sales of computer hardware and software of approximately HK\$9,000 (2020: nil). Both initial set up and customisation services and sales of computer hardware and software are generally provided on an on-demand basis, depending on our customers' business needs.

However, increase in revenue was partially offset by decrease in revenue from licensing and maintenance services of approximately 4% from approximately HK\$20.0 million for the six months ended 30 September 2020 to approximately HK\$19.3 million for the six months ended 30 September 2021. It was primarily because some customers terminated our services with contract amount of approximately HK\$1.3 million due to uncertainties of the global and local economic and political environment. The decrease was partially offset by provision of services to new customers and additional services to existing customers amounting to approximately HK\$0.5 million.

Other Income

The Group's other income were approximately HK\$0.5 million and HK\$1.4 million for the six months ended 30 September 2021 and 2020 respectively. The decrease in other income by approximately 65% was mainly due to the decrease in government grant and time deposit interest income by approximately HK\$1.0 million and HK\$0.1 million respectively. It was partially offset by increase in Change in FV of FATPL of approximately HK\$0.3 million.

Management Discussion and Analysis

Financial assets at fair value through profit or loss

During the six months ended 30 September 2021, the Group did not acquire (2020: aggregate consideration (exclusive of transaction costs) of approximately HK\$3.8 million) or dispose of (2020: nil) any financial assets and recorded Change in FV of FATPL of approximately HK\$340,000 under other income (2020: approximately HK\$77,000) and exchange gain of approximately HK\$6,000 under other expenses (2020: nil) of the unaudited condensed consolidated financial statements.

Cost of Sales of Computer Hardware and Software

During the six months ended 30 September 2021, our cost of sales of computer hardware and software was approximately HK\$7,000 (2020: nil). Such increase was in line with the increase in sales of computer hardware and software.

License and Subscription Cost

For the six months ended 30 September 2021, the Group's license and subscription cost was approximately HK\$0.9 million, representing a decrease of approximately 5% over the cost of approximately HK\$1.0 million for the six months ended 30 September 2020. Such decrease was mainly because the Group changed its suppliers with more competitive price, which saved cost by approximately HK\$0.1 million for the six months ended 30 September 2021.

Internet Services Cost

For the six months ended 30 September 2021, the Group's internet services cost was approximately HK\$1.5 million, representing an increase of approximately 20% over the internet services cost of approximately HK\$1.2 million for the six months ended 30 September 2020. Such increase was primarily because the Group implemented the business plans as disclosed in the paragraph headed "Outlook" under this section, which increased the cost by approximately HK\$0.4 million.

Intangible Assets

For the six months ended 30 September 2021 and 2020, our R&D expenses (which were mostly included in employee benefit expenses) amounted to approximately HK\$7.2 million and HK\$4.9 million, respectively. Out of the total R&D costs, approximately HK\$2.6 million and HK\$2.9 million for the six months ended 30 September 2021 and 2020, respectively, were capitalised as intangible assets.

Employee Benefit Expenses

For the six months ended 30 September 2021, the Group's employee benefit expenses were approximately HK\$8.8 million, representing an increase of approximately 38% over the employee benefit expenses of approximately HK\$6.3 million for the six months ended 30 September 2020. The increase is primarily due to increase in staff costs by approximately HK\$2.5 million in total for our business needs and implementation of our business plan as mentioned in the paragraph headed "Outlook" under this section and decrease in capitalised staff cost as intangible assets by approximately HK\$0.3 million. It was partially offset by decrease in share-based payment expenses by approximately HK\$0.4 million.

Depreciation of Property and Equipment

The Group's depreciation of property and equipment was approximately HK\$1,262,000 for the six months ended 30 September 2021, representing a decrease of approximately 4% from approximately HK\$1,313,000 for the six months ended 30 September 2020. The decrease was primarily due to certain items of computers being fully depreciated during the year ended 31 March 2021 and thus no depreciation was recognised for those computers during the six months ended 30 September 2021.

