

Stream Ideas Group Limited

源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8401



FIRST QUARTERLY REPORT

2022



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

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

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This report, for which the directors (the “**Directors**”) of Stream Ideas Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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

Ms. Cheung Lee (Ms. Jenny Cheung) (張莉)
Mr. Law Ka Kin (Mr. Anakin Law) (羅嘉健)
Mr. Lee Wing Leung Garlos
(Mr. Garlos Lee) (李永亮)
Mr. Leung Wai Lun (梁偉倫)
Ms. Xu Xiuhong (徐秀紅)

Independent Non-Executive Directors

Mr. Kwan Chi Hong (關志康)
Mr. Fenn David (范德偉)
Mr. Ho Ho Tung Armen (何浩東)
Ms. Guo Hongyan (郭紅艷)
Mr. Xu Jianguo (徐建國)
(appointed on 13 April 2022)

BOARD COMMITTEES

Audit Committee

Mr. Ho Ho Tung Armen (何浩東) (*Chairman*)
Mr. Fenn David (范德偉)
Mr. Kwan Chi Hong (關志康)

Remuneration Committee

Mr. Fenn David (范德偉) (*Chairman*)
Mr. Ho Ho Tung Armen (何浩東)
Mr. Law Ka Kin (Mr. Anakin Law) (羅嘉健)

Nomination Committee

Mr. Kwan Chi Hong (關志康) (*Chairman*)
Mr. Ho Ho Tung Armen (何浩東)
Ms. Cheung Lee (Ms. Jenny Cheung) (張莉)

COMPLIANCE OFFICER

Mr. Lee Wing Leung Garlos
(Mr. Garlos Lee) (李永亮)

COMPANY SECRETARY

Ms. Kung Wai Yin (龔慧賢), CPA

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 402A, 4/F
Benson Tower
74 Hung To Road
Kwun Tong
Hong Kong

AUTHORISED REPRESENTATIVES

Ms. Cheung Lee (Ms. Jenny Cheung) (張莉)
Mr. Law Ka Kin (Mr. Anakin Law) (羅嘉健)

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong



CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

* *The address of Tricor Investor Services Limited, the Hong Kong Branch Share Registrar and Transfer Office, will be changed to 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong with effect from 15 August 2022*

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Bank of Communications Co., Ltd
20 Pedder Street, Central
Hong Kong

E.Sun Commercial Bank, Ltd.
No. 145, Section 1, Jhongshan North Road
Jhongshan District Taipei City
Taiwan

UBS
52/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

COMPANY'S WEBSITE

www.stream-ideas.com

STOCK CODE

8401



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 30 JUNE 2022 (THE “RELEVANT PERIOD”)

- The Group’s unaudited revenue amounted to approximately HK\$3,940,000, represented a decrease of approximately 2.3% compared with that for the three months ended 30 June 2021 (the “**Previous Period**”);
- The Group’s unaudited gross profit decreased from approximately HK\$1,676,000 for the Previous Period to approximately HK\$1,276,000 for the Relevant Period, representing a decrease of approximately HK\$400,000 or 23.9%;
- The Group’s unaudited loss was approximately HK\$5,136,000 for the Relevant Period, compared to the loss of approximately HK\$1,809,000 for the Previous Period, representing an increase in loss of approximately HK\$3,327,000 mainly due to the decrease in revenue, increase in other loss and administrative and other operating expenses for the Relevant Period; and
- The Board does not recommend the payment of any dividend for the Relevant Period.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group has recorded approximately 2.3% decrease in revenue to approximately HK\$3,940,000 (2021: approximately HK\$4,031,000) for the Relevant Period.

Gross profit (after reversal of JAG points i.e. the points which the Group distributes the reward to its members to participate in the Group's advertising campaigns) decreased by approximately 23.9% to approximately HK\$1,276,000 (2021: approximately HK\$1,676,000) for the Relevant Period. The Group recorded a loss for the Relevant Period of approximately HK\$5,136,000 (2021: loss of approximately HK\$1,809,000).

