



ZEBRA STRATEGIC
HOLDINGS LIMITED

施伯樂策略控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8260

Interim Report 2014

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This report, for which the directors of Zebra Strategic Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquires, 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.

SUMMARY

- Revenue for the six months ended 30 September 2014 amounted to HK\$103,844,000 (2013: HK\$96,811,000), representing an increase of approximately 7% as compared with corresponding period of the previous year.
- Profit attributable to owners of the Company for the six months ended 30 September 2014 amounted to HK\$361,000 while profits attributable to owners of the Company for the six months ended 30 September 2013 amounted to HK\$1,015,000.
- Basic earnings per share for the six months ended 30 September 2014 amounted to approximately HK\$0.09 cents while basic earnings per share for the six months ended 30 September 2013 amounted to approximately HK\$0.26 cents.

UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2014 together with the comparative unaudited figures for the corresponding periods in 2013 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVES INCOME

For the six months ended 30 September 2014

	Notes	Three months ended 30 September		Six months ended 30 September	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue	3	54,004	49,816	103,844	96,811
Direct costs		(49,392)	(45,930)	(95,367)	(89,390)
Gross profit		4,612	3,886	8,477	7,421
Other income	3	55	269	62	286
General and administrative expenses		(4,513)	(2,969)	(7,813)	(6,243)
Operating profit		154	1,186	726	1,464
Finance costs	4	(27)	(84)	(55)	(185)
Profit before income tax	5	127	1,102	671	1,279
Income tax expense	6	(220)	(200)	(310)	(264)
(Loss)/Profit for the period		(93)	902	361	1,015
Other comprehensive income for the period		–	–	–	–
Total comprehensive (loss)/income for the period attributable to owners of the Company		(93)	902	361	1,015
Earnings per share for (loss)/profit attributable to owners of the Company — Basic and diluted (HK cents)	8	(0.02)	0.23	0.09	0.26

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2014

	Notes	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	1,236	1,499
Current assets			
Trade and other receivables, prepayments and deposits	10	39,407	32,011
Amounts due from former ultimate holding company		–	50
Amounts due from associates		2,552	52
Tax recoverable		560	601
Pledged bank deposits		–	6,510
Cash at banks and in hand		20,242	21,727
		62,761	60,951
Current liabilities			
Accrued expenses and other payables	11	21,487	17,898
Bank borrowings	12	–	2,260
Obligation under a finance lease		566	291
		22,053	20,449
Net current assets		40,708	40,502
Total assets less current liabilities		41,944	42,001
Non-current liabilities			
Obligation under a finance lease		–	418
Net assets		41,944	41,583
EQUITY			
Equity attributable to the Company's owners			
Share capital	13	4,000	4,000
Share premium		22,478	22,478
Reserves		15,466	15,105
Total equity		41,944	41,583

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve* <i>HK\$'000</i>	Retained earnings* <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2013	313	–	(213)	15,043	15,143
Issue of shares upon Placing <i>(note 13)</i>	750	30,000	–	–	30,750
Issue of shares upon Capitalisation <i>(note 13)</i>	2,937	(2,937)	–	–	–
Expenses incurred in connection with the issue of shares during the period	–	(4,585)	–	–	(4,585)
Transactions with owners	3,687	22,478	–	–	26,165
Total comprehensive income for the period	–	–	–	1,015	1,015
At 30 September 2013 (Unaudited)	4,000	22,478	(213)	16,058	42,323
As 1 April 2014	4,000	22,478	(213)	15,318	41,583
Total comprehensive income for the period	–	–	–	361	361
At 30 September 2014 (Unaudited)	4,000	22,478	(213)	15,679	41,944

* The total of these balances represents “Reserves” in the consolidated statement of financial position.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

