



捷利交易寶金融科技有限公司

TradeGo FinTech Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8017



2021

FIRST QUARTERLY REPORT

CONTENTS

| | |
|----|---|
| 3 | Highlights |
| 4 | Corporate Information |
| 5 | Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income |
| 6 | Unaudited Consolidated Statement of Changes in Equity |
| 7 | Notes to the Unaudited Consolidated Financial Information |
| 10 | Management Discussion and Analysis |
| 15 | Other Information |



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

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

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

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*This report, for which the directors (the “**Directors**”, each being a “**Director**”) of TradeGo FinTech Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) 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 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.*

HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$16.83 million for the three months ended 30 June 2021 (the “**Reporting Period**”) compared with that of approximately HK\$13.82 million for the three months ended 30 June 2020 (the “**Corresponding Period**”), representing an increase of approximately 21.8%.
- The net profit of the Group for the Reporting Period was approximately HK\$4.24 million, representing an increase of 11.9% from approximately HK\$3.79 million for the Corresponding Period.
- The number of registered users of the Group increased by approximately 275,256 or 81.1% to approximately 614,467 as at 30 June 2021 (approximately 339,211 as at 30 June 2020).
- The basic earning per share attributable to owners of the Company for the Reporting Period was HK cent 0.77 (for the Corresponding Period: approximately HK cent 0.80).
- The board of Directors (the “**Board**”) does not declare the payment of any dividend for the Reporting Period (for the Corresponding Period: Nil).

CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. LIU Yong (*Chairman of the Board and Chief Executive Officer*)

Mr. WAN Yong

Mr. LIAO Jicheng

Non-executive Director:

Mr. LIN Hung Yuan

Independent Non-executive Directors:

Ms. JIAO Jie

Mr. MAN Kong Yui

Dr. LOKE Yu (also known as LOKE Hoi Lam and Jimmy Hoi Lam LOKE)

AUDIT COMMITTEE

Dr. LOKE Yu (*Chairman*)

Ms. JIAO Jie

Mr. MAN Kong Yui

REMUNERATION COMMITTEE

Mr. MAN Kong Yui (*Chairman*)

Mr. LIU Yong

Ms. JIAO Jie

NOMINATION COMMITTEE

Mr. LIU Yong (*Chairman*)

Ms. JIAO Jie

Mr. MAN Kong Yui

COMPANY SECRETARY

Ms. CHEN Chun

AUTHORISED REPRESENTATIVES

Mr. LIU Yong

Ms. CHEN Chun

COMPLIANCE OFFICER

Mr. WAN Yong

AUDITOR

SHINEWING (HK) CPA Limited

STOCK CODE

8017

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350

Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

208, 2/F, Fenghua Technology Tower
7th Street Hi-Tech South Road
Yuehai Street Technology Park
Nanshan District, Shenzhen
the People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 10, 16th Floor
Hong Kong Plaza
188 Connaught Road West
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

LEGAL ADVISER AS TO HONG KONG LAWS

Adrian Yeung & Cheng Solicitors

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

COMPANY'S WEBSITE

www.tradego8.com

The Board is pleased to announce the unaudited consolidated results of the Group for the three months ended 30 June 2021, together with the unaudited comparable figures for the corresponding period in 2020:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2021 (Expressed in Hong Kong dollars)

| | Notes | Three months ended 30 June | |
|---|-----------|----------------------------|--------------|
| | | 2021 HK\$ | 2020 HK\$ |
| Revenue | 3 | 16,833,822 | 13,822,962 |
| Direct costs | | (3,127,215) | (2,664,675) |
| Other gains, net | | 126,163 | 418,392 |
| Staff costs | | (4,342,549) | (4,270,655) |
| Depreciation and amortisation | | (2,548,303) | (1,945,075) |
| Selling, general and administrative expenses | | (2,411,319) | (1,300,066) |
| Finance costs | | (17,223) | – |
| Profit before taxation | | 4,513,376 | 4,060,883 |
| Income tax expense | 4 | (274,037) | (271,126) |
| Profit for the period | | 4,239,339 | 3,789,757 |
| Other comprehensive income: | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| – Exchange differences on translation of financial statements of PRC subsidiaries | | 929,175 | 148,471 |
| Total comprehensive income for the period | | 5,168,514 | 3,938,228 |
| Earnings per share | | | |
| – Basic and diluted (HK cents) | 5(a)&5(b) | 0.77 | 0.80 |