Management Discussion and Analysis

Amortisation of Intangible Assets

The Group's amortisation of intangible assets was approximately HK\$2.3 million for the six months ended 30 September 2021, representing a decrease of approximately 3% from approximately HK\$2.4 million for the six months ended 30 September 2020. The decrease was primarily due to certain items of computer software systems being fully amortised and thus less amortisation was recognised for those computer software systems during the six months ended 30 September 2021.

Other Expenses

The Group's other expenses mainly include (i) legal and professional fees, (ii) auditors' remuneration, (iii) telephone and utilities and (iv) insurance expenses. The Group's other expenses for the six months ended 30 September 2021 were approximately HK\$2.7 million, representing an increase of approximately 46% over the other expenses of approximately HK\$1.8 million for the six months ended 30 September 2020. The increase was primarily attributable to the increase in consulting fee and call centre support fee of approximately HK\$0.7 million and HK\$0.3 million respectively. It was partially offset by the decrease in legal and professional fee by approximately HK\$0.1 million.

Finance Costs

For the six months ended 30 September 2021, the Group's finance costs were approximately HK\$24,000, representing a decrease of approximately 77% over the finance costs of approximately HK\$103,000 for the six months ended 30 September 2020. Such decrease was due to a decrease in variable interest rate which resulted in decrease in finance costs by approximately 37% from approximately HK\$136,000 for the six months ended 30 September 2020 to approximately HK\$86,000 for the six months ended 30 September 2021 and borrowing costs capitalized as development cost of intangible assets increased by approximately 88% from approximately HK\$33,000 for the six months ended 30 September 2020 to approximately HK\$62,000 for the six months ended 30 September 2021.

Profit Before Income Tax

Profit before income tax for the six months ended 30 September 2021 amounted to approximately HK\$7,716,000 (2020: approximately HK\$7,653,000). The profit before tax remained relatively stable and is a net effect of the increase in revenue by approximately HK\$4.2 million and decrease in some of the expenses by approximately HK\$0.3 million in total, including but not limited to decrease in depreciation of property and equipment of approximately HK\$0.1 million, amortisation of intangible assets of approximately HK\$0.1 million and finance cost of approximately HK\$0.1 million and was partially offset by decrease in other income by approximately HK\$0.9 million and increase in some of the expenses by approximately HK\$3.5 million in total, including but not limited to increase in internet service cost of approximately HK\$0.2 million, employee benefit expenses of approximately HK\$2.4 million and other expenses by approximately HK\$0.8 million. If the Change in FV of FATPL (included in other income) was excluded, the profit before income tax would decrease by approximately 3% from approximately HK\$7.6 million for the six months ended 30 September 2020 to approximately HK\$7.4 million for the six months ended 30 September 2021.

Income Tax Expense

The Group's income tax expense for the six months ended 30 September 2021 was approximately HK\$1,532,000, representing a decrease of approximately 2% from approximately HK\$1,556,000 for the six months ended 30 September 2020. Such decrease was mainly due to the decrease in profit before income tax (excluding Change in FV of FATPL) by 3%. The effective income tax rates of the Group, which is calculated by the income tax expense divided by profit before tax, were approximately 20.3% and 19.9% for the six months ended 30 September 2020 and 2021, respectively. If the non-deductible corporate expenses after the Listing was excluded, the effective income tax rates would be 17.3% and 18.4% for the six months ended 30 September 2020 and 2021, respectively.

Management Discussion and Analysis

Profit for the Period Attributable to Owners of the Company

Profit attributable to owners of the Company for the six months ended 30 September 2021 amounted to approximately HK\$6.2 million, representing an increase of approximately 1% as compared with the profit of approximately HK\$6.1 million for the six months ended 30 September 2020. Such change was due to a combination of the above-mentioned reasons. If the Change in FV of FATPL (included in other income) was excluded, the profit attributable to owners of the Company would decrease by approximately 3% from approximately HK\$6.0 million for the six months ended 30 September 2020 to approximately HK\$5.8 million for the six months ended 30 September 2021.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations are financed mainly by cash generated from operations. The Group recorded net current assets of approximately HK\$61.5 million as at 30 September 2021 (31 March 2021: approximately HK\$55.2 million).