		Six months ended 30 September	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
	<i>Notes</i>		
Cash flows from operating activities			
Profit before income tax		671	1,279
Adjustments for:			
Depreciation of property, plant and equipment	5	299	302
Interest charges on obligation under a finance lease	4	3	31
Interest expenses	4	52	154
Interest income	3	(38)	(26)
Operating profit before working capital changes		987	1,740
Increase in trade receivables		(7,293)	(2,730)
Increase in other receivables, prepayments and deposits		(53)	(1,855)
Changes in current accounts with directors		–	3,175
Increase in amounts due from associates		(2,500)	–
Increase/(Decrease) in accrued expenses and other payables		3,589	(456)
<i>Cash used in operations</i>		(5,270)	(126)
Income tax paid		(269)	(78)
<i>Net cash used in operating activities</i>		(5,539)	(204)
Cash flows from investing activities			
Interest received		38	26
Purchase of property, plant and equipment		(36)	(77)
Decrease in pledged bank deposits		6,510	–
<i>Net cash generated from/(used in) investing activities</i>		6,512	(51)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 September 2014

	Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<i>Notes</i>		
Cash flows from financing activities		
Proceeds from new bank borrowings	–	2,000
Repayment of bank borrowings	(2,260)	(2,212)
Issue of shares	–	30,750
Expenses incurred in connection with the issue of shares	–	(4,585)
Interest paid	(52)	(154)
Capital element of finance lease liabilities	(143)	(133)
Interest element of finance lease payments	(3)	(31)
<i>Net cash (used in)/generated from financing activities</i>	(2,458)	25,635
Net (decrease)/increase in cash and cash equivalents	(1,485)	25,380
Cash and cash equivalents at beginning of period	21,727	6,565
Cash and cash equivalents at end of period	20,242	31,945
Analysis of balances of cash and cash equivalents		
Cash at banks	20,242	31,945

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Zebra Strategic Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. The Company’s shares are listed on the GEM of the Stock Exchange since 10 April 2013.

The unaudited condensed consolidated financial information for the six months ended 30 September 2014 (“Interim Financial Information”) have been prepared in accordance with Hong Kong Accounting Standard (“HKASs”) 34 “Interim Financial Reporting” issued by the Hong Kong Institutes of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial information should be read in conjunction with audited financial statements and notes thereto for the year ended 31 March 2014 (“2014 Audited Financial Statements”). The significant accounting policies that have been used in the preparation of these unaudited consolidated results are consistent with those followed in the preparation of 2014 Audited Financial Statements. It should be noted that accounting estimates and assumptions are used in preparation of unaudited condensed consolidated financial information. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting period beginning on 1 April 2014, the adoption of the new HKFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

The Interim Financial Information are unaudited, but have been reviewed by the Audit Committee of the Company. The Interim Financial Information were approved for issue on 10 November 2014.

2. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. During the year, executive directors regularly review revenue and operating results derived from provision of staff outsourcing services, executive/staff search services and other human resources support services on an aggregate basis and consider as one single operating segment.

The Company is an investment holding company and the principal place of the Group’s operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile. All the Group’s non-current assets are principally attributable to Hong Kong, being the single geographical region.

The geographical location of customers is based on the location at which the services are provided. The total revenue from external customers is mainly sourced from Hong Kong.

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Customer A	35,090	34,500	66,891	66,479
Customer B	5,388	6,251	11,174	12,190

3. REVENUE AND OTHER INCOME

The Company is principally engaged in the provision of staff outsourcing services. The Company also engaged in the provision of executive/staff search services and other human resources support services.

An analysis of the Group's revenue and other income is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue				
Staff outsourcing services	49,223	46,464	95,356	90,330
Executive/staff search services	3,968	2,610	6,802	5,088
Other human resources support services	813	742	1,686	1,393
	54,004	49,816	103,844	96,811
Other income				
Bank interest income	31	9	38	26
Sundry income	24	260	24	260
	55	269	62	286
	54,059	50,085	103,906	97,097

4. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Interest charges on:				
Bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	25	70	52	154
Obligation under a finance lease	2	14	3	31
	27	84	55	185

5. PROFIT BEFORE INCOME TAX

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Auditor's remuneration	80	50	160	100
Cost of services rendered	49,392	45,930	95,367	89,390
Depreciation:				
— Owned assets	18	17	33	31
— Leased assets	133	135	266	271
	151	152	299	302
Employee benefits expenses (including directors' remuneration):				
Salaries, allowances and benefits in kind, included in				
— Cost of services rendered	46,668	43,938	90,330	85,668
— General and administrative expenses	2,698	1,357	5,037	3,393
Retirement benefits — defined contribution plans, included in				
— Cost of services rendered	1,491	1,637	2,834	3,211
— General and administrative expenses	57	53	109	105
	50,914	46,985	98,310	92,377
Exchange loss, net	—	—	64	10
Operating lease charges in respect of a rented premise	493	280	933	371