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021 (Expressed in Hong Kong dollars)

| | Attributable to equity shareholders of the Company | | | | | | | | Total HK\$ |
|---|--|--------------------------|------------------------|--|--------------------------------|----------------------------|--------------------------|-------------------------------|---------------|
| | Share capital HK\$ | Share Premium HK\$ | SAS reserve HK\$ | Employee share-based compensation reserve HK\$ | Translation reserve HK\$ | Merger reserves HK\$ | Other reserve HK\$ | Accumulated losses HK\$ | |
| At 31 March 2020 (Audited) | 4,750,000 | 62,987,553 | (14,087,420) | 12,202,258 | 507,839 | 1,147,798 | 8,180,682 | (17,694,538) | 57,994,172 |
| Changes in equity for the three months ended 30 June 2020: | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 3,789,757 | 3,789,757 |
| Other comprehensive income | - | - | - | - | 148,471 | - | - | - | 148,471 |
| Total comprehensive income | - | - | - | - | 148,471 | - | - | 3,789,757 | 3,938,228 |
| Balance as at 30 June 2020 (Unaudited) | 4,750,000 | 62,987,553 | (14,087,420) | 12,202,258 | 656,310 | 1,147,798 | 8,180,682 | (13,904,781) | 61,932,400 |
| Changes in equity for the nine months ended 31 March 2020: | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 30,719,643 | 30,719,643 |
| Other comprehensive income | - | - | - | - | 3,392,731 | - | - | - | 3,392,731 |
| Total comprehensive income | - | - | - | - | 3,392,731 | - | - | 30,719,643 | 34,112,374 |
| Equity-settled share-based transactions | - | - | - | 739,584 | - | - | - | - | 739,584 |
| Purchase of the Company's shares for Share Award Scheme | (31,840) | - | (1,860,201) | - | - | - | - | - | (1,892,041) |
| At 31 March 2021 (Audited) | 4,750,000 | 62,987,553 | (14,087,420) | 12,941,842 | 4,049,041 | 1,147,798 | 8,180,682 | 2,884,140 | 82,853,636 |
| Changes in equity for the three months ended 30 June 2021: | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 4,239,339 | 4,239,339 |
| Other comprehensive income | - | - | - | - | 929,175 | - | - | - | 929,175 |
| Shares issued | 1,000,000 | 28,700,000 | - | - | - | - | - | - | 29,700,000 |
| Total comprehensive income | 1,000,000 | 28,700,000 | - | - | 929,175 | - | - | 4,239,339 | 34,868,514 |
| Balance as at 30 June 2021 (Unaudited) | 5,750,000 | 91,687,553 | (14,087,420) | 12,941,842 | 4,978,216 | 1,147,798 | 8,180,682 | 7,123,479 | 117,722,150 |

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 June 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares (the “**Shares**”) have been listed on GEM of the Stock Exchange since 28 September 2018 (the “**Listing**”). The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company’s principal place of business in the People’s Republic of China (the “**PRC**”) is 208, 2/F, Fenghua Technology Tower, 7th Street Hi-Tech South Road, Yuehai Street Technology Park, Nanshan District, Shenzhen, the PRC. The address of the Company’s principal place of business in Hong Kong is Office No. 10, 16th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong.

The Group is an integrated securities trading platform service provider serving primarily Hong Kong Brokerage Firms and their clients. The Group’s Hong Kong Brokerage Firm customers are all Category B and Category C Exchange Participants. The Group’s integrated securities trading platform services mainly consist of front office trading system services, market data services hosting and cloud infrastructure services, SaaS services and other value-added services.

The unaudited condensed consolidated financial information of the Group for the Reporting Period is presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Group.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial information for the Reporting Period set out in this report does not constitute the unaudited condensed consolidated financial statements of the Group for the Reporting Period (the “**Financial Statements**”) but is extracted from the financial statements which have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and the applicable disclosure provisions of the GEM Listing Rules. The financial information should be read in conjunction with the Company’s consolidated financial statements for the year ended 31 March 2021.

