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TradeGo

TradeGo FinTech Limited

捷利交易寶金融科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8017)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

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

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

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

*This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$76.06 million for the nine months ended 31 December 2022 (the “**Reporting Period**”) compared with that of approximately HK\$60.29 million for the nine months ended 31 December 2021 (the “**Corresponding Period**”), representing an increase of approximately 26.1%.
- The net profit of the Group for the Reporting Period was approximately HK\$35.35 million, representing an increase of 117.2% from approximately HK\$16.28 million for the Corresponding Period.
- The number of registered users of the Group increased by 92,682 or 14.0% to 753,644 as at 31 December 2022 (660,962 as at 31 December 2021).
- The basic earnings per share attributable to owners of the Company for the Reporting Period was HK cent 6.16 (for the Corresponding Period: approximately HK cent 2.87).
- The board of Directors (the “**Board**”) declared on 19 December 2022 that it has resolved the declaration and payment of the special dividend of HK4.34 cents per ordinary share of the Company (for the Corresponding Period: Nil). Such dividend had been paid on 26 January 2023.

The Board is pleased to announce the unaudited consolidated results of the Group for the three months and nine months ended 31 December 2022, together with the unaudited comparative figures for the Corresponding Period:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2022

(Expressed in Hong Kong dollars)

| | Notes | Three months ended 31 December | | Nine months ended 31 December | |
|---|-------|-----------------------------------|-------------|----------------------------------|--------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Revenue | 3 | 25,503,122 | 22,894,115 | 76,055,262 | 60,289,711 |
| Direct costs | | (3,089,986) | (2,933,201) | (10,283,795) | (9,722,150) |
| Other gains and losses, net | | 8,809,594 | (3,814,031) | 9,194,547 | (3,167,475) |
| Staff costs | | (5,749,332) | (5,714,177) | (18,414,681) | (15,231,910) |
| Depreciation and amortisation | | (2,864,860) | (2,570,056) | (10,090,853) | (8,580,448) |
| Selling, general and administrative expenses | | (3,951,460) | (1,397,722) | (8,852,825) | (6,137,773) |
| Finance costs | | (152,052) | (169,374) | (464,786) | (308,264) |
| Profit before taxation | | 18,505,026 | 6,295,554 | 37,142,869 | 17,141,691 |
| Income tax (expenses) | 4 | (251,666) | (243,718) | (1,795,582) | (864,531) |
| Profit for the period | | 18,253,360 | 6,051,836 | 35,347,287 | 16,277,160 |
| Other comprehensive income (expense), net of nil tax: | | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | | |
| – Exchange differences on translation of financial statements of PRC subsidiaries | | 4,252,682 | (2,379,205) | (8,976,602) | (1,398,841) |
| Total comprehensive income for the period | | 22,506,042 | 3,672,631 | 26,370,685 | 14,878,319 |
| Profit (loss) for the period attributable to: | | | | | |
| – Owners of the Company | | 18,583,089 | 6,051,836 | 36,437,502 | 16,277,160 |
| – Non-controlling interests | | (329,729) | – | (1,090,215) | – |
| | | 18,253,360 | 6,051,836 | 35,347,287 | 16,277,160 |
| Total comprehensive income (expense) for the period attributable to: | | | | | |
| – Owners of the Company | | 22,797,585 | 3,672,631 | 27,751,885 | 14,878,319 |
| – Non-controlling interests | | (291,543) | – | (1,381,200) | – |
| | | 22,506,042 | 3,672,631 | 26,370,685 | 14,878,319 |
| Earnings per share | 5 | | | | |
| Basic and diluted (HK cent) | | 3.14 | 1.07 | 6.16 | 2.87 |