As at 30 September 2021, the Group's current assets amounted to approximately HK\$76.7 million (31 March 2021: approximately HK\$71.5 million) of which approximately HK\$2.3 million (31 March 2021: approximately HK\$1.9 million) was trade receivables, approximately HK\$1.2 million (31 March 2021: approximately HK\$1.4 million) was deposits, prepayments and other receivables, approximately HK\$5.2 million (31 March 2021: approximately HK\$2.0 million) was contract assets and approximately HK\$68.0 million (31 March 2021: approximately HK\$66.2 million) was cash and cash equivalents.

As at 30 September 2021, the Group has interest-bearing bank borrowing of approximately HK\$10.7 million (31 March 2021: approximately HK\$11.0 million) at 1.59% effective interest rate (31 March 2021: 2.06%). On the same date, the Group had unused banking facilities of approximately HK\$8.0 million (31 March 2021: HK\$8.0 million). The banking facilities were secured by a corporate guarantee from the Company and the land and building with carrying amount of approximately HK\$31.4 million (31 March 2021: HK\$32.0 million). As at 30 September 2021 and 31 March 2021, none of the Group's borrowing bears interest at fixed rate.

The gearing ratio of the Group, which was defined as total debt divided by total equity, was 8.9% as at 30 September 2021 (31 March 2021: 9.6%). The decrease in gearing ratio was mainly due to the increase in retained earnings. The net debt to total capital of the Group, which was defined as total debt net of cash and cash equivalents divided by total capital, was at net cash position as at 30 September 2021 (31 March 2021: net cash position).

The Group's financial position has been further enhanced by the unutilized Net Proceeds of approximately HK\$7.7 million received from the Listing in May 2019.

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: R&D risk, retention of customers and staff and concentration of customers and suppliers. For details, please refer to the same paragraph under the same section of the 2021 annual report of the Company. In addition, the Group's activities are exposed to a variety of financial risks including exchange rate risk, credit risk, liquidity risk and interest rate risk.

Management Discussion and Analysis

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's transactions are mainly denominated in HK\$ and US\$. The majority of assets and liabilities are denominated in HK\$ and US\$. Since HK\$ is pegged to US\$, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

EXPOSURE TO CREDIT RISK

Credit risk arises from cash at banks, trade receivables and contract assets and deposits and other receivables as set out in notes 4(b) and 12 to the unaudited condensed consolidated financial statements. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage the risk arising from cash at banks, the Group only transacts with reputable banks which are high-credit-quality financial institutions. The Group has a credit policy to monitor the level of credit risk in relation to customers. In general, the credit record and credit period for each customer or debtor is regularly assessed based on the customer's or debtor's financial condition, credit records and other factors such as current market conditions. The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets from third parties. The Group considers, on an overall basis, the shared credit risk characteristic and the days past due of the trade receivables and contract assets to measure the expected credit loss. The management considered (among other factors) forward looking information, analysed historical payment pattern and concluded that the expected loss rate of trade receivables and contract assets are assessed to be less than 1% for the six months ended 30 September 2021 (year ended 31 March 2021: same). The loss allowance provision for these balances was close to zero during the six months ended 30 September 2021 (year ended 31 March 2021: same). Please refer to note 3.1(b) to the 2021 Audited Consolidated Financial Statements for more details.

EXPOSURE TO LIQUIDITY RISK

The Group adopts a prudent liquidity risk management by maintaining sufficient cash and bank balances and ensuring the availability of bank facilities to meet its liquidity requirements in the short and long term.

Due to the dynamic nature of the businesses environment, the Group aims to maintain flexibility in funding by keeping sufficient banking facilities if necessary. The liquidity risk of the Group is primarily attributable to accruals and other payables, and a bank borrowing.