The accounting policies adopted in preparing the Financial Statements are consistent with those applied in the consolidated financial statements of the Group for the year ended 31 March 2021, except for the accounting policy changes that are expected to be reflected in the Group’s annual consolidated financial statements ending 31 March 2022. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

Notes to the Unaudited Consolidated Financial Information

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the provision of front office trading system services, market data services, hosting and cloud infrastructure services, SaaS services and other value-added services to its customers. The Group has one reportable segment and the Group's chief operating decision maker, which has been identified as the Board, reviews the consolidated results of the Group for the purpose of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

Revenue

The amount of each significant category of revenue recognised during the periods is as follows:

| | Three months ended 30 June | |
|---|-------------------------------|--------------|
| | 2021 HK\$ | 2020 HK\$ |
| – Front office trading system services | 7,551,580 | 5,707,830 |
| – Market data services | 3,563,217 | 3,585,736 |
| – Hosting and cloud infrastructure services | 1,093,377 | 1,110,819 |
| – SaaS services | 4,166,892 | 2,826,474 |
| – Other value-added services | 458,756 | 592,103 |
| | 16,833,822 | 13,822,962 |

4 INCOME TAX

| | Three months ended 30 June | |
|-------------------------------------|-------------------------------|--------------|
| | 2021 HK\$ | 2020 HK\$ |
| Current tax – Hong Kong Profits Tax | 274,037 | 218,978 |
| Current tax – The PRC | – | 52,148 |
| | 274,037 | 271,126 |

Notes to the Unaudited Consolidated Financial Information

(Expressed in Hong Kong dollars unless otherwise indicated)

5 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$4,239,339 (profit for the Corresponding Period: HK\$3,789,757) and the weighted average of 551,667,000 ordinary shares (2020: 475,276,000 shares) for the Reporting Period.

(b) Diluted earnings per share

Diluted earnings per share presented is the same as the basic earnings per share, as there were no potentially dilutive ordinary shares issued during the periods presented.

6 DIVIDENDS

No interim dividend was paid or declared by the Company during each of the periods for the three months ended 30 June 2020 and 2021.

7 EVENTS AFTER THE REPORTING PERIOD

No subsequent event has occurred after 30 June 2021 which may have a significant effect on the assets and liabilities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group was one of the leading integrated securities trading platform service providers serving primarily Hong Kong brokerage firms^{Note 1} and their clients. The Group's Hong Kong brokerage firm customers are all Category B^{Note 2} and Category C^{Note 3} Exchange Participants^{Note 4}. The Group's integrated securities trading platform services mainly consist of (1) front office trading system services; (2) market data services; (3) hosting and cloud infrastructure services; (4) SaaS services; and (5) other value added services. Leveraging the proprietary software developed, modified and enhanced by the Group over the years, the Group becomes a market leader in providing front office trading system services and market data services to Hong Kong brokerage firms through an integrated model based on cloud services. As more and more Hong Kong brokerage firms choose our system services and terminal products, more and more individuals also use our terminal products.

BUSINESS REVIEW

During the Reporting Period, the total revenue of the Group increased by approximately HK\$3,010,860 or 21.8% to approximately HK\$16,833,822 (for the Corresponding Period: approximately HK\$13,822,962). Profit for the Reporting Period increased by approximately HK\$449,582 or 11.9% to HK\$4,239,339 (for the Corresponding Period: profit of HK\$3,789,757).

During the Reporting Period, research and development (the "R&D") expenses amounted to HK\$2,306,524 for the Reporting Period (for the Corresponding Period: HK\$1,495,332), representing an increase of HK\$811,192 or approximately 54% as compared with that of the Corresponding Period.

Note 1: Corporations licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") to conduct brokerage activities with type 1 licence (dealing in securities).

Note 2: The 15th to 65th Exchange Participants by market turnover.

Note 3: Stockbrokers, being Exchange Participants in the market, except for the 14 largest Exchange Participants by market turnover and Category B Exchange Participants.

Note 4: A person or an institution which, in accordance with the requirements of the Stock Exchange, or whose name is entered in a register kept by the Stock Exchange as a person or an institution which, may trade through the Stock Exchange.

Management Discussion and Analysis

During the Reporting Period, the Group signed the new front office trading system services contracts with 3 Hong Kong brokerage firms and a total of 98 Hong Kong brokerage firms are using our front office trading system. With the implementation of new acceptable account opening approaches of the SFC, more and more brokerage firms have chosen to use online account opening to expand their business. During the Reporting Period, 5 new Hong Kong brokerage firms adopted the Group's online account opening system, resulting in a 62% increase in related revenue to HK\$2.03 million (Corresponding Period: about HK\$1.25 million). During the Reporting Period, a total of 48 Hong Kong brokerage firms were using the Group's online account opening system. The Group's TradeGo series terminal products are market and transaction integrated terminal products. Users can view market quotations, information and data, and trade new shares on the terminal products through their accounts in brokerage firms. The users are mainly trading users who have opened securities accounts in Hong Kong brokerage firms, including institutional investors and individual investors. The number of registered users of the Group increased by approximately 275,256 or 81.1% to approximately 614,467 as at 30 June 2021 (approximately 339,211 as at 30 June 2020).

