



**Thiz Technology Group Limited**

**即時科研集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

(Stock Code 股份代號：8119)



Interim Report  
2015/16 中期報告

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This Report, for which the directors (the “Directors”) of Thiz Technology Group 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 (the “GEM Listing Rules”) for the purpose of giving information with regard to Thiz Technology Group Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. the information contained in this report is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this report misleading; and 3. all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## SUMMARY

- The Group recorded a turnover of approximately HK\$874,000 for the six months ended 30 September 2015.
- Loss attributable to shareholders was approximately HK\$2,362,000.
- The directors of the Company (the “Directors”) do not recommend the payment of an interim dividend for the six months ended 30 September 2015.

## RESULTS

The board of Directors (the “Board”) of Thiz Technology Group Limited (the “Company”) announces the unaudited condensed consolidated interim results (“interim accounts”) of the Company and its subsidiaries (together the “Group”) for the three months and six months ended 30 September 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | <i>Notes</i> | <b>For the three months<br/>ended 30 September</b> |                 | <b>For the six months ended<br/>30 September</b> |                 |
|--|--------------|--|-----------------|--|-----------------|
|  |              | <b>2015</b>  | <b>2014</b>     | <b>2015</b>                                      | <b>2014</b>     |
|  |              | <b>HK\$'000</b>                                    | <b>HK\$'000</b> | <b>HK\$'000</b>                                  | <b>HK\$'000</b> |
| Turnover                               | 3            | 437  | 591             | 874  | 1,011           |
| Cost of sales                          |              | (6)  | (10)            | (14)   | (18)            |
| Gross profit                           |              | 431  | 581             | 860  | 993             |
| Other income and gain                  | 3            | 62   | 6,752           | 79   | 6,758           |
| Selling and distribution<br>expenses   |              | (3)  | (5)             | (5)  | (8)             |
| General and administrative<br>expenses |              | (1,342)  | (1,668)         | (2,835)  | (3,300)         |
| Finance costs                          |              | (229)  | (183)           | (465)  | (499)           |
| (Loss)/profit before taxation          | 4            | (1,081)  | 5,477           | (2,366)  | 3,944           |
| Taxation                               | 5            | —  | —               | —  | —               |
| <b>(Loss)/profit for the period</b>    |              | <b>(1,081)</b>                                     | <b>5,477</b>    | <b>(2,366)</b>                                   | <b>3,944</b>    |
| Currency translation differences       |              | 9  | 159             | 16   | 4               |
| <b>Total comprehensive income</b>      |              | <b>(1,072)</b>                                     | <b>5,636</b>    | <b>(2,350)</b>                                   | <b>3,948</b>    |

|  | For the three months<br>ended 30 September |              | For the six months ended<br>30 September |              |
|--|--|--------------|--|--------------|
|  | 2015                                       | 2014         | 2015                                     | 2014         |
| Notes  | HK\$'000                                   | HK\$'000     | HK\$'000                                 | HK\$'000     |
| <b>(Loss)/profit attributable to:</b>                  |  |              |  |              |
| Owners of the Company                                  | (1,079)                                    | 5,480        | (2,362)                                  | 3,949        |
| Non-controlling interests                              | (2)  | (3)          | (4)                                      | (5)          |
|  | <u>(1,081)</u>                             | <u>5,477</u> | <u>(2,366)</u>                           | <u>3,944</u> |
| <b>Total comprehensive<br/>income attributable to:</b> |  |              |  |              |
| Owners of the Company                                  | (1,070)                                    | 5,639        | (2,346)                                  | 3,953        |
| Non-controlling interests                              | (2)  | (3)          | (4)                                      | (5)          |
|  | <u>(1,072)</u>                             | <u>5,636</u> | <u>(2,350)</u>                           | <u>3,948</u> |
| <b>(Loss)/profit per share:</b>                        |  |              |  |              |
| – Basic and diluted (in cents)                         | 6  |              |  |              |
|  | <u>(0.5)</u>                               | <u>2.4</u>   | <u>(1.0)</u>                             | <u>1.8</u>   |