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current tax				
— Hong Kong Profits Tax — charged for the year	220	200	310	264
— Enterprise Income Tax of The People's Republic of China (the "PRC")	—	—	—	—
	220	200	310	264

No provisions for Hong Kong Profits Tax and PRC Enterprise Income Tax were made by the Company and Orient Apex Investments Limited ("Orient Apex") as the Company and Orient Apex did not derive any assessable profit in Hong Kong and the PRC for the period (2013: Nil).

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits of Zebra Strategic Outsource Solution Limited ("Zebra SOS"), an indirectly held subsidiary, derived in Hong Kong for the year. No provision for the PRC incomes taxes have been made for the six months ended 30 September 2014 as Zebra SOS had no assessable profits derived in the PRC for the period (2013: Nil).

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2014 is based on the profit attributable to the owners of the Company amounting to HK\$361,000 (six months ended 30 September 2013: HK\$1,015,000), and the weighted average number of shares of 400,000,000 in issue (six months ended 30 September 2013: 396,250,000 shares) throughout the period. The details of the capitalisation issue are published in note 23(f) to the financial statements, included in the annual report of the Company for the year ended 31 March 2014, dated 16 June 2014.

No diluted earnings per share is calculated for the six months ended 30 September 2014 and 2013 as there were no dilutive potential ordinary shares in existence.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended					
30 September 2014 (Unaudited)					
Opening net book value	35	7	569	888	1,499
Additions	–	–	36	–	36
Depreciation	(9)	(1)	(23)	(266)	(299)
	26	6	582	622	1,236
At 30 September 2014 (Unaudited)					
Cost	583	146	1,001	1,776	3,506
Accumulated depreciation	(557)	(140)	(419)	(1,154)	(2,270)
Net Book Value	26	6	582	622	1,236

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	As at 30 September 2014 (Unaudited) <i>HK\$'000</i>	As at 31 March 2014 (Audited) <i>HK\$'000</i>
Trade receivables	36,814	29,521
Other receivables	50	560
Prepayments	1,999	1,546
Deposits	544	384
	39,407	32,011

An ageing analysis of trade receivables as at the end of the reporting period is as follows:

	As at 30 September 2014 (Unaudited) <i>HK\$'000</i>	As at 31 March 2014 (Audited) <i>HK\$'000</i>
Current	21,891	15,530
1–90 days past due	14,923	13,921
91–180 days past due	–	70
Amounts past due	14,923	13,991
	36,814	29,521

The Group normally allows credit periods ranging from 30 to 60 days to its major customers.

11. ACCRUED EXPENSES AND OTHER PAYABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Accrued expenses and other payables	21,487	17,898

12. BANK BORROWINGS

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Current		
Bank loans	–	2,260
Analysed into:		
Bank loans repayable:		
Within one year	–	2,260

13. SHARE CAPITAL

	Period ended 30 September 2014 (Unaudited)		Year ended 31 March 2014 (Audited)	
	Number of ordinary shares	HK\$'000	Number of ordinary shares	HK\$'000
Authorised (HK\$0.01 each):				
At beginning and end of the period/year	5,000,000,000	50,000	5,000,000,000	50,000
Issued and fully paid (HK\$0.01 each):				
At beginning of the period/year	400,000,000	4,000	31,250,100	313
Issue of shares upon capitalisation (note (a))	–	–	293,749,900	2,937
Issue of shares upon placing ordinary shares of HK\$0.01 each (note (b))	–	–	75,000,000	750
At the end of the period/year	400,000,000	4,000	400,000,000	4,000

Notes:

- (a) Pursuant to a shareholder resolution passed on 19 March 2013, subject to the share premium account of the Company being credited as a result of the issue of Placing Shares under the Placing as mentioned and defined in (b) below, the directors were authorised to allot and issue a total of 293,749,900 shares credited as fully paid at par to each holder of the shares on 19 March 2013 in proportion to their shareholdings (save that no shareholder shall be entitled to be allotted or issued by fraction of a share) by way of capitalisation of the sum of HK\$2,937,499 standing to the credit of the share premium accounts of the Company, and the share to be allotted and issued shall rank *pari passu* in all respects with the existing issued shares (the "Capitalisation"). Upon the Capitalisation, the issued share capital of the Company would become HK\$3,250,000 divided into 325,000,000 shares of HK\$0.01 each.
- (b) On 10 April 2013, 75,000,000 new shares of HK\$0.01 each of the Company were issued to the public by way of placing at HK\$0.41 each (the "Placing"). Upon the Capitalisation and the Placing, the issued share capital of the Company would become HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each.