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2022
(Expressed in Hong Kong dollars)

| | Attributable to equity shareholders of the Company | | | | | | | | | | |
|---|--|-----------------------|---------------------|---|-----------------------------|-------------------------|-----------------------|---------------------------|--------------------|-----------------------------------|--------------------|
| | Share capital HK\$ | Share Premium HK\$ | SAS reserve HK\$ | Employee share-based compensation reserve HK\$ | Translation reserve HK\$ | Merger reserves HK\$ | Other reserve HK\$ | Retained earnings HK\$ | Total HK\$ | Non-controlling interests HK\$ | Total HK\$ |
| At 31 March 2021 (Audited) | 4,750,000 | 62,987,553 | (14,087,420) | 1,087,181 | 4,049,041 | 1,147,798 | 8,180,682 | 14,738,801 | 82,853,636 | - | 82,853,636 |
| Changes in equity for the nine months ended 31 December 2021: | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 16,277,160 | 16,277,160 | - | 16,277,160 |
| Other comprehensive expense | - | - | - | - | (1,398,841) | - | - | - | (1,398,841) | - | (1,398,841) |
| Shares issued | 1,000,000 | 28,700,000 | - | - | - | - | - | - | 29,700,000 | - | 29,700,000 |
| Total comprehensive income | 1,000,000 | 28,700,000 | - | - | (1,398,841) | - | - | 16,277,160 | 44,578,319 | - | 44,578,319 |
| Balance as at 31 December 2021 (Unaudited) | 5,750,000 | 91,687,553 | (14,087,420) | 1,087,181 | 2,650,200 | 1,147,798 | 8,180,682 | 31,015,961 | 127,431,955 | - | 127,431,955 |
| Changes in equity for the three months ended 31 March 2022: | | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | - | 8,982,455 | 8,982,455 | (121,068) | 8,861,387 |
| Other comprehensive income (expense) | - | - | - | - | 4,412,375 | - | - | - | 4,412,375 | (1,996) | 4,410,379 |
| Total comprehensive income (expense) | - | - | - | - | 4,412,375 | - | - | 8,982,455 | 13,394,830 | (123,064) | 13,271,766 |
| Establishment of a subsidiary | - | - | - | - | - | - | - | - | - | 3,699,900 | 3,699,900 |
| Equity-settled share-based transactions | - | - | - | 3,978,167 | - | - | - | - | 3,978,167 | - | 3,978,167 |
| Vesting of share awards | - | - | 14,087,420 | (14,087,420) | - | - | - | - | - | - | - |
| Exercise of share awards | 250,000 | 14,087,420 | - | 9,022,072 | - | - | - | (9,022,072) | 14,337,420 | - | 14,337,420 |
| Share issued | - | - | - | - | - | - | - | - | - | - | - |
| Dividends declared | - | (19,020,000) | - | - | - | - | - | - | (19,020,000) | - | (19,020,000) |
| At 31 March 2022 (Audited) | 6,000,000 | 86,754,973 | - | - | 7,062,575 | 1,147,798 | 8,180,682 | 30,976,344 | 140,122,372 | 3,576,836 | 143,699,208 |
| Changes in equity for the six months ended 30 September 2022: | | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | - | 17,854,413 | 17,854,413 | (760,486) | 17,093,927 |
| Other comprehensive expense | - | - | - | - | (12,900,113) | - | - | - | (12,900,113) | (329,171) | (13,229,284) |
| Total comprehensive income (expense) | - | - | - | - | (12,900,113) | - | - | 17,854,413 | 4,954,300 | (1,089,657) | 3,864,643 |
| Purchase of the Company's shares for Share Award Scheme | (168,880) | - | - | (15,509,079) | - | - | - | - | (15,677,959) | - | (15,677,959) |
| Balance as at 30 September 2022 (Unaudited) | 5,831,120 | 86,754,973 | (15,509,079) | - | (5,837,538) | 1,147,798 | 8,180,682 | 48,830,757 | 129,398,713 | 2,487,179 | 131,885,892 |
| Changes in equity for the three months ended 31 December 2022: | | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | - | 18,583,089 | 18,583,089 | (329,729) | 18,253,360 |
| Other comprehensive income | - | - | - | - | 4,214,496 | - | - | - | 4,214,496 | 38,186 | 4,252,682 |
| Total comprehensive income (expense) | - | - | - | - | 4,214,496 | - | - | 18,583,089 | 22,797,585 | (291,543) | 22,506,042 |
| Dividends declared | - | (26,040,000) | - | - | - | - | - | - | (26,040,000) | - | (26,040,000) |
| Purchase of the Company's shares for Share Award Scheme | (46,160) | - | (4,214,241) | - | - | - | - | - | (4,260,401) | - | (4,260,401) |
| Balance as at 31 December 2022 (Unaudited) | 5,784,960 | 60,714,973 | (19,723,320) | - | (1,623,042) | 1,147,798 | 8,180,682 | 67,413,846 | 121,895,897 | 2,195,636 | 124,091,533 |