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   |       | At<br>30 September<br>2015<br>HK\$'000 | At<br>31 March<br>2015<br>HK\$'000 |
|---|-------|--|------------------------------------|
|   | Notes |  |                                    |
| <b>ASSETS AND LIABILITIES</b>                                     |       |  |                                    |
| <b>Non-current assets</b>   |       |  |                                    |
| Property, plant and equipment                                     |       | 10                                     | 12                                 |
| Investment properties   |       | 43,750                                 | 43,750                             |
|   |       | <b>43,760</b>                          | <b>43,762</b>                      |
| <b>Current assets</b>   |       |  |                                    |
| Trade receivables, other receivables,<br>deposits and prepayments | 7     | 398                                    | 443                                |
| Cash and bank balances  |       | 16,979                                 | 20,598                             |
|   |       | <b>17,377</b>                          | <b>21,041</b>                      |
| <b>Current liabilities</b>  |       |  |                                    |
| Trade payables  | 8     | –                                      | 63                                 |
| Other payables, deposits received and accruals                    |       | 1,566                                  | 2,351                              |
| Amount due to director  | 9     | 5,304                                  | –                                  |
| Amount due to the spouse of a director                            | 9     | 1,059                                  | 1,268                              |
|   |       | <b>7,929</b>                           | <b>3,682</b>                       |
| <b>Net current assets</b>   |       | <b>9,448</b>                           | <b>17,359</b>                      |
| <b>Total assets less current liabilities</b>                      |       | <b>53,208</b>                          | <b>61,121</b>                      |
| <b>Non-current liabilities</b>                                    |       |  |                                    |
| Shareholder loan  |       | 24,635                                 | 24,291                             |
| Amount due to director  | 9     | –                                      | 5,907                              |
| Deferred tax liabilities  |       | 1,077                                  | 1,077                              |
|   |       | <b>25,712</b>                          | <b>31,275</b>                      |
| <b>Net assets</b>   |       | <b>27,496</b>                          | <b>29,846</b>                      |
| <b>EQUITY</b>   |       |  |                                    |
| <b>Capital and reserves</b>                                       |       |  |                                    |
| Share capital   |       | 225,570                                | 225,570                            |
| Reserves  |       | (197,764)                              | (195,418)                          |
| Equity attributable to owners of the Company                      |       | <b>27,806</b>                          | <b>30,152</b>                      |
| Non-controlling interests   |       | (310)                                  | (306)                              |
| <b>Total equity</b>   |       | <b>27,496</b>                          | <b>29,846</b>                      |

# **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

|  | <b>For the six months ended</b> |                        |
|--|---------------------------------|------------------------|
|  | <b>30 September</b>             |                        |
|  | <b>2015</b>                     | <b>2014</b>            |
|  | <b><i>HK\$'000</i></b>          | <b><i>HK\$'000</i></b> |
| Net cash used in operating activities                  | <b>(2,807)</b>                  | (3,280)                |
| Net cash generated from investing activities           | —                               | —                      |
| Net cash used in financing activities                  | <b>(812)</b>                    | (617)                  |
| Net decrease in cash and cash equivalents              | <b>(3,619)</b>                  | (3,897)                |
| Cash and cash equivalents as at 1 April                | <b>20,598</b>                   | 15,427                 |
| Cash and cash equivalents as at 30 September           | <b>16,979</b>                   | 11,530                 |
| Analysis of the balances of cash and cash equivalents: |                                 |                        |
| Cash and bank balances                                 | <b>16,979</b>                   | 11,530                 |