Management Discussion and Analysis

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. As at 30 September 2021, the bank borrowing with a repayment on demand clause, amounting to HK\$10,673,000 (31 March 2021: HK\$10,957,000), is included in the "on demand" category in the maturity analysis below. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

	On demand HK\$'000	Within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000
At 30 September 2021					
(unaudited)					
Bank borrowing	10,673	–	–	–	10,673
Accruals and other payables (excluding accrued payroll and employee benefits)	–	624	–	–	624
At 31 March 2021 (audited)					
Bank borrowing	10,957	–	–	–	10,957
Accruals and other payables (excluding accrued payroll and employee benefits)	–	1,072	–	–	1,072

Specifically, for a bank borrowing which contains a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest date on which the Group can be required to pay, that is if the lender was to invoke their unconditional rights to call the loans with immediate effect.

The table below summarises the maturity analysis of the bank borrowing (subject to a repayment on demand clause) based on agreed scheduled repayments as set out in the loan agreement. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the Directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The Directors believe that such bank borrowing will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

	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 HK\$'000
At 30 September 2021					
(unaudited)					
	741	741	2,222	8,397	12,101
At 31 March 2021 (audited)					
	744	744	2,233	8,808	12,529

Management Discussion and Analysis

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from its bank deposits and bank borrowing. These deposits and the borrowing bear interests at variable rates which varied with the then prevailing market condition. Except as stated above, the Group has no other interest-bearing assets and liabilities as at 30 September 2021 (31 March 2021: same), while its income and operating cash flows are substantially independent of changes in variable interest rates.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Company since then. As at 30 September 2021, the capital structure of the Company comprised mainly of issued share capital and reserves.

PLEDGE OF ASSETS

As at 30 September 2021, the Group has pledged its land and building with carrying amount of approximately HK\$31.4 million (31 March 2021: approximately HK\$32.0 million) to secure banking facilities granted to the Group to the extent of approximately HK\$18.7 million (31 March 2021: approximately HK\$19.0 million).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has not made any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2021.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any material capital commitments and contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 September 2021, the Group had a workforce of 40 (31 March 2021: 31) 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 remuneration and benefit policies to ensure that the remuneration package offered remains competitive and in line with the relevant labour laws and regulations. For the six months ended 30 September 2021, the total employee benefit expenses of the Group (including salaries, bonuses, allowances, pension costs (defined contribution plans), staff welfare and benefits and share-based payment expenses) before deduction of capitalised staff costs as development costs of computer software system was approximately HK\$11.4 million (30 September 2020: approximately HK\$9.2 million). The Company has adopted a Share Option Scheme on 29 March 2019 to enable the Company to grant options to, amongst others, the employees and directors of the Group. For details, please refer to note 16 to the unaudited condensed consolidated financial statements and the paragraph headed "Share Option Scheme" under this section.

INTERIM DIVIDEND

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

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments as at 30 September 2021. Save as disclosed in the Prospectus and the Company's announcement "Change in Use of Proceeds" dated 22 July 2020 (the "Announcement"), the Company did not have other plans for material investments or capital assets.

EVENTS AFTER THE REPORTING DATE

The Group has no significant events subsequent to 30 September 2021 and up to the date of this report.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 30 September 2021 is set out below:

Business Objectives	Actual Progress
(i) Continue to commit in R&D of our financial trading solutions	<p>R&D plans</p> <p>Progress from the Listing Date to 30 September 2021</p>
	<p>A. Enhance and upgrade our financial trading solutions</p>
	<p>(a) Develop the cloud-based versions of GES EX and GES IX</p> <p>The Group entered into a hosting services subscription agreement with HKEX Hosting Services Limited ("HKEX Hosting") for the co-location facilities, which provide us access to the trading and market data, trading and clearing systems of the Stock Exchange at a low latency connection. As a result, the Group has become one of the HKEX Hosting application service providers ("ASP") ecosystem members to provide approved ASP services to our customers. In addition, the Group acquired servers, networking resources and third party software to power up the cloud native version of GES EX and GES IX in June 2019 and December 2019 respectively.</p>
	<p>(b) Enable the use of big data for AUTON</p> <p>The Group acquired servers, networking resources and third party software to process the big data and additional space to host the big data server in July 2019. This allows AUTON users to extract information from our big data server for backtesting their algo-trading strategies.</p>
	<p>(c) Enhance AUTON's algo-trading capability with artificial intelligence</p> <p>In September 2020, the Group successfully engaged consultants who have worked with our development team and provided technical advice on the relevant R&D activities. These consultants left the Group since June 2021 and we have suspended the R&D activities until we have engaged replacement consultants.</p>