Our open securities trading platform software "TradeGo Pro" supports the the opening of accounts and securities trading of many Hong Kong brokerage firms. With the increase of the number of users, more brokerage firms or institutional customers are willing to carry out marketing promotion and cooperation on the TradeGo Pro, resulting in a 36.1% increase in related revenue to HK\$2.14 million during the Reporting Period (Corresponding Period approximately HK\$1.57 million).

During the Reporting Period, the overall revenue of SaaS services, including TradeGo Pro and online account opening system services, increased by 47.4% to HK\$4.17 million (for the Corresponding Period: HK\$2.83 million) attribute to the increase in the number of institutional customers and individual users. SaaS service revenue accounted for 24.8% of the Group's total revenue during the Reporting Period (for the Corresponding Period: approximately 20.4%).

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue and direct cost

Revenue of the Group for the Reporting Period was approximately HK\$16,833,822 (for the Corresponding Period: approximately HK\$13,822,962), representing an increase of approximately HK\$3,010,860 or 21.8% as compared with that of the Corresponding Period. Such increase in revenue of the Group was primarily attributable to the increase in revenue from SaaS services which comprise of TradeGo Pro and online account opening system services.

Direct cost of the Group for the Reporting Period was approximately HK\$3,127,215 (for the Corresponding Period: approximately HK\$2,664,675), representing a slight increase of approximately HK\$462,540 or 17.4% as compared with that of the Corresponding Period. The increase in direct costs was in line with the increase in revenue offset by additional cost savings.

Other gains, net

The Group's other income for the Reporting Period amounted to HK\$126,163 (for the Corresponding Period: HK\$418,392) representing a decrease of HK\$292,229 or 69.8% as compared with that of the Corresponding Period. The decrease was mainly due to the decrease in government grants.

Staff costs

The Group's staff costs for the Reporting Period amounted to HK\$4,342,549 (for the Corresponding Period: HK\$4,270,655) representing a slight increase of HK\$71,894 or 1.7% as compared with that of the Corresponding Period.

Depreciation and amortisation

The Group's depreciation and amortisation for the Reporting Period amounted to HK\$2,548,303 (for the Corresponding Period: HK\$1,945,075) representing an increase of HK\$603,228 or 31% as compared with that of the Corresponding Period. The increase was mainly due to the increase in amortisation of internally developed software system.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses for the Reporting Period amounted to approximately HK\$2,411,319 (for the Corresponding Period: approximately HK\$1,300,066) representing an increase of HK\$1,111,253 or 85.5%. The increase was mainly due to the increase in legal and professional fee.

Profit for the Reporting Period

During the Reporting Period, the Group recorded a profit of HK\$4,239,339 (for the Corresponding Period: profit of HK\$3,789,757), representing an increase of HK\$449,582 or 11.9%. Such change in the Group's financial performance was primarily attributable to the increase in revenue.

DIVIDEND

The Board did not declare the payment of any dividend for the Reporting Period (for the Corresponding Period: Nil).

PROSPECTS

Business objectives, future strategies and prospects

We provide front office trading system services and market data services to Hong Kong brokerage firms, and provide terminal products and services to customers of these Hong Kong brokerage firms. Most of these customers are investors who participate in the securities market. They can not only inquire about market information and data through our terminal products, but they can also buy and sell shares and subscribe for new shares through the securities accounts opened by users with brokerage firms. We will soon launch Hong Kong Securities FullTick Market Data to provide users with a better experience.

As a leading financial technology company in the Hong Kong securities industry, continuous improvement of R&D capabilities is the cornerstone of our development. In order to cope with the continuous changes and development of the market, we not only upgrade and improve existing products and services, but we also continue to try R&D and launch new products. During the Reporting Period, R&D expenses accounted for approximately 13.66% of our total revenue (approximately 10.85% for the Corresponding Period).

The Stock Exchange implemented a number of amendments to the Listing Rules that have further strengthened the long-term health, quality and sustainability of the Hong Kong markets. This success have attracted the listing of world-class enterprises on the Stock Exchange, and attracted more institutional investors and individual investors to pay attention to and participate in the Hong Kong market.

Management Discussion and Analysis

As we gradually show our unique industry advantages in the initial public offering (“**IPO**”) market, more IPO market participants will recognize and use our terminal products and services. We will continue to use online marketing and promotion of the new functions and services launched by the trading version, and with an open mind, we will build an operation service platform for participants in various business fields in the industry to help them reach more individual users and conduct business. At the same time, we will continue to expand service forms based on securities, securities derivatives, funds and other financial products or fields, and strive to increase our number of registered users.