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 Act 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 2808, Place II, Qianhai Shimao Financial Center, 3040 Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC. The address of the Company’s principal place of business in Hong Kong is Room 3405, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Group is an integrated securities trading platform service provider serving primarily Hong Kong brokerage firm and their clients. The Group’s Hong Kong brokerage firms 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 set out in this announcement 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 announcement 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 the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and the applicable disclosure provisions of the GEM Listing Rules. The Financial Statements should be read in conjunction with the Company’s consolidated financial statements for the year ended 31 March 2022.

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 2022, except for accounting policy changes that are expected to be reflected in the Group’s annual consolidated financial statements ending 31 March 2023. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

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 for the three and nine months ended 31 December 2022 and 2021 is as follows:

| | Three months ended 31 December | | Nine months ended 31 December | |
|---|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 |
| – Front office trading system services | 7,687 | 7,705 | 24,052 | 22,625 |
| – Market data services | 4,012 | 3,514 | 10,729 | 10,689 |
| – Hosting and clouding infrastructure services | 1,104 | 1,219 | 3,250 | 3,508 |
| – SaaS services | 9,047 | 7,807 | 25,422 | 19,636 |
| – Other value-added services | 3,653 | 2,649 | 12,602 | 3,832 |
| | <u>25,503</u> | <u>22,894</u> | <u>76,055</u> | <u>60,290</u> |

4 INCOME TAX

| | Three months ended 31 December | | Nine months ended 31 December | |
|-------------------------------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 |
| Current tax – Hong Kong Profits Tax | (738) | 84 | 582 | 540 |
| Current tax – The PRC | 990 | 159 | 1,214 | 324 |
| | <u>252</u> | <u>243</u> | <u>1,796</u> | <u>864</u> |

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 HK\$36,437,502 (for the Corresponding Period: HK\$16,277,160) and the weighted average number of ordinary shares of 591,967,578 (for the Corresponding Period: 567,336,000 shares) in issue 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 DIVIDEND

The Board declared on 19 December 2022 that it has resolved the declaration and payment of the special dividend of HK4.34 cents per ordinary share of the Company (for the Corresponding Period: Nil), absorbing a total amount of about HK\$26.04 million, paid in cash on 26 January 2023. Details of the declaration and payment of the special dividend are set out in the announcement of the Company dated 19 December 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Group provides cloud-based market trading integrated terminal products and system services for many brokerage firms, and has a leading market position in providing front office trading system services and market data services for Hong Kong brokerage firms. We mainly serve 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^{Note 5}; and (5) other value added services^{Note 6}.

BUSINESS REVIEW

During the Reporting Period, with geopolitical tensions causing volatility in global financial markets, in addition to Federal Reserve interest rate hikes and the COVID-19 epidemic in various parts of China, but the performance of Hong Kong stocks (shares traded on the Stock Exchange of Hong Kong Limited) rebounded slightly. We believe that the economy of Hong Kong will get better and better and Hong Kong is still the dominant financial hub in the world. During the Reporting Period, the Group's business remained stable and continued to grow. The revenue of our traditional businesses, such as front office trading system services, increased steadily. The revenue of the Group's strategic emerging businesses, such as SaaS services increased. By constantly innovating new financial technologies, we have gradually become an important force in Fintech of Hong Kong.