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                              | Share<br>Capital<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> | Capital<br>redemption<br>reserve<br><i>HK\$'000</i> | Special<br>reserve<br><i>HK\$'000</i> | Translation<br>reserve<br><i>HK\$'000</i> | Accumulated<br>losses<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> | Non-<br>Controlling<br>interests<br><i>HK\$'000</i> | Total<br>equity<br><i>HK\$'000</i> |
|------------------------------|-------------------------------------|-------------------------------------|---|---------------------------------------|---|--|--------------------------|---|------------------------------------|
| Balance at 1 April 2014      | 208,274                             | 34,018                              | 84  | 360                                   | 4,388                                     | (228,192)                                | 18,932                   | (296)   | 18,636                             |
| Other comprehensive income   | –                                   | –                                   | –   | –                                     | 4   | –  | 4                        | –   | 4                                  |
| Profit for the period        | –                                   | –                                   | –   | –                                     | –   | 3,949                                    | 3,949                    | (5)   | 3,944                              |
| Issuing new shares           | 17,296                              | (6,746)                             | –   | –                                     | –   | –  | 10,550                   | –   | 10,550                             |
|                              | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,392</u>                              | <u>(224,243)</u>                         | <u>33,435</u>            | <u>(301)</u>  | <u>33,134</u>                      |
| Balance at 30 September 2014 | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,392</u>                              | <u>(224,243)</u>                         | <u>33,435</u>            | <u>(301)</u>  | <u>33,134</u>                      |
| Balance at 1 April 2015      | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,403</u>                              | <u>(227,537)</u>                         | <u>30,152</u>            | <u>(306)</u>  | <u>29,846</u>                      |
| Other comprehensive income   | –                                   | –                                   | –   | –                                     | 16  | –  | 16                       | –   | 16                                 |
| Loss for the period          | –                                   | –                                   | –   | –                                     | –   | (2,362)                                  | (2,362)                  | (4)   | (2,366)                            |
|                              | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,419</u>                              | <u>(229,899)</u>                         | <u>27,806</u>            | <u>(310)</u>  | <u>27,496</u>                      |
| Balance at 30 September 2015 | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,419</u>                              | <u>(229,899)</u>                         | <u>27,806</u>            | <u>(310)</u>  | <u>27,496</u>                      |

**1. General information**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Cap.22 Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 6 December 2000. The Group engages in (i) property leasing; (ii) trading business; and (iii) an information technology industry. In which, it is a developer and provider of a range of Linux solutions including Linux operating systems, application systems run on Linux.

**2. Basis of preparation**

The unaudited consolidated results of the Group have been prepared in accordance with the new Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standards (“HKAS”) (collectively “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. They have also been prepared under the historical convention, except for investment properties, which are carried at fair value.

The details of adoption of new and revised HKFRSs have been set out in the Company’s annual report for the year ended 31 March 2015.

The accounting policies adopted in preparing the unaudited consolidated results are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

The Group has not early adopted any new standards or interpretations that have been issued but are not yet effective.



### 3. Turnover, other income and gain

Turnover represents the invoiced value of trading income, software development income and rental income, after allowances for returns and discounts and net of value added tax. An analysis of the Group's turnover, other income and gain is as follows:

|                             | For the three months ended |                     | For the six months ended |                     |
|-----------------------------|----------------------------|---------------------|--------------------------|---------------------|
|                             | 30 September               |                     | 30 September             |                     |
|                             | 2015                       | 2014                | 2015                     | 2014                |
|                             | (Unaudited)                | (Unaudited)         | (Unaudited)              | (Unaudited)         |
|                             | HK\$'000                   | HK\$'000            | HK\$'000                 | HK\$'000            |
| Turnover:–                  |                            |                     |                          |                     |
| Software development income | 77                         | 183                 | 154                      | 261                 |
| Rental income               | 360                        | 408                 | 720                      | 750                 |
|                             | <u>437</u>                 | <u>591</u>          | <u>874</u>               | <u>1,011</u>        |
| Other income and gain:–     |                            |                     |                          |                     |
| Interest income             | 10                         | 6                   | 15                       | 12                  |
| Sundry income               | 52                         | –                   | 64                       | –                   |
| Gain on loan capitalization | –                          | 6,746               | –                        | 6,746               |
|                             | <u>62</u>                  | <u>6,752</u>        | <u>79</u>                | <u>6,758</u>        |
|                             | <u><u>499</u></u>          | <u><u>7,343</u></u> | <u><u>953</u></u>        | <u><u>7,769</u></u> |

#### 4. (Loss)/profit before taxation (Unaudited)

|   | For the three months ended |                 | For the six months ended |                 |
|---|----------------------------|-----------------|--------------------------|-----------------|
|   | 30 September               |                 | 30 September             |                 |
|   | 2015                       | 2014            | 2015                     | 2014            |
|   | <i>HK\$'000</i>            | <i>HK\$'000</i> | <i>HK\$'000</i>          | <i>HK\$'000</i> |
| (Loss)/profit before taxation is arrived at after charging: |                            |                 |                          |                 |
| Cost of sales and services                                  | 6                          | 10              | 14                       | 18              |
| Depreciation  | 1                          | 2               | 3                        | 4               |
| Finance costs   | 229                        | 183             | 465                      | 499             |

#### 5. Taxation

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the period and taxation for other jurisdictions is calculated on the rates prevailing in the relevant jurisdiction. No provision for taxation has been made as the Group incurred a taxation loss for the period.