14. RELATED PARTY TRANSACTIONS

- (a) During the period, the Group entered into the following transactions:

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Service income received from a related party (Note)	–	2	–	36
Underwriting commission paid to the related company	–	–	–	1,025
Interest income received from a director	–	–	24	–

Note: Mr. Pan is a director of the related party. The related party ceased to be related to the Group upon resignation of Mr. Pan as director of the Company on 23 December 2013.

(b) Compensation of key management personnel

	Three months ended 30 September		Six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Total remuneration of directors during the period				
— Short-term employee benefits	300	210	540	420
— Post-employment benefits	5	4	9	8
	305	214	549	428

The directors consider that other than themselves, the Group had no other key management personnel.

15. RESERVES

The amounts of the Group's unaudited reserves and the movements therein for the current and the same period of previous year are presented in the condensed consolidated statement of changes in equity of the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF CONTROLLING SHAREHOLDER

On 3 July 2014, the absolute controlling shareholder of the Company was changed to Upmost Corporation Limited (“Upmost Corporation”) upon completion of the share purchase agreement dated 3 July 2014 relating to sale of 204,000,000 shares of the Company (the “Sale Shares”) for a total cash consideration of HK\$85,680,000 (equivalent to HK\$0.42 per Sale Share).

Subsequent to the close of the mandatory general offer on 10 September 2014, Upmost Corporation and parties acting in concert with it were interested in an aggregate of 207,200,000 shares of the Company, which constituted 51.80% of the total issued shares of the Company.

BUSINESS REVIEW AND PROSPECTS

The principal activity of the Company is investment holding. The principal activity of the subsidiaries (together with the Company referred to as the “Group”) is the provision of staff outsourcing services. The Group is also engaged in the provision of executive/staff search services and other human resources support services.

During the first half of the financial year, the Group’s businesses grew at a favorable rate and reached expectations. The external environment was positive for the banking and finance industry and the local economy showed high volume of activities, which made a strong impact on the demand for executive/staff search services throughout the past six months, resulting in an increase of approximately 34% in the Group’s executive/staff search revenue for the six months ended 30 September 2014 as compared with the corresponding period of the previous year. The demand for outsourcing staff services remained steady and consistent with the economic environment, showing an increase of 6% in revenue as compared to the corresponding period of the previous year. In view of the opportunity arising from the growing demand for executive/staff search and outsourcing staff services in China, the Group broadened their market penetration into China, exploring opportunities that are available in Qian Hai, Hengqin and Shanghai. During the past six months, the Group successfully incorporated a wholly owned foreign enterprise in Guangzhou and anticipates gaining a stable market share and market positioning in Guangzhou. This shall generate positive impact on the Group’s financial results in the near future.

After Upmost Corporation became the controlling shareholder of the Company, it is expected that Upmost Corporation intends to continue the Group's existing principal activities. With the support from Upmost Corporation, the Group will seek suitable investment and business opportunities. When such opportunities arise, the business of the Group may be diversified with the objective of broadening its sources of income, to enhance value and deliver sustainable returns to shareholders in the long run.

FINANCIAL REVIEW

The Group recorded an unaudited revenue of approximately HK\$103,844,000 for the six months ended 30 September 2014, representing an increase of 7% from approximately HK\$96,811,000 for the corresponding period of the previous year. Of the total unaudited turnover amount, approximately HK\$95,356,000 or 92% was generated from staff outsourcing services, approximately HK\$6,802,000 or 6% was generated from executive/staff search services and approximately HK\$1,686,000 or 2% was generated from other human resources support services. The unaudited net profit attributable to shareholders for the six months ended 30 September 2014 was HK\$361,000 whereas the Group recorded a net profit of approximately HK\$1,015,000 for the corresponding period of the previous year.