By geographical market

During the Relevant Period, approximately 67.5% of the Group's revenue (2021: approximately 74.5%) was generated from clients in Hong Kong, while approximately 25.4% (2021: approximately 16.6%) of the Group's revenue was generated from clients in Taiwan. Southeast Asia contribute approximately 7.1% (2021: approximately 8.9%) of the revenue of the Group.

Hong Kong

During the Relevant Period, revenue from Hong Kong decreased from approximately HK\$3,004,000 for the Previous Period to approximately HK\$2,658,000 for the Relevant Period, representing approximately 11.5% decrease. Hong Kong business was seriously affected by the fifth wave of COVID-19. Some of our clients either suspended, postponed or cancelled their campaigns in light of the unstable economic environment. Increasing competition from other online advertising service providers also make the business environment even more challenging. The Group will continue to adjust the service mix to better meet clients' needs.

Taiwan

During the Relevant Period, the operating environment in Taiwan continued to be challenging, mainly attributable to the changing behaviour of internet users, increasing competition from other online advertising service providers and uncertainties of the economy. The Group is coping with the change with a shift of focus on service type. The impact of COVID-19 pandemic was very severe last year as most of the advertisers are required to work from home and suspended a lot of advertising campaigns. This year Taiwan government has adjusted its policy to coexist with the Coronavirus and try to maintain business and commercial activities as usual. With these various factors encountered, the revenue for Taiwan for the Relevant Period increased to approximately HK\$1,001,000 (2021: approximately HK\$667,000).

Southeast Asia

The post-lockdown rebound of advertising activities in the Southeast Asia was less vigorous than expected, and as a result, total revenue from the Southeast Asia operations fell to approximately HK\$281,000 (2021: approximately HK\$360,000).



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

It is anticipated that the COVID-19 pandemic will continue to affect the advertising industry in the near future. Nevertheless, the governments in our operating markets are gradually easing lockdown measures and the Group remains confident in its ability to rejuvenate sales with our experienced sales team, differentiated advertising services, our strengthened member base and our extensive relationship with reputable clients in various industries. Leveraging on the good relations with media agencies, the Group also expects great business opportunities such as referrals to media agencies' extensive client base, which will ensure stable and continuous orders for our services. The Group's self-developed platforms have also served as an excellent tool for realising clients' performance targets while driving business growth. Looking ahead, the Group will focus on grooming our new operations to maturity and driving our core markets to new heights.

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

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately HK\$4,031,000 for the Previous Period to approximately HK\$3,940,000 for the Relevant Period, representing a decrease of approximately 2.3%, primarily attributable to the decrease in sales in Hong Kong and Southeast Asia.

Cost of Services

The Group's cost of services increased by approximately 13.1% from approximately HK\$2,355,000 for the Previous Period to approximately HK\$2,664,000 for the Relevant Period. Such increase was mainly attributable to the higher cost incurred in system maintenance.

Gross Profit

Gross profit of the Group decreased by approximately 23.9% from approximately HK\$1,676,000 for the Previous Period to approximately HK\$1,276,000 for the Relevant Period.

Other (loss)/income, net

Other (loss)/income, net primarily consists of fair value (loss)/gain on financial assets at fair value through profit or loss, government grant and other income. Other loss, net of the Group was approximately HK\$1,365,000 for the Relevant Period compared to other income, net of approximately HK\$936,000 for the Previous Period. The increase in other loss was mainly attributable to the change in fair value on financial assets at fair value through profit or loss.



MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Costs

Selling and distribution costs of the Group slightly decreased from approximately HK\$1,570,000 for the Previous Period to approximately HK\$1,551,000 for the Relevant Period. Selling and distribution costs primarily consist of advertising and promotion expenses and staff costs. Selling and distribution costs were relatively stable during the Relevant Period.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately 22.1% from approximately HK\$2,806,000 for the Previous Period to approximately HK\$3,425,000 for the Relevant Period. Administrative and other operating expenses mainly consist of staff costs, professional fees, office supplies and stationery and others. The increase was mainly attributable to the increase in net foreign exchange loss.

Income Tax

Income tax expense for the Group increased from approximately HK\$43,000 for the Previous Period to approximately HK\$67,000 for the Relevant Period. The increase was in line with the increase in taxable profits of our subsidiaries in the Relevant Period.