Management Discussion and Analysis

Business Objectives	Actual Progress
(i) Continue to commit in R&D of our financial trading solutions (continued)	<p>R&D plans</p> <p>Progress from the Listing Date to 30 September 2021</p> <p>A. Enhance and upgrade our financial trading solutions (continued)</p> <p>(d) Develop HTML5 version of AUTON</p> <p>The Group was awarded financial and non-financial IT solutions projects in January 2021 and April 2021 as mentioned under the paragraph headed "Outlook" under this section. Although we initially targeted to commence the development of HTML5 version of AUTON in third quarter of 2020, management team has reallocated the resources from development of HTML5 version of AUTON to those financial and non-financial IT solution projects. We will resume the development of HTML5 version of AUTON once any of those financial and non-financial projects has been completed.</p> <p>(e) Unify and improve our financial trading solutions</p> <p>As mentioned in our 2020 and 2021 annual reports, we have started the unification of (a) GES TX and GEX EX and (b) GES IX and Xentrix earlier than scheduled and the unification was still in progress during the six months ended 30 September 2021.</p> <p>B. Incorporate prevailing technologies to promote algo-trading and awareness of our trading terminal and trading systems</p> <p>By R&D of our development team and acquisition of servers and third party software, we have launched the terminal for simulation of algo-trading and the web portal for algo sharing. We will continue enhancing the terminal and the web portal for portfolio tracking and optimization. We have also made some marketing effort to promote the above-mentioned web portal.</p> <p>Overall, to implement the above R&D plans, the Group had used approximately HK\$3.4 million to subscribe for basic market information package and corporate action information package and purchase the abovementioned hosting and connectivity services, approximately HK\$1.0 million to subscribe for cloud-based server hosting services, approximately HK\$3.4 million to recruit 4 R&D staff and approximately HK\$1.5 million to acquire computer hardware and software.</p>
(ii) Pursue selective acquisition(s)	<p>Our management is devoted to identifying suitable target (such as an IT solution vendor which specialises in financial and related IT systems, or other market players) for acquisition. We have not yet identified any suitable target for acquisition from the Listing Date up to 30 September 2021.</p>
(iii) Establish an R&D centre	<p>The expected timeline to commence the establishment of R&D centre is further changed from September 2021 (as disclosed in the 2020 interim report and 2021 annual report) to May 2022. It is primarily because we currently have sufficient office space for the additional headcounts of R&D staff as a result of change in staff composition. The Board considers that the postponement will allow the Company to deploy its financial resources more effectively, which is in the best interest of the Company and the Shareholders as a whole.</p>

Management Discussion and Analysis

USE OF PROCEEDS FROM THE LISTING

The Shares of the Company were initially listed on GEM of the Stock Exchange by way of Share Offer (as defined in the Prospectus) of 100,000,000 Shares on the Listing Date, at HK\$0.53 per Share.

The Net Proceeds were approximately HK\$17.5 million. The change in the amount of Net Proceeds as disclosed in the Prospectus is primarily due to the fact that the shares were issued at the low-end of the Offer Price Range (as defined in the Prospectus).

As disclosed in the Announcement, the Board resolved to change and reallocate the uses of part of its unutilised Net Proceeds on 22 July 2020. An amount of approximately HK\$1.5 million originally allocated for the acquisition of computer hardware and software (such as servers and network devices) is reallocated to the subscription of server hosting services.