During the period, the Group's gross profit for the six months ended 30 September 2014 was HK\$8,477,000, representing an increase of 14% as compared with the corresponding period (2013: HK\$7,421,000). The gross profit margin of the Group for the six months ended 30 September 2014 was 8%, being the same as compared with the last corresponding period.

The Group's general and administrative expense for the six months ended 30 September 2014 amounted to HK\$7,813,000, which represented an increase of approximately 25% as compared with the last corresponding period (2013: HK\$6,243,000). The increase was mainly due to legal and professional fee and other expenses related to the change of controlling shareholder and mandatory general offer of the Company.

LIQUIDITY AND FINANCE RESOURCES

During the period under review, the Group financed its operations by internally generated cash flow. As at 30 September 2014, the Group had net current assets of HK\$40,708,000 (31 March 2014: HK\$40,502,000) including bank balances and cash of approximately HK\$20,242,000 (31 March 2014: HK\$21,727,000). The current ratio, being the ratio of current assets to current liabilities, as at 30 September 2014 was approximately 2.8 (31 March 2014: 3.0).

As at 30 September 2014, the Group's gearing ratio was 1% (31 March 2014: 7%), which is calculated based on the Group's total borrowings of approximately HK\$566,000 (31 March 2014: HK\$2,969,000) and the Group's total equity of approximately HK\$41,944,000 (31 March 2014: HK\$41,583,000).

CAPITAL STRUCTURE OF THE GROUP

The Company's shares were successfully listed on GEM on 10 April 2013 ("Listing Date"). There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report. The capital of the Group only comprises of ordinary shares.

FOREIGN EXCHANGE EXPOSURE

As most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group did not use any financial instrument to hedge against foreign currency risk.

CHARGES ON GROUP'S ASSETS

The Group had a motor vehicle acquired under finance lease with a carrying value of approximately HK\$622,000 (31 March 2013: HK\$888,000).

Save as aforesaid, as at 30 September 2014, the Group did not have any mortgage or charge.

CONTINGENT LIABILITIES

As at 30 September 2014, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENT

As at 30 September 2014, the Group did not have any significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2014, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2014, the Group's staff costs, including director's remuneration, were approximately HK\$98,310,000 (2013: HK\$92,377,000). It is the Group's policy to review its employee's pay levels and performance bonus system regularly to ensure the remuneration policy is competitive within the industry.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 28 March 2013 (the "Prospectus") with actual business progress for the period ended 30 September 2014 (the "Period").

Business objectives up to

30 September 2014 as set out in the Prospectus

Actual business progress up to 30 September 2014

Expansion of existing executive/staff search and staff outsourcing services

- Set up a new team with about 1 to 3 staff for providing executive/staff search services for the industrial sector
- Continue to explore business opportunities in our staff outsourcing and executive/staff search businesses in the banking and telecommunications industries in Hong Kong and evaluate the possibility to expand staff outsourcing business to other industries

The Group has recruited 5 staff for providing executive/staff search services for the retail sector. The Group has also recruited 2 new staff for providing executive/staff search services for the medical and pharmaceutical sector.

The Group has started to explore other opportunities for staff outsourcing clients in the finance industries in Hong Kong. The Group has also contracted new businesses in the food and beverage sector in Hong Kong, and also the medical sector in Hong Kong.

Development in PRC and Singapore markets for executive/staff search services

- Further employ about 1 to 3 staff for the further development of our executive/staff search services in the PRC market

The Group has completed incorporation of a wholly-foreign owned enterprise in Guangzhou and have also rented an office in Shanghai.

Business objectives up to 30 September 2014 as set out in the Prospectus

- Commence the strategic alliance with potential partners in the development of the PRC/ Singapore market

Actual business progress up to 30 September 2014

The Group has appointed and is working together with a strategic partner in Guangzhou and in Shanghai to support business development in the PRC.

Upgrading of the Group's eHRIS software

- Complete the development of the roster management application for our eHRIS software
- Continue to carry out the improvement work for our eHRIS software

The Group has completed the development of all applications with the eHRIS software.