During the Reporting Period, the total revenue of the Group increased by approximately HK\$15,765,551 or 26.1% to approximately HK\$76,055,262 (for the Corresponding Period: approximately HK\$60,289,711). Profit for the Reporting Period increased by approximately HK\$19,070,127 or 117.2% to HK\$35,347,287 (for the Corresponding Period: profit of HK\$16,277,160).

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.

Note 5: SaaS services refer to provision of online account opening appointment service and marketing or operation services provided through the Group's open securities trading platform "TradeGo Pro".

Note 6: Other value added services include big data service, simulation trading platform service, two-factor authentication service and customised software development service.

During the Reporting Period, research and development (the “**R&D**”) expenses amounted to HK\$9,914,542 for the Reporting Period (for the Corresponding Period: HK\$7,185,882), representing an increase of HK\$2,728,660 or approximately 38.0% as compared with that of the Corresponding Period.

The Group has provided cloud-based market and trading integrated terminal products and system services to more than 150 brokerage firms to improve their operational efficiency through our newly launched products and financial cloud SaaS platform. During the Reporting Period, a total of 84 Hong Kong brokerage firms are using our front-office trading system, resulting in a 6.3% increase, in related revenue to HK\$24,051,633 (Corresponding Period: approximately HK\$22,624,659).

We have established a joint venture subsidiary with an independent third-party company, which will focus on data mining and big data product researching, and is committed to expanding value-added services related to data. During the Reporting Period, revenue from other value-added services increased significantly to HK\$12,602,546 (for the Corresponding Period: HK\$3,831,811). We believe that the revenue of other value-added services will continue to grow as the gradual expansion of the customer base and service scope of our data products.

The number of registered users of the Group increased by approximately 92,682 or 14% to approximately 753,644 as at 31 December 2022 (approximately 660,962 as at 31 December 2021), of which about 55% registered users came from Hong Kong or overseas. We will continue to increase publicity in Hong Kong and overseas regions to gain more users.

During the Reporting Period, the overall revenue of SaaS services increased by 29.5% to HK\$25,421,806 (for the Corresponding Period: HK\$19,636,536) due to the increase in the number of institutional customers and individual users. SaaS service revenue accounted for 33.4% of the Group’s total revenue for the Reporting Period (for the Corresponding Period: approximately 32.6%). As a bridge connecting listed companies, brokers and individual investors, we expect that the proportion of SaaS revenue will become more and more important in the future.

FINANCIAL REVIEW

Revenue and Direct costs

Revenue of the Group for the Reporting Period was HK\$76,055,262 (for the Corresponding Period: HK\$60,289,711), representing an increase of HK\$15,765,551 or 26.1% 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 and other value-added services.

Direct costs of the Group for the Reporting Period was HK\$10,283,795 (for the Corresponding Period: HK\$9,722,150), representing an increase of HK\$561,645 or 5.8% 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 and Losses, net

The Group's other gains and losses, net for the Reporting Period amounted to HK\$9,194,547 (for the Corresponding Period: HK\$(3,167,475)), representing an increase of HK\$12,362,022 as compared with that of the Corresponding Period, mainly due to the increase of fair value gains on financial assets at fair value through profit or loss ("FVTPL").

Staff costs

The Group's staff costs for the Reporting Period amounted to HK\$18,414,681 (for the Corresponding Period: HK\$15,231,910), representing an increase of HK\$3,182,771 or 20.9% as compared with that of the Corresponding Period. Such increase was due to the increase in the number of employees of the Group and the increase in salaries and other benefits for staff.

Depreciation and Amortisation

The Group's depreciation and amortisation expenses for the Reporting Period amounted to HK\$10,090,853 (for the Corresponding Period: HK\$8,580,448), representing an increase of HK\$1,510,405 or 17.6% as compared with that of the Corresponding Period. Such increase was 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 HK\$8,852,825 (for the Corresponding Period: HK\$6,137,773), representing an increase of HK\$2,715,052 or 44.2% as compared with that of the Corresponding Period. The increase was mainly due to the increase in legal and professional fee.

Profit for the period

During the Reporting Period, the Group recorded a profit for the period of HK\$35,347,287 (for the Corresponding Period: HK\$16,277,160), representing an increase of HK\$19,070,127 or 117.2% as compared with that of the Corresponding Period, primarily attributable to the increase in revenue as discussed above.