Several exchange participants in Hong Kong are providing trading services before IPO (“**grey market trading**”) to their clients. According to the data of the Stock Exchange, there are 144 initial public offerings from January 2020 to December 2020. The total turnover on the first day of the listing of the IPO Shares was about HK\$164.3 billion, whereas the total turnover of the grey market trading was about HK\$24.6 billion, which only amounts to 15% of the total turnover on the first day of listing of the IPO Shares. We understand that many exchange participants and individual investors are interested in but have never participated in the grey market trading. We believe that the system function building and trading related businesses related to the grey market trading may enhance the market competitiveness and improve the profitability of the Group.

The Group will continue to assess new business opportunities in a prudent manner in order to maximize returns for shareholders and promote the Group’s long-term business growth.

OTHER INFORMATION

USE OF PROCEEDS

Use of Net Proceeds from Listing

The net proceeds from the Listing were approximately HK\$41.5 million (after deducting the underwriting fees and the listing expenses). The unutilized proceeds were placed with a bank in Hong Kong. On 10 August 2020, the Board has resolved to change the use of the unutilized net proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's Announcement on Change in Use of Proceeds. Set forth below are details of the use of proceeds up to 30 June 2021:

| Intended use of the net proceeds | Actual amount | Reallocation | Amount of | Actual | Unutilized | Expected | |
|--|---|--|--|--|------------------------------------|---------------------------------|---|
| | Amount of net proceeds allocated at the Listing | utilized from the date of Listing up to 10 August 2020 | in use of net proceeds on 10 August 2020 | unutilized net proceeds after reallocation | amount utilized up to 30 June 2021 | net proceeds up to 30 June 2021 | timeline for full utilization of the net proceeds |
| | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | (Note 1) |
| Developing innovative product offerings and enhance research and development capabilities | 6.1 | 6.1 | - | - | 6.1 | - | N/A |
| Apply for additional market data vendor licences and conduct further marketing activities | 5.4 | 3.9 | +5.3 | 6.8 | 8.1 | 2.6 | September 2021 |
| Expand the hardware infrastructure capacities and software portfolio | 2.3 | 1.3 | +2.3 | 3.3 | 3.2 | 1.4 | September 2021 |
| Recruit non-R&D staff and conduct staff trainings | 3.0 | 2.8 | - | 0.2 | 3.0 | - | N/A |
| Establish an R&D centre in the PRC | 15.6 | - | -15.6 | - | - | - | N/A |
| Establish a marketing centre in Hong Kong | 7.3 | - | -7.3 | - | - | - | N/A |
| Developing over-the-counter and grey market trading system (Note 3) | - | - | +6.7 | 6.7 | - | 6.7 | September 2022 |
| Developing initial public offer simulation subscription system | - | - | +5.6 | 5.6 | 3.4 | 2.2 | September 2021 |
| Applying licences and the daily operations of the subsidiary(ies) under the Capital Contribution Agreement (Note 2 & Note 3) | - | - | +3.0 | 3.0 | - | 3.0 | September 2022 |
| General working capital | 1.8 | 1.8 | - | - | 1.8 | - | N/A |
| | 41.5 | 15.9 | - | 25.6 | 25.6 | 15.9 | |

Other Information

Notes:

1. The expected timeline for utilizing the unutilized net proceeds is based on the best estimation of the future market conditions made by the Group. It is subject to change based on the current and future development of the market condition.
2. Tele-Trend Konson (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company, entered into the Capital Contribution Agreement on 7 July 2020 for setting up subsidiaries which will principally engage in, inter-alia, the provision of over-the-counter services in Hong Kong securities.
3. Although the progress of related work has been slowed down due to the COVID-19, we are still following up with such works actively.

In order to maximise the return for shareholders, the Directors will continue to assess the business environment and explore market opportunities to broaden the source of income of the Group. Subject to the final decision of the Board, the Company will make further announcement and will comply with the disclosure requirement under the GEM Listing Rules, if there is any change or further update on the use of proceeds.

Use of Net Proceeds from Placing

Reference is made to the announcements of the Company dated 9 April 2021 and 22 April 2021. For the purpose of strengthening the Company's capital base (including working capital) and improving its research and development and cloud infrastructure construction and information service capacity, the Company entered into a placing agreement (the "**Placing Agreement**") with the placing agent, Valuable Capital Limited (the "**Placing Agent**"), whereby the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 100,000,000 Shares (the "**Placing Shares**") with the aggregate nominal value of HK\$1,000,000 on a best effort basis to not less than six placees at a price of HK\$0.30 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The market price of the Placing Shares was HK\$0.345 on the date of the Placing Agreement.