Loss for the Relevant Period

The Group's net loss was approximately HK\$5,136,000 for the Relevant Period compared to approximately HK\$1,809,000 for the Previous Period. The increase in net loss was mainly attributable to the decrease in revenue, increase in other loss and administrative and other operating expenses for the Relevant Period.

Foreign Exchange Exposure

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

Event after the Relevant Period

There is no significant event subsequent to 30 June 2022 which would materially affect the Group's operating and financial performance.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2022, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO") which were 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 which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares of the Company:

Name	Capacity/Nature of interest	Number of shares held	Approximate percentage of issued share capital*
Ms. Jenny Cheung (<i>Note</i>)	Interest of a controlled corporation; interest held jointly with another person	100,280,000	50.14%
Mr. Anakin Law (<i>Note</i>)	Interest of a controlled corporation; interest held jointly with another person	100,280,000	50.14%
Mr. Garlos Lee (<i>Note</i>)	Interest of a controlled corporation; interest held jointly with another person	100,280,000	50.14%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2022 (i.e. 200,000,000 shares).

Note: Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially own 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such shares held by JAG United Company Limited.

Save as disclosed above, as at 30 June 2022, none of the Directors of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required 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 which they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 30 June 2022, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have 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 recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in the ordinary shares of the Company:

Name	Capacity/Nature of interest	Number of shares held	Approximate percentage of issued share capital*
JAG United Company Limited (Note 1)	Beneficial interest	100,280,000	50.14%
Mr. Szeto Man Wa (Note 2)	Interest of spouse	100,280,000	50.14%
Ms. Leung Kwok Mei (Note 3)	Interest of spouse	100,280,000	50.14%
Ms. Ng Ka Po (Note 4)	Interest of spouse	100,280,000	50.14%
Mr. Wang Zenglin	Beneficial interest	14,000,000	7.00%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2022 (i.e. 200,000,000 shares).

Notes:

1. Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee is deemed to be interested in such Shares held by JAG United Company Limited.
2. Mr. Szeto Man Wa was deemed to be interested in 100,280,000 shares of the Company through the beneficial interest of his spouse, Ms. Jenny Cheung.
3. Ms. Leung Kwok Mei was deemed to be interested in 100,280,000 shares of the Company through the beneficial interest of her spouse, Mr. Anakin Law.
4. Ms. Ng Ka Po was deemed to be interested in 100,280,000 shares of the Company through the beneficial interest of her spouse, Mr. Garlos Lee.

Save as disclosed above, as at 30 June 2022, the Directors are not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had 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 recorded in the register required to be kept by the Company under Section 336 of the SFO.



OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE CODE

During the Relevant Period and up to the date of this report, the Company has complied with all the code provisions ("**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix 15 of the GEM Listing Rules except the following deviations. Under Code Provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Meanwhile, Code Provisions C.2.2 to C.2.9 further stipulate the roles of chairman for good corporate governance practices. As the Company has not specifically appointed any one with the respective title of "chairman" and "chief executive officer", the Company has deviated from the aforesaid Code Provisions C.2.1 to C.2.9. The roles of chairman and chief executive officer have been performed by the three executive Directors, Ms. Jenny Cheung, Mr. Anakin Law and Mr. Garlos Lee collectively. Since the three executive Directors are the founders of the Company and have in-depth knowledge about the management as well as the business operations of the Company, the Board believes that vesting the roles of chairman and chief executive officer in the three executive Directors allows efficient business planning and decisions.

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

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

The company secretary has been delegated to draw up agenda for board meetings, taking into account any matters proposed by other directors (Code Provision C.2.4).

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiries have been made with all Directors, and all Directors confirmed in writing that they have complied with the required standards as set out in the Securities Dealing Code during the Relevant Period and up to the date of this report.



OTHER INFORMATION

SHARE OPTION SCHEME

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

During the Relevant Period and up to the date of this report, there was no options granted, exercised, lapsed or cancelled under the Share Option Scheme. As at 30 June 2022, there was no outstanding share option not yet exercised under the Share Option Scheme.