DIVIDEND

The Board declared a special dividend of HK4.34 cents per ordinary share of the Company on 19 December 2022 (for the Corresponding Period: Nil) which was paid on 26 January 2023. Details of the declaration and payment of the special dividend are set out in the announcement of the Company dated 19 December 2022.

PROSPECTS

Business objectives, future strategies and prospects

We believe that to continuously improve our capability in R&D is the cornerstone to maintain our leading position in fintech in Hong Kong. To adapt to the continuous changes in financial market demand, we are constantly improving and upgrading existing products and services, and even more, trying to develop and launch new products. We have launched many characteristic data products that have won high praise from the market, such as IPO data and China-Hong Kong Stock Connect data. We will continue to increase our investment in data research and data mining, and provide more extensive and practical financial data products for institutional and individual investors. We plan to continuously increase R&D investment so that our products and services can always meet the rapidly changing market demand.

During the Reporting Period, TradeGo Markets Limited (“**TradeGo Markets**”), an indirect wholly-owned subsidiary of the Company, submitted an application to SFC for Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities’ licenses in Hong Kong. TradeGo Markets intends to operate an over-the-counter electronic trading platform for non-trading hours whereby shares in companies which will have an IPO to be listed on the Stock Exchange can be traded prior to their official listing. TradeGo Markets also pays close attention to the initiative of the Hong Kong government to vigorously develop virtual assets trading, and actively explores the huge business opportunities of related system construction and platform services.

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.

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing were approximately HK\$41.5 million (after deducting the underwriting fees and the listing expenses). As at 31 December 2022, all proceeds from the Listing had been utilised.

On 10 August 2020, the Board resolved to change the use of the unutilized net proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's announcement dated 10 August 2020. Set forth below are details of the use of proceeds up to 31 December 2022:

| Intended use of the net proceeds | Amount of net proceeds allocated at the Listing <i>HK\$ million</i> | Actual amount utilized from the date of Listing up to 10 August 2020 <i>HK\$ million</i> | Reallocation in use of unutilized net proceeds on 10 August 2020 <i>HK\$ million</i> | Amount of unutilized net proceeds after reallocation <i>HK\$ million</i> | Actual amount utilized up to 31 December 2022 <i>HK\$ million</i> | Unutilized net proceeds up to 31 December 2022 <i>HK\$ million</i> | Expected timeline for full utilization of the unutilized net proceeds |
|--|--|---|---|---|--|---|---|
| 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 | 10.7 | - | N/A |
| Expand the hardware infrastructure capacities and software portfolio | 2.3 | 1.3 | +2.3 | 3.3 | 4.6 | - | N/A |
| 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 | - | - | +6.7 | 6.7 | 6.7 | - | N/A |
| Developing initial public offer simulation subscription system | - | - | +5.6 | 5.6 | 5.6 | - | N/A |
| Applying licences and the daily operations of the subsidiary(ies) under the Capital Contribution Agreement (<i>Note 1</i>) | - | - | +3.0 | 3.0 | 3.0 | - | N/A |
| General working capital | 1.8 | 1.8 | - | - | 1.8 | - | N/A |
| | 41.5 | 15.9 | - | 25.6 | 41.5 | - | |

Note:

1. 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.

USE OF NET PROCEEDS FROM PLACING

References are 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 R&D 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 “**Placing**”). 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 had 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 31 December 2022:

| Intended use of the net proceeds | Amount of net proceeds <i>HK\$ million</i> | Amount of | Unutilized | Expected timeline for full utilization of the unutilized net proceeds |
|---|---|---|--|---|
| | | utilized net proceeds up to 31 December 2022 <i>HK\$ million</i> | net proceeds up to 31 December 2022 <i>HK\$ million</i> | |
| (i) Research and development of the Group’s new products | 17.82 | 12.81 | 5.01 | End of September 2023 |
| (ii) Strengthening the cloud infrastructure construction and information service capacity | 8.91 | 4.44 | 4.47 | End of September 2023 |
| (iii) General working capital | 2.97 | 2.97 | – | N/A |
| | <u>29.7</u> | <u>20.22</u> | <u>9.48</u> | |