On 22 April 2021, all of the Placing Shares have been successfully placed by the Placing Agent to not less than six placees who are Independent Third Parties of the Company at a price of HK\$0.30 per Placing Share and the placing was completed. The net proceeds from the placing (after deduction of commission and other expenses of the Placing) amount to approximately HK\$29.7 million, representing a net issue price of approximately HK\$0.297 per Placing Share. The proceeds from the placing are proposed to be used according to the intentions previously disclosed by the Company. Set forth below are details of the use of proceeds from the placing up to 30 June 2021:

| Intended use of the net proceeds | Amount of net proceeds HK\$ million | Amount of utilized up to 30 June 2021 HK\$ million | Unutilized net proceeds up to 30 June 2021 HK\$ million | Expected timeline for full utilization of the unutilized net proceeds |
|---|--|--|---|---|
| (i) Research and development of the Group's new products | 17.82 | 1.96 | 15.86 | End of September 2023 |
| (ii) Strengthening the cloud infrastructure construction and information service capacity | 8.91 | – | 8.91 | End of September 2023 |
| (iii) General working capital | 2.97 | 0.52 | 2.45 | End of September 2023 |
| | 29.7 | 2.48 | 27.22 | |

Other Information

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

As at 30 June 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 its any associated corporation (within the meaning of Part XV of SFO which were 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 have taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position/short position in the Shares

| Name of Directors | Nature of Interest | Number of | | Approximate percentage of shareholding ⁽¹⁾ |
|---------------------------------|--|----------------------------|-------------------------------|---|
| | | Shares held/ interested in | Long position/ Short position | |
| Mr. LIU Yong ⁽²⁾⁽³⁾ | Interest of a controlled corporation | 228,303,791 | Long position | 38.05% |
| Mr. LIAO Jicheng ⁽³⁾ | Interests held jointly with another person | 74,039,137 | Long position | 12.34% |
| Mr. WAN Yong ⁽³⁾⁽⁴⁾ | Interest of a controlled corporation | 32,866,053 | Long position | |
| | Interests held jointly with another person | 74,039,137 | Long position | |
| | Total: | <u>106,905,190</u> | Long position | 17.82% |

Notes:

- (1) As at 30 June 2021, the total number of issued Shares was 600,000,000 Shares.
- (2) Mao Jia Holdings Limited (茂嘉控股有限公司) ("**Mao Jia**") holds a total of 154,264,654 Shares. Mao Jia is wholly owned by Fortune Promise Global Limited (富望環球有限公司) ("**Fortune Promise**"), which is in turn wholly-owned by Mr. LIU Yong. Therefore, Mr. LIU Yong is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.
- (3) Xin Cheng International Limited (鑫誠國際有限公司) ("**Xin Cheng**"), holds a total of 74,039,137 Shares. Xin Cheng is wholly-owned by Stand Tall International Limited (立高國際有限公司) ("**Stand Tall**"). Therefore, according to the SFO, Stand Tall is deemed or taken to be interested in the Shares held by Xin Cheng. The details of the Shares held by Stand Tall are set out in the section headed "Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme" in the Appendix IV to the Prospectus of the Company dated 17 September 2018 ("**Prospectus**"). According to Pre-IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng (as at 30 June 2021, Mr. LIU Yong is the sole director of Xin Cheng), and Mr. LIU Yong, Mr. LIAO Jicheng and Mr. WAN Yong are all shareholders of Stand Tall. Therefore, Mr. LIU Yong, Mr. LIAO Jicheng and Mr. WAN Yong are deemed to be or are taken to be interested in all the Shares held by Xin Cheng.
- (4) The total number of Shares held by Joint Smart Global Limited (合智環球有限公司) ("**Joint Smart**") was 32,866,053 Shares. Joint Smart is wholly-owned by Mass Victory Ventures Limited (眾勝創投有限公司) ("**Mass Victory**"), which is in turn owned as to 75% by Mr. WAN Yong. Therefore, Mr. WAN Yong is deemed, or taken to be, interested in all the Shares held by Joint Smart for the purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 June 2021, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were 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 or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or pursuant to the required standard of dealings set out in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021 and so far as is known to the Directors, 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 required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position/short position in the Shares