The Group has completed the improvement work on the eHRIS software.

Development of other human resources support services

- Continue to explore business opportunities in our human resources support services
- Evaluate any human resources support services that can be provided to our clients

The Group continued to explore business opportunities in human resources support services.

The Group has evaluated and is considering to provide an one-stop human resources related and other supporting services such as payroll services, company secretarial services and professional referral services.

As of the date of this report, the Directors had no intention to make any changes to the business plan.

USE OF PROCEEDS

The shares of the Company were listed on the GEM of the Stock Exchange on 10 April 2013 (the “Listing Date”) with net proceeds from the placing of approximately HK\$21.4 million. The net proceeds from the Listing Date to 30 September 2014 had been applied as follows:

	Use of proceeds from the Listing Date to period ended 30 September 2014 as shown in the Prospectus <i>HK\$'000</i>	Actual use of proceeds from the Listing Date to 30 September 2014 <i>HK\$'000</i>
Expansion of existing executive/staff search and staff outsourcing services in Hong Kong	6.2	0.4
Development in PRC and Singapore markets	8.2	2.6
Upgrading of eHRIS software	3.0	0.4
Development of other human resources support services	2.0	–
General working capital	2.0	2.0
	<hr/>	<hr/>
	21.4	5.4
	<hr/>	<hr/>

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Since the Scheme has become effective, no share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 30 September 2014.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

LONG POSITION IN ORDINARY SHARES AND UNDERLYING SHARES

Name of Directors	Nature of interests	Number of Shares held	Approximate percentage of issued share capital
Zhang Jian	Interest in controlled corporation	207,200,000 <i>(Note)</i>	51.80%

LONG POSITION IN SHARES OF ASSOCIATED CORPORATION

Name of Directors	Name of associated corporation	Nature of interests	Number of shares held/interested	Percentage of interest
Zhang Jian	Upmost Corporation	Beneficial owner <i>(Note)</i>	10,000	100%

Note: These 207,200,000 Shares are held by Upmost Corporation, which in turn is wholly and beneficially owned by Mr. Zhang Jian. As such, Mr. Zhang Jian is deemed under the SFO to be interested in these 207,200,000 Shares held by Upmost Corporation. Mr. Zhang Jian is the sole director of Upmost Corporation.

INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executives of the Company, as at 30 September 2014, the following persons/entities have an interest or a short position in the shares or the underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Nature of interests	Number of Shares held	Approximate percentage of issued share capital
Upmost Corporation	Beneficial owner	207,200,000	51.80%
Zhang Jian	Interest in controlled corporation	207,200,000	51.80%

Note: Upmost Corporation is a company owned as to 100% by Mr. Zhang Jian. By virtue of the SFO, Mr. Zhang Jian is deemed to be interested in the same block of Shares in which Upmost Corporation is interest.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the six months ended 30 September 2014. The Company had not redeemed any of its listed securities during the six months ended 30 September 2014.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees 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 has also made specific enquiry of all Directors who have confirmed their compliance with required standard set out in the Securities Code during the six months ended 30 September 2014.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making; (ii) the improvement in transparency and disclosure of information to shareholders; (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of the shareholders; and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Company will continue to monitor and review its corporate governance practices to ensure compliance with the regulatory requirements and to meet the expectations of the shareholders and investors.

During the six months ended 30 September 2014, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules (the “CG Code”), except for the deviation from the code provision A.2.1 of the CG Code.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors’ information since the date of 2013/14 Annual Report are set out below:

With effect from 1 September, 2014, Mr. Zheng Zhong Qiang was appointed as an executive Director, Mr. Lam Tsz Chung was appointed as a non-executive Director, and Mr. Wang En Ping and Dr. Cheung Wai Bun Charles, *JP* as an independent non-executive Directors.

With effect from 10 September, 2014 Mr. Kung Phong resigned as executive Director, and Mr. Ng Kwan Ho Andy and Mr. Tam Tak Kei Raymond resigned from the Board.