During the period from the Listing Date to 30 September 2021, the Group has applied the Net Proceeds as follows:

Description of intended use of the proceeds	Revised allocation of the Net Proceeds on 22 July 2020		Planned use of proceeds from Listing Date to 30 September 2021	Actual use of proceeds from Listing Date to 30 September 2021	Unutilised amount as at 30 September 2021	Expected timeline for full use of the unutilised proceeds
	HK\$ million	%	HK\$ million	HK\$ million	HK\$ million	
(i) Continue to commit in R&D of our financial trading solutions	13.3	75.8	10.1	9.3	4.0	May 2022
(ii) Pursue selective acquisition(s)	1.4	8.0	-	-	1.4	April 2022
(iii) Establish an R&D centre	1.8	10.1	1.2	-	1.8	May 2022
(iv) Working capital and other general corporate purpose	1.0	6.1	-	0.5	0.5	March 2022
Total	17.5	100.0	11.3	9.8	7.7	

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities, convertible securities, options, warrants or similar rights of the Company during the six months ended 30 September 2021 and up to the date of this report.

Management Discussion and Analysis

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 CG Code has been applicable to the Company with effect from the Listing Date. The Board is of the view that during the six months ended 30 September 2021 and up to the date of this report, the Company has complied with all applicable code provisions as set out in the CG Code.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, being Mr. Lo Chi Wang, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred. Mr. Lo Chi Wang is the chairman of the Audit Committee. The Group's unaudited interim results for the six months ended 30 September 2021 and the accounting policies and practices adopted by the Group have been reviewed by the Audit Committee in the meeting held on 29 October 2021.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 29 March 2019. Details of the Share Option Scheme are set out in Appendix VI to the Prospectus. No share options have been granted pursuant to the Share Option Scheme during the six months ended 30 September 2021 (2020: same). For details of the grant of share options, please refer to note 16 to the unaudited condensed consolidated financial statements for the six months ended 30 September 2021.

PROVISION OF INFORMATION IN RESPECT OF DIRECTORS UNDER RULE 17.50A(1)

With effect from 1 September 2021, Mr. Lo Chi Wang resigned and ceased to be an independent non-executive director of Dragon Rise Group Holdings Limited (a company listed on the Main Board of the Stock Exchange with Stock Code 6829). He also ceased to be a member of the remuneration committee and audit committee of the said company.

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

As at 30 September 2021, the interests and 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 the 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:

Management Discussion and Analysis

Name of Director	Company/name of associated corporation	Capacity and nature of interest	Number of Shares of the Company/ associated corporation held (Note 4)	Approximate percentage of the issued Shares of the Company/ associated corporation
Mr. Wei (<i>Chairman and non-executive Director</i>)	Company	Interest in controlled corporation (Note 1)	210,000,000 (L)	52.5%
Mr. Chung Chau Kan (Mr. Chung) (<i>Executive Director and Chief Executive Officer</i>)	Company	Interest in controlled corporation (Note 2)	90,000,000 (L)	22.5%
Mr. Wong	Company	Beneficial owner	4,800,000 (L) (Note 3)	1.2%
Mr. Wei	Essential Strategy	Beneficial owner	1,000 (L)	100% (Note 1)

Notes:

- (1) The 210,000,000 Shares were held by Essential Strategy which is wholly owned by Mr. Wei. As such, Mr. Wei was deemed to be interested in all the Shares held by Essential Strategy pursuant to Part XV of the SFO.
- (2) The 90,000,000 Shares were held by Expert Wisdom which is wholly owned by Mr. Chung. As such, Mr. Chung was deemed to be interested in all the Shares held by Expert Wisdom pursuant to Part XV of the SFO.
- (3) These Shares represent the 2019 Share Option and 2020 Share Option granted by the Company on 15 August 2019 and 3 November 2020, respectively, under the Share Option Scheme adopted by the Company on 29 March 2019. For details, please refer to note 16 to the unaudited condensed consolidated financial statements.
- (4) The letter "L" denotes "long position" in such Shares or underlying Shares.