| Names of shareholders | Capacity/ Nature of Interest | Number of Shares held/ interested in | Long position/ Short position | Approximate percentage of shareholding ⁽¹⁾ |
|--|---|--|----------------------------------|---|
| Mao Jia Holdings Limited (茂嘉控股有限公司) ⁽²⁾ | Beneficial owner | 154,264,654 | Long position | 25.71% |
| Fortune Promise Global Limited (富望環球有限公司) ⁽²⁾ | Interest of a controlled corporation | 154,264,654 | Long position | 25.71% |
| Xin Cheng International Limited (鑫誠國際有限公司) ⁽³⁾ | Beneficial owner | 72,854,511 | Long position | |
| | Trustee | 1,184,626 | Long position | |
| | Total: | 74,039,137 | Long position | 12.34% |
| Stand Tall International Limited (立高國際有限公司) ⁽³⁾ | Interest of a controlled corporation | 74,039,137 | Long position | 12.34% |
| Joint Smart Global Limited (合智環球有限公司) ⁽⁴⁾ | Beneficial owner | 32,866,053 | Long position | 5.48% |
| Mass Victory Ventures Limited (眾勝創投有限公司) ⁽⁴⁾ | Interest of a controlled corporation | 32,866,053 | Long position | 5.48% |
| Ms. LIU Xiaoming ⁽⁵⁾ | Interest of spouse | 228,303,791 | Long position | 38.05% |
| Ms. CHEN Zhaoxia ⁽⁶⁾ | Interest of spouse | 106,905,190 | Long position | 17.82% |
| Ms. LU Ximeng ⁽⁷⁾ | Interest of spouse | 74,039,137 | Long position | 12.34% |
| Coast Flagship Investment SPC- Harvest IPO Mixed Strategy Investment SP ⁽⁸⁾ | Beneficial owner | 38,000,000 | Long position | 6.33% |
| Coast International Asset Management Limited ⁽⁸⁾ | Investment Manager | 38,000,000 | Long position | 6.33% |

Notes:

- (1) As at 30 June 2021, the total number of issued Shares was 600,000,000 Shares.
- (2) Mao Jia is wholly-owned by Fortune Promise. Therefore, Fortune Promise is deemed, or taken to be, interested in all the Shares held by Mao Jia for the purposes of the SFO.

- (3) Xin Cheng holds 72,854,511 and 1,184,626 Shares as beneficial owner and trustee respectively. The 1,184,626 Shares are held by Xin Cheng as trustee arising from or in relation to the employee share ownership scheme of Tele-Trend Konson (Hong Kong) Limited (捷利港信(香港)有限公司) which is an indirectly wholly-owned subsidiary of the Company. Xin Cheng is wholly-owned by Stand Tall. Therefore, Stand Tall is deemed, or taken to be, interested in all the Shares held by Xin Cheng for the purposes of the SFO. The detailed information in relation to the Shares held by Stand Tall is set out in the section headed “Statutory and General Information – (E) Pre-IPO Equity Interest Incentive Scheme” in Appendix IV to the Prospectus. According to Pre-IPO Equity Interest Incentive Scheme, all of the power to vote as shareholder of Xin Cheng (and/or Stand Tall) was delegated to the board of Xin Cheng.
- (4) Joint Smart is wholly-owned by Mass Victory. Therefore, Mass Victory is deemed, or taken to be, interested in all the Shares held by Joint Smart for the purposes of the SFO.
- (5) Ms. LIU Xiaoming is the spouse of Mr. LIU Yong. Therefore, Ms. LIU Xiaoming is deemed, or taken to be, interested in all the Shares held by Mr. LIU Yong for the purpose of the SFO.
- (6) Ms. CHEN Zhaoxia is the spouse of Mr. WAN Yong. Therefore, Ms. CHEN Zhaoxia is deemed, or taken to be, interested in all the Shares held by Mr. WAN Yong for the purpose of the SFO.
- (7) Ms. LU Ximeng is the spouse of Mr. LIAO Jicheng. Therefore, Ms. LU Ximeng is deemed, or taken to be, interested in all the Shares held by Mr. LIAO Jicheng for the purpose of the SFO.
- (8) Coast Flagship Investment SPC-Harvest IPO Mixed Strategy Investment SP is wholly-owned by Coast International Asset Management Limited. Therefore, Coast International Asset Management Limited is deemed, or taken to be, interested in all the Shares held by Coast Flagship Investment SPC-Harvest IPO Mixed Strategy Investment SP.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any interests or short positions owned by any other persons (other than the Directors or chief executive of the Company) 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 required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 29 August 2019. The purpose of the share option scheme is to attract and retain employees with outstanding performance, the best available personnel, to provide additional incentive to employees (full-time or part-time), Directors, consultants or advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the success of the business of the Group. Details of the share option scheme are set out in the section headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV of the Prospectus. From the date of adoption of such share option scheme to 30 June 2021, no share option was granted, exercised or cancelled and there was no outstanding share option as at 30 June 2021.