Mr. Chang Tin Duk Victor remained as chairman of the Board and chief executive office of the Company, and Mr. Lam Raymond Shiu Cheung also remained as Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Chang Tin Duk Victor (“Mr. Chang”) acts as both the chairman and the chief executive officer of the Company. The Board is of the view that, given that Mr. Chang has been primarily responsible for leading the strategic planning and business development of the Group, the current arrangement would provide the Company with strong and consistent leadership, and allow for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the current arrangement is overall beneficial to the management and development of the Group’s business. The Board will continue to review the current management structure from time to time and may make changes if and when appropriate.

COMPETITION AND CONFLICT OF INTEREST

None of the directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during six months ended 30 September 2014.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the Company’s compliance adviser, Messis Capital Limited (the “Compliance Adviser”), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 27 March 2013, which commencing on 10 April 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 30 September 2014 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

REMUNERATION COMMITTEE

The Company established a remuneration committee in March 2013. The primary duties of the remuneration committee are to review and make recommendation for the remuneration policy of the directors and senior management. The remuneration committee previously comprised one executive Director, namely Mr. Chang Tin Duk Victor, and three independent non-executive directors of the Company, Mr. Ng Kwan Ho Andy, Mr. Lam Raymond Shiu Cheung and Mr. Tam Tak Kei Raymond. With effect from 10 September 2014, Mr. Wang En Ping and Mr. Lam Tsz Chung were appointed as members of the remuneration committee. Mr. Chang Tin Duk Victor, Mr. Ng Kwan Ho Andy and Mr. Tam Tak Kei Raymond resigned from the remuneration committee with effect from 10 September 2014. The remuneration committee currently has three members, namely Mr. Lam Raymond Shiu Cheung (*chairman*), Mr. Wang En Ping and Mr. Lam Tsz Chung.

NOMINATION COMMITTEE

The Company established a nomination committee in March 2013. The primary duties of the nomination committee are to formulate nomination policy and make recommendation to the Board on nomination and appointment of the directors and board succession. The nomination committee previously comprised one executive Director, namely Mr. Chang Tin Duk Victor, and Mr. Tam Tak Kei Raymond, Mr. Ng Kwan Ho Andy and Mr. Lam Raymond Shiu Cheung, both of them independent non-executive directors of the Company. With effect from 10 September 2014, Dr. Cheung Wai Bun Charles, *JP* was appointed as chairman and member of the nomination committee, and Mr. Zheng Zhong Qiang and Mr. Wang En Ping were appointed as members of the nomination committee. Mr. Tam Tak Kei Raymond, Mr. Chang Tin Duk Victor, Mr. Ng Kwan Ho Andy and Mr. Lam Raymond Shiu Cheung resigned from the nomination committee with effect from 10 September 2014. The nomination committee currently has three members, namely Dr. Cheung Wai Bun Charles, *JP* (*chairman*), Mr. Zheng Zhong Qiang and Mr. Wang En Ping.

AUDIT COMMITTEE

The Company established an audit committee in March 2013 with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the audit committee are, among other things, to make recommendation to the Board on the appointment, re-appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee internal control procedures of the Company. The audit committee previously comprised three independent non-executive directors of the Company, Mr. Ng Kwan Ho Andy, Mr. Lam Raymond Shiu Cheung and Mr. Tam Tak Kei Raymond. With effect from 10 September, 2014, Mr. Wang En Ping was appointed as chairman and member of the audit committee, and Dr. Cheung Wai Bun Charles, *JP* was appointed as member of the audit committee. Mr. Ng Kwan Ho Andy and Mr. Tam Tak Kei Raymond resigned from the audit committee with effect from 10 September 2014. The audit committee currently has three members, namely Mr. Wang En Ping (*chairman*), Dr. Cheung Wai Bun Charles, *JP* and Mr. Lam Raymond Shiu Cheung.

The Group's unaudited results for the six months ended 30 September 2014 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board
Zebra Strategic Holdings Limited
Chang Tin Duk, Victor
Chairman

Hong Kong, 10 November 2014

Executive Directors as at the date of this report:

Mr. Chang Tin Duk, Victor (*Chairman*)

Mr. Zheng Zhong Qiang

Non-executive Director as at the date of this report:

Mr. Lam Tsz Chung

Independent Non-executive Directors as at the date of this report:

Mr. Lam Raymond Shiu Cheung

Mr. Wang En Ping

Dr. Cheung Wai Bun Charles, *JP*.