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

As at 31 December 2022, 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 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 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 Shares held/ interested in | Long position/ Short position | Approximate percentage of shareholding ⁽¹⁾ |
|---------------------------------|---|--------------------------------------|-------------------------------|---|
| Mr. LIU Yong ⁽²⁾⁽³⁾ | Interest of a controlled corporation | 186,398,236 | Long position | |
| | Beneficial Owner | 800,000 | Long position | |
| | | Total: 187,198,236 | | 31.19% |
| Mr. LIAO Jicheng ⁽³⁾ | Interests held jointly with another person | 32,133,582 | Long position | |
| | Person having a security interest in shares | 168,000 | Long position | |
| | | Total: 32,301,582 | | 5.38% |
| Mr. WAN Yong ⁽³⁾⁽⁴⁾ | Interest of a controlled corporation | 19,703,553 | Long position | |
| | Interests held jointly with another person | 32,133,582 | Long position | |
| | Beneficial Owner | 200,000 | Long position | |
| | | Total: 52,037,135 | | 8.67% |
| Mr. ZHANG Wenhua ⁽³⁾ | Interest held jointly with another person | 32,133,582 | Long position | |
| | Beneficial Owner | 168,000 | Long position | |
| | | Total: 32,301,582 | | 5.38% |

Notes:

- (1) As at 31 December 2022, 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 32,133,582 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 (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 (as at 31 December 2022, Mr. LIU Yong is the sole director of Xin Cheng), and Mr. LIU Yong, Mr. LIAO Jicheng, Mr. WAN Yong and Mr. ZHANG Wenhua are all shareholders of Stand Tall. Therefore, Mr. LIU Yong, Mr. LIAO Jicheng, Mr. WAN Yong and Mr. ZHANG Wenhua 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 19,703,553 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 31 December 2022, 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.

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

As at 31 December 2022 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:

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% |
| Shenzhen Kingdom Sci-Tech Co., Ltd. Probest Limited | Beneficial Owner Interest of a controlled corporation | 119,500,000 119,500,000 | Long position Long position | 19.92% 19.92% |
| SBI China Capital Financial Services Limited | Beneficial Owner | 119,500,000 | Long position | 19.92% |
| SBI China Capital Holdings Limited | Interest of a controlled corporation | 119,500,000 | Long position | 19.92% |
| Mr. CAO Guoqi | Interest of a controlled corporation | 119,500,000 | Long position | 19.92% |
| Coast Flagship Investment SPC-Harvest IPO Mixed Strategy Investment SP ⁽³⁾ | Beneficial Owner | 33,000,000 | Long position | 5.50% |
| Coast International Asset Management Limited ⁽³⁾ | Investment Manager | 33,000,000 | Long position | 5.50% |
| Xin Cheng International Limited (鑫誠國際有限公司) ⁽⁴⁾ | Beneficial owner Trustee | 30,948,956 1,184,626 | Long position Long position | |
| | | Total: 32,133,582 | Long position | 5.35% |
| Stand Tall International Limited (立高國際有限公司) ⁽⁴⁾ | Interest of a controlled corporation | 32,133,582 | Long position | 5.35% |
| Ms. LIU Xiaoming ⁽⁵⁾ | Interest of spouse | 187,198,236 | Long position | 31.19% |
| Ms. CHEN Zhaoxia ⁽⁶⁾ | Interest of spouse | 52,037,135 | Long position | 8.67% |
| Ms. LU Ximeng ⁽⁷⁾ | Interest of spouse | 32,301,582 | Long position | 5.38% |
| Ms. YE Liqin ⁽⁸⁾ | Interest of spouse | 32,301,582 | Long position | 5.38% |

Notes:

- (1) As at 31 December 2022, 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) 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.
- (4) Xin Cheng holds 30,948,956 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.
- (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) Ms. YE Liqin is the spouse of Mr. ZHANG Wenhua. Therefore, Ms. YE Liqin is deemed, or taken to be, interested in all the Shares held by Mr. ZHANG Wenhua for the purpose of the SFO.