Other Information

PRE-IPO EQUITY INTEREST INCENTIVE SCHEME

The Company adopted a pre-IPO equity interest incentive scheme on 16 July 2015 which was revised on 10 July 2017. The pre-IPO equity interest incentive scheme was established by Xin Cheng International Limited (鑫誠國際有限公司) to recognise and reward the contribution of certain eligible participants who have or may have made to the growth and development of the business of the Group. The principal terms are set out in the section headed “Statutory and General Information – E. Pre-IPO Equity Interest Incentive Scheme” in Appendix IV of the Prospectus.

SHARE AWARD SCHEME

On 19 December 2018 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Share Award Scheme**”). The purpose of the Share Award Scheme is to provide incentives for the employees to continuously make substantial contributions to the Group’s long-term growth in the future and to attract and retain talented employees who may be beneficial to the growth and development of the Group.

For details of the Share Award Scheme, please refer to the announcements of the Company dated 19 December 2018, 21 January 2019, 1 February 2019, 28 February 2019, 7 March 2019, 12 March 2019, 14 March 2019, 28 March 2019, 9 April 2019, 4 July 2019, 22 August 2019 and 5 February 2021, respectively.

The Company shall comply with the relevant GEM Listing Rules on granting the awarded shares. As at 31 March 2021, the trustee of the Share Award Scheme had purchased a total of 25,000,000 shares of the Company from the secondary market at a total consideration of about HK\$14,337,420. Save as disclosed in the Company’s announcement dated 5 February 2021, no shares purchased under the Share Award Scheme have been awarded to any employee of the Company under the Share Award Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

COMPETING BUSINESS

During the Reporting Period, none of the Directors, controlling Shareholders or substantial Shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) had engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group, nor were they aware of any other conflicts of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

The deed of non-competition (the “**Deed of Non-Competition**”) dated 29 August 2018 was entered into by Mr. LIU Yong, Fortune Promise Global Limited (富望環球有限公司), Mao Jia Holdings Limited (茂嘉控股有限公司), Stand Tall International Limited (立高國際有限公司) and Xin Cheng International Limited (鑫誠國際有限公司) in favour of the Company (for the Company and as trustee for and on behalf of the subsidiaries of the Company) in regard to non-competition undertakings. The details of the Deed of Non-Competition have been disclosed in the Prospectus under the section headed “Relationship with Controlling Shareholders – Non-Competition Undertakings”.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group appointed Innovax Capital Limited as the compliance adviser. The appointment of Innovax Capital Limited ended on 30 June 2021.

Neither the Group’s compliance adviser, Innovax Capital Limited, nor any of its directors, employees or close associates had any interests in the securities 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.

CORPORATE GOVERNANCE PRACTICE

During the Reporting Period, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules, except for the deviation from Code Provision A.2.1.

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LIU Yong is the chairman and the chief executive officer of the Company and has been managing the Group’s business and its overall financial and strategic planning since April 2010. The Board believes that the vesting of the roles of chairman and chief executive officer in Mr. LIU Yong is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, due to the presence of three independent non-executive Directors which represents over one-third of the Board, the Board considers that there is a balance of power and authority such that no one individual has unfettered power of decision. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Code Provision A.2.1 of the CG Code.

Other Information

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. Having made specific enquiry of all the Directors by the Company, all the Directors had confirmed that they had been in compliance with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Period.

CHANGES IN DIRECTORS

During the Reporting Period, there was no change in Directors.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Directors confirmed that no significant event that affected the Group has occurred after 30 June 2021 and up to the date of this report.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 29 August 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. LOKE Yu, Ms. JIAO Jie and Mr. MAN Kong Yui. Dr. LOKE Yu is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited results of the Group for the three months ended 30 June 2021 and was of the view that such results have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

TradeGo FinTech Limited
LIU Yong

Chairman and Executive Director

Shenzhen, People's Republic of China, 9 August 2021

As at the date of this report, the Board comprises Mr. LIU Yong, Mr. WAN Yong and Mr. LIAO Jicheng as executive Directors; Mr. LIN Hung Yuan as non-executive Director; and Ms. JIAO Jie, Mr. MAN Kong Yui and Dr. LOKE Yu as independent non-executive Directors.