COMPETING AND CONFLICT OF INTERESTS

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

AUDIT COMMITTEE

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

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

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

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

Hong Kong, 8 August 2022

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

For the three months ended 30 June 2022

	Note	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	3,940	4,031
Cost of services		(2,664)	(2,355)
Gross profit		1,276	1,676
Other (loss)/income, net	4	(1,365)	936
Selling and distribution costs		(1,551)	(1,570)
Administrative and other operating expenses		(3,425)	(2,806)
Loss from operations		(5,065)	(1,764)
Finance costs		(4)	(2)
Loss before taxation		(5,069)	(1,766)
Income tax	6	(67)	(43)
Loss for the period		(5,136)	(1,809)
Other comprehensive income/(expense), net of tax			
<i>Item that may be reclassified subsequently to profit or loss (nil of tax effect):</i>			
Foreign currency translation differences for foreign operations		492	(110)
Total comprehensive expense for the period		(4,644)	(1,919)
Losses per share	7		
— Basic (HK\$)		(0.03)	(0.01)
— Diluted (HK\$)		(0.03)	(0.01)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Attributable to equity shareholders of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
As at 1 April 2021	2,000	71,988	383	(501)	(27,027)	46,843
Loss for the period	-	-	-	-	(1,809)	(1,809)
Other comprehensive expense	-	-	-	(110)	-	(110)
Total comprehensive expense	-	-	-	(110)	(1,809)	(1,919)
Balance as at 30 June 2021 (Unaudited)	2,000	71,988	383	(611)	(28,836)	44,924
As at 1 April 2022	2,000	71,988	383	(715)	(40,155)	33,501
Loss for the period	-	-	-	-	(5,136)	(5,136)
Other comprehensive income	-	-	-	492	-	492
Total comprehensive income/(expense)	-	-	-	492	(5,136)	(4,644)
Balance as at 30 June 2022 (Unaudited)	2,000	71,988	383	(223)	(45,291)	28,857



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622, Laws of Hong Kong). The financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have not been audited by the Company’s independent auditors but have been reviewed by the Company’s Audit Committee.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting

Geographic information

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

	Three months ended 30 June			
	Revenue from external customers		Specified non-current assets	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong	2,658	3,004	868	2,170
Taiwan	1,001	667	192	2
Southeast Asia	281	360	6	7
	3,940	4,031	1,066	2,179

4. OTHER (LOSS)/INCOME, NET

	Three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income		2
Fair value (loss)/gain on financial assets at fair value through profit or loss	–	835
Government grant	96	96
Sundry income	–	3
	(1,365)	936

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. LOSS BEFORE TAXATION

	Three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Finance cost — interest on lease liabilities	4	2
Staff costs (including directors' emoluments)	2,877	2,884
Auditor's remuneration	271	295
Depreciation charge		
— owned property, plant and equipment	21	27
— right-of-use assets	84	86
Amortisation of intangible assets	250	336
Net foreign exchange loss	646	30

6. INCOME TAX

	Three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax — Hong Kong		
Provision for the period	—	—
Current tax — Other jurisdictions		
Provision for the period	67	43
Deferred tax		
Origination of temporary differences	—	—
	67	43

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.
- (ii) No provision for Hong Kong Profits Tax has been made in the financial statements as the Group sustained loss for Hong Kong Profits Tax for the three months ended 30 June 2022 and 2021.
- (iii) In accordance with the relevant Taiwan rules and regulations, the Taiwan Corporate Income Tax rate applicable to the Group's subsidiary in Taiwan is 20% for the three months ended 30 June 2022 (2021: 20%).
- (iv) Taxation for overseas subsidiaries is charged at the applicable current rates of taxation in the relevant countries.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. LOSSES PER SHARE

The calculation of the basic losses per share for the three months ended 30 June 2022 and 2021 are based on the following:

	Three months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss for the period attributable to equity shareholders of the Company (HK\$'000)	(5,136)	(1,809)
Weighted average number of ordinary shares in issue during the period ('000)	200,000	200,000
Basic and diluted losses per share (HK\$)	(0.03)	(0.01)

During the three months ended 30 June 2022 and 2021, there was no dilutive potential ordinary shares in issue.

The amount of dilutive losses per share is the same as basic losses per share for the three months ended 30 June 2022 and 2021.

8. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2022 (2021: nil).