Save as disclosed above, as at 31 December 2022, 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 2018 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full time and part-time), directors, consultants, 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 to the Prospectus. From the date of adoption of such share option scheme to 31 December 2022, no share option was granted, exercised or cancelled and there is no outstanding share option pursuant to the Share Option Scheme.

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 of the scheme are set out in the section headed “Statutory and General Information – E. Pre-IPO Equity Interest Incentive Scheme” in Appendix IV to the Prospectus.

SHARE AWARD SCHEME

On 19 December 2018 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Previous Share Award Scheme**”). The purpose of the Previous 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 Previous 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, 5 February 2021 and 30 December 2021, respectively.

On 20 June 2022, the Company adopted a new share award scheme (the “**New Share Award Scheme**”). The purpose of the New Share Award Scheme is to align the interests of eligible persons under the scheme with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the shares so as to motivate the personnel whom the Company considers as necessary to make contributions to the long-term growth of the Group, and to attract and retain eligible persons to continue to create value for the Group.

For details of the New Share Award Scheme, please refer to the announcements of the Company dated 20 June 2022 and 21 June 2022.

The Company shall comply with the relevant GEM Listing Rules on granting of award shares under the New Share Award Scheme. As at 31 December 2022, the trustee of the New Share Award Scheme had purchased a total of 21,504,000 shares from the secondary market at a total consideration of approximately HK\$19,938,360. As at 31 December 2022, no Shares purchased under the New Share Award Scheme had been awarded to any eligible persons as set out under New 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.

FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The valuation techniques and inputs used in fair value measurements of each financial instrument on a recurring basis are set out below:

| | | Fair value as at | | Valuation technique and key inputs | Significant unobservable inputs | Relationship of key inputs and significant unobservable inputs to fair value |
|---|---------|------------------|-------------------|---------------------------------------|---------------------------------|--|
| | | 31 December 2022 | 30 September 2022 | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| - Listed equity investments | Level 1 | 16,191,271 | 12,579,211 | Quoted bid prices in an active market | N/A | N/A |

CAPITAL COMMITMENTS OUTSTANDING

As at 31 December 2022, the Group did not have any significant capital commitments (31 December 2021: Nil).

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 Company made specific enquiry of all the Directors, and 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 Reporting Period.

CORPORATE GOVERNANCE PRACTICE

During the Reporting Period, the Company had 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 C.2.1.

Code Provision C.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 C.2.1 of the CG Code.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25%.

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, Mao Jia, Stand Tall and Xin Cheng 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”.

During the Reporting Period, the Company had not received any information in writing from any of the controlling shareholders of the Company, being Mr. LIU Yong, Fortune Promise, Mao Jia, Stand Tall and Xin Cheng, (each a “**Controlling Shareholder**” and collectively the “**Controlling Shareholders**”) in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to the knowledge of the Controlling Shareholders or their associates (other than any member of the Group), and the Company has received a written confirmation from each Controlling Shareholder in respect of him/it and his/its associates in compliance with the Deed of Non-Competition during the Reporting Period and up to the date of this announcement.

As at the date of this announcement, the Company is not aware of any other matters regarding the compliance of the undertakings in the Deed of Non-Competition and there has not been any changes in terms of the Deed of Non-Competition since the Listing.

CHANGES IN DIRECTORS

The Group appointed Mr. WANG Haihang as a non-executive Director on 14 April 2022 with effect from 1 May 2022.

CHANGES IN DIRECTOR'S BIOGRAPHICAL DETAILS UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

There has been no change in the Directors' biographical details which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of 2021-2022 annual report of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Directors confirmed that no significant event that affected the Group has occurred after 31 December 2022 and up to the date of this announcement.

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, risk management and internal control systems, 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 consolidated financial statements of the Group for the three months and the nine months ended 31 December 2022 and was of the view that such statements 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, 7 February 2023

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