Deductible temporary differences have not been recognised in these financial statements owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

#### 6. (Loss)/profit per share

The calculation of basic loss per share for the six months ended 30 September 2015 is based on the loss attributable to owners of the Company of HK\$2,362,000 (2014: profit HK\$3,949,000) and the weighted average of 225,570,261 (2014: 225,570,261).

## 7. Trade receivables

The ageing analysis of the Group's trade receivables net of allowance for doubtful debts, based on the transaction date was as follows:

|                | <b>30 September 2015</b><br><b>(Unaudited)</b><br><b>HK\$'000</b> | 31 March 2015<br>(Audited)<br>HK\$'000 |
|----------------|---|--|
| 0 – 30 days    | 27  | 27                                     |
| 31 – 60 days   | —   | —                                      |
| 61 – 90 days   | —   | —                                      |
| 91 – 180 days  | —   | —                                      |
| 181 – 360 days | —   | 24                                     |
| Over 360 days  | —   | —                                      |
|                | <u>27</u>   | <u>51</u>                              |

## 8. Trade payables

The following is an aged analysis of trade payables at the reporting date:–

|                | <b>30 September 2015</b><br><b>(Unaudited)</b><br><b>HK\$'000</b> | 31 March 2015<br>(Audited)<br>HK\$'000 |
|----------------|---|--|
| 0 – 30 days    | —   | —                                      |
| 31 – 60 days   | —   | —                                      |
| 61 – 90 days   | —   | —                                      |
| 91 – 180 days  | —   | —                                      |
| 181 – 360 days | —   | —                                      |
| Over 360 days  | —   | 63                                     |
|                | <u>—</u>  | <u>63</u>                              |

## 9. Amount due to director and amount due to the spouse of a director

The amounts are interest bearing with Hong Kong prime lending rate per annum, unsecured and repayable on demand, which were effective from 1 July 2005.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (2014: Nil).

## **BUSINESS REVIEW**

China has recently announced that the economic growth rate is 6.9% for the third quarter, which is the lowest growth since the first quarter of 2009. During the same period, other major economies are still weak, except for more salient signs of recovery in the US. Although the economic growth in China has slightly decreased, it is mainly due to the slowdown of growth in the manufacturing industry where the annual growth rate is only 5.8%, making it the weakest quarter in over twenty years. However, the growth rate of the service sector reaches up to 8.4%, which is the strongest quarter in four years. It shows that the Chinese economy is facing an adjustment and transition period.

In commercial real estate, many new office projects were introduced in non-core business district in Shanghai in the first half of 2015. This has brought new supply to the market, causing excessive supply in some regions. However, having comprehensive and macro-planning gives a better advantage in attracting tenants compared to other newly developed districts. Although the supply of office in Shanghai region has begun to ease, with partial deferred market entry and market capacity exceeding expectation, vacancy rate is still lower than expected and the rent continued a stable upward trend.

The Group's turnover remained stable compared with the same period last year, mainly due to the contribution of our commercial property leasing business in Shanghai.

## **PROSPECTS**

Despite the existing downward pressure on the mainland economy, the People's Bank of China gradually adopted measures of reduction in interest rate and deposit reserve ratio this year (2015) to prevent hard landing of economy. This has created a favorable monetary and financial environment for stable economic development. Furthermore, in the thirteenth Five-Year Plan to be implemented next year (2016), apart from the full implementation of two-child policy, it is prescribed that the annual average economic growth should at least fulfill the goal of medium-high speed growth with a bottom line at 6.5%. It facilitates future economic growth together with comprehensive and continuous deepening of reform and opening-up measures.

In the real estate market, supply from new projects in Shanghai is expected in the second half of 2015, most of which is located in secondary business districts. According to current projection, new supply in the office market in Shanghai will reach record high this year and its peak next year until

2017. Although the demand is still active, the office market in Shanghai will inevitable face the pressure of rent and occupancy rate under the competition from a significant amount of new supply in the next few years.