Saved as disclosed above, as at 30 September 2021, none of the Directors or chief executive of the Company had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Management Discussion and Analysis

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

As at 30 September 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:

Name	Capacity and nature of interest	Number of Shares held (Note 5)	Approximate percentage of the issued Shares
Essential Strategy	Beneficial owner (Note 1)	210,000,000 (L)	52.5%
Ms. Wong Siu King ("Ms. Wong")	Interest of spouse (Note 2)	210,000,000 (L)	52.5%
Expert Wisdom	Beneficial owner (Note 3)	90,000,000 (L)	22.5%
Ms. Yip Kim Kam ("Ms. Yip")	Interest of spouse (Note 4)	90,000,000 (L)	22.5%

Notes:

- (1) Mr. Wei held 210,000,000 Shares through a company wholly-owned by him, Essential Strategy.
- (2) Ms. Wong is the spouse of Mr. Wei. Under the SFO, Ms. Wong is deemed to be interested in the same number of Shares in which Mr. Wei is interested.
- (3) Mr. Chung held 90,000,000 Shares through a company wholly-owned by him, Expert Wisdom.
- (4) Ms. Yip is the spouse of Mr. Chung. Under the SFO, Ms. Yip is deemed to be interested in the same number of Shares in which Mr. Chung is interested.
- (5) The letter "L" denotes "long position" in such Shares or underlying Shares.

Saved as disclosed above, as at 30 September 2021, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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.

Management Discussion and Analysis

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct 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 (the “**Securities Transactions Code**”).

Specific enquiry has been made with all the Directors and each of the Directors has confirmed that he has complied with the Securities Transactions Code during the six months ended 30 September 2021 and up to the date of this report.

During the six months ended 30 September 2021 and up to the date of this report, the Company is not aware of any incident of non-compliance of the Securities Transactions Code by the Directors.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the paragraphs headed “Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures” and “Share Option Scheme” above, at no time during the six months ended 30 September 2021 and up to the date of this report were there any rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or chief executive of the Company or their respective associates or were there 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 or chief executive of the Company or their respective associates to acquire such rights in any other body corporate.

COMPETING INTEREST

During the six months ended 30 September 2021 and up to the date of this report, none of the Directors or the Controlling Shareholders or their close associates 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.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, Dongxing Securities (Hong Kong) Company Limited has been appointed as the compliance adviser of the Company (the “**Compliance Adviser**”). Save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 23 May 2018, none of the Compliance Adviser or its directors, employees or close associates has or may have any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this report.

By order of the Board

Wei Ming

Chairman and Non-executive Director

Hong Kong, 29 October 2021

Definitions

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

"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	Corporate Governance Code and Corporate Governance Report set out in Appendix 15 of the GEM Listing Rules
"Chairman"	the chairman of the Board, as appointed and designated from time to time
"close associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Company"	Novacon Technology Group Limited (連成科技集團有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands on 7 February 2018
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Date of Grant"	15 August 2019 and 3 November 2020, the respective date on which the 2019 Share Option and the 2020 Share Option (as applicable) were granted to the Grantees
"Director(s)"	the director(s) of the Company, as appointed from time to time
"Essential Strategy"	ESSENTIAL STRATEGY INVESTMENTS LIMITED, a company incorporated in BVI with limited liability on 4 January 2016, which is wholly-owned by Mr. Wei Ming and is one of the Controlling Shareholders
"Expert Wisdom"	EXPERT WISDOM HOLDINGS LIMITED, a company incorporated in BVI with limited liability on 21 December 2017, which is wholly-owned by Mr. Chung Chau Kan
"GEM"	the GEM operated by the Stock Exchange
"GEM Listing Rules"	Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"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

Definitions

"HKAS"	Hong Kong Accounting Standards
"HKFRS(s)"	Hong Kong Financial Reporting Standards issued by the HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK" or "HKSAR"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing"	the listing of the Shares on GEM of the Stock Exchange on 2 May 2019
"Listing Date"	2 May 2019, the date on which the Shares were initially listed on GEM of the Stock Exchange
"Net Proceeds"	gross proceeds from the Listing less the actual expenses relating to the Listing, including but not limited to the underwriting commission
"OTC-traded financial instruments"	over-the-counter-traded financial instruments, which are contracts that are traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary
"Prospectus"	the prospectus of the Company published on 15 April 2019 in connection with the Listing
"Reorganisation"	the reorganisation of our Group in preparation for the Listing, details of which are set out in the section headed "History, Development and Reorganisation" in the Prospectus
"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 nominal value 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 29 March 2019
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the GEM Listing Rules
US\$	United States dollars, the lawful currency of the United States of America
"%"	per cent