However, the office segment will remain the focus in the investment market in the Shanghai region. Domestic and foreign investors will continue to be the major driving force in the office investment market in the Shanghai region. As gradual opening of the domestic market in mainland China and gradual international integration of capital market, it is expected that the prospect of real estate is still favorable in tier-one major cities such as Beijing, Shanghai, Guangzhou and Shenzhen.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial review**

The Group's consolidated turnover for the six months ended 30 September 2015 amounted to approximately HK\$874,000 (2014: HK\$1,011,000). During the period under review, loss from operations for the period was HK\$1,901,000, compared to profit from operations of HK\$4,443,000 in the corresponding period of last year.

Gross profit for the Group decreased from HK\$993,000 in 2014 to HK\$860,000 in 2015, due to the decreased of software income.

Total operating costs were approximately HK\$2,840,000 (2014: HK\$3,308,000). Compare to the corresponding period of last year, the operating costs have decreased by 14%, due to costs of loan capitalization in last year.

Loss attributable to owners of the Company and loss per share for the period were HK\$2,362,000 (2014: profit HK\$3,949,000) and HK\$1.0 cents (2014: profit HK\$1.8 cents) respectively.

### **Liquidity and financial resources**

As at 30 September 2015, the Group had current assets amounted to HK\$17,377,000, of which HK\$16,979,000 were cash and bank deposits. Current liabilities of HK\$7,929,000 mainly comprised of trade payables, other payables, deposits received and accruals. The current ratio of the Group was approximately 2.2 and gearing ratio of the Group was 1.1 (2014: 0.6) representing the Group's borrowings divided by total equity. The Group had net current assets of approximately HK\$9,448,000 as at 30 September 2015.

## Segmental information (Unaudited)

### (a) Business segments

The following table presents revenue and profit/(loss) information for the Group's business segments for the six months ended 30 September 2015.

|                               | Rental income |            | Software development |             | Consolidated   |              |
|-------------------------------|---------------|------------|----------------------|-------------|----------------|--------------|
|                               | 2015          | 2014       | 2015                 | 2014        | 2015           | 2014         |
|                               | HK\$'000      | HK\$'000   | HK\$'000             | HK\$'000    | HK\$'000       | HK\$'000     |
| Segment revenue:–             |               |            |                      |             |                |              |
| Sales to external customers   | <u>720</u>    | <u>750</u> | <u>154</u>           | <u>261</u>  | <u>874</u>     | <u>1,011</u> |
| Segment results               | <u>541</u>    | <u>564</u> | <u>(121)</u>         | <u>(47)</u> | <u>420</u>     | <u>517</u>   |
| Interest income               |               |            |                      |             | 15             | 12           |
| Unallocated income            |               |            |                      |             | 64             | 6,746        |
| Unallocated expenses          |               |            |                      |             | (2,400)        | (2,832)      |
| Profit/(loss) from operations |               |            |                      |             | (1,901)        | 4,443        |
| Finance costs                 |               |            |                      |             | (465)          | (499)        |
| Profit/(loss) before taxation |               |            |                      |             | (2,366)        | 3,944        |
| Tax                           |               |            |                      |             | –              | –            |
| Profit/(loss) for the period  |               |            |                      |             | <u>(2,366)</u> | <u>3,944</u> |
| Attributable to:              |               |            |                      |             |                |              |
| Owners of the Company         |               |            |                      |             | (2,362)        | 3,949        |
| Non-controlling interests     |               |            |                      |             | (4)            | (5)          |
|                               |               |            |                      |             | <u>(2,366)</u> | <u>3,944</u> |

(b) *Geographical segments (Unaudited)*

The following table presents revenue information for the Group's geographical segments for the six months ended 30 September 2015.

|                             | <b>Taiwan</b>      |      | <b>PRC</b>  |      | <b>Consolidated</b> |       |
|-----------------------------|--------------------|------|-------------|------|---------------------|-------|
|                             | <b>2015</b>        | 2014 | <b>2015</b> | 2014 | <b>2015</b>         | 2014  |
|                             | <i>(HK\$ '000)</i> |      |             |      |                     |       |
| Segment revenue:–           |                    |      |             |      |                     |       |
| Sales to external customers | <b>154</b>         | 155  | <b>720</b>  | 856  | <b>874</b>          | 1,011 |

**Employee information**

As at 30 September 2015, the Group had approximately 21 employees spreading over Hong Kong, PRC and Taiwan.

The staff were remunerated based on their work performance, professional experience and prevailing marketing practices. In addition to the basic salaries and retirement schemes, the Group also offered staff benefits including medical insurance, share options, performance bonus and sales commission.

**Capital commitments and contingent liabilities**

As at 30 September 2015, the Group had no material capital commitments and contingent liabilities.

**Foreign exchange risk**

The Group's main operations are in the PRC and Taiwan and its income and expenses are transacted in RMB, USD and NT\$ respectively. Accordingly, it has no significant exposure to foreign exchange risk.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY**

As at 30 September 2015, the interests or short positions of the directors and chief executive in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.61 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:–

### **(a) Long positions in ordinary shares of HK\$1.0 of the Company**

| <b>Name of Directors</b>                          | <b>Type of interest</b> | <b>Total number of shares held</b> | <b>Percentage of shareholding</b> |
|---|-------------------------|------------------------------------|-----------------------------------|
| Mr. Lin Chien Hsin                                | Personal                | 5,295,000                          | 2.35%                             |
| Mr. Wong Hoi Wong<br>(“Mr. Wong”) ( <i>Note</i> ) | Other                   | 1,508,600                          | 0.67%                             |

*Note:* These 1,508,600 shares are registered in name of Eaglemax International Investment Limited, a company wholly owned by Intelligent Management Limited as the trustee of Intelligent Management Discretionary Trust, a family discretionary trust, the objects of which include Mr. Wong and his family and any charity in the world. As at 30 September 2015, Mr. Wong held the entire issued share capital of Intelligent Management Limited. By virtue of SFO, Mr. Wong has interest of such shares.

### **(b) Short positions in the shares and underlying shares of the Company**

Save as disclosed herein, as at 30 September 2015, none of the directors has short positions in the shares or underlying shares of equity derivatives of the Company.

Save as disclosed herein, as at 30 September 2015, none of the directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.61 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## **SUBSTANTIAL SHAREHOLDERS' INTERESTS**

As at 30 September 2015, the following persons (not being the directors and chief executives of the Company) had interests or short positions in the shares, underlying shares or debentures of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO as follows:–

| <b>Name of Shareholder</b> | <b>Nature of interests</b> | <b>Number of<br/>Shares Held</b> | <b>Approximate<br/>percentage of<br/>issued share<br/>capital</b> |
|----------------------------|----------------------------|----------------------------------|---|
| Ms. Wang Ying Fang         | Beneficial                 | 40,000,000                       | 17.73%  |

Save as disclosed above, as at 30 September 2015, there was no person (not being the directors and chief executives of the Company) who had any interests or short positions in the shares, underlying shares and debentures of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the heading “Directors’ and Chief Executives’ Interests in Securities of the Company”, at no time during the six months ended 30 September 2015 was the Company or any of its subsidiaries a party to any arrangements to enable any director or their respective spouse or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## **COMPETING INTERESTS**

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competed or might compete with business of the Group.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2015.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive directors, namely Ms. Lin Yan Jenny, Mr. Chu Meng Chi and Ms. Chan Mei Sze. The Audit Committee is chaired by Mr. Chu Meng Chi. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control of the Company. The Audit Committee has reviewed the unaudited results of the Group for the six months ended 30 September 2015 and has provided advice and comment thereon.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices (the Code) contained in Appendix 15 of the GEM Listing Rules throughout the Period, save for the deviations discussed below.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Under the code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

Mr. Wong Hoi Wong is both the Chairman and Chief Executive Officer of the Company who is responsible for managing the Board and the Group business. The Board considers that, with the present board structure and scope of business of the Group, there is no imminent need to separate the roles into two individuals as Mr. Wong is perfectly capable of distinguishing the priority of these roles in which he has been acting. However, the Board will continue to review the effectiveness of the Group corporate governance structure to assess whether the separation of the positions of Chairman and Chief Executive Officer is necessary.

## **NON-EXECUTIVE DIRECTORS**

Under the Code Provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. At present, the non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation and re-election in accordance with the Company's Articles of Association.

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code for securities transactions by the Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company confirmed that, having made specific enquiry from all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors for the six months ended 30 September 2015.

By Order of the Board

**Wong Hoi Wong**

*Chairman*

Hong Kong, 12 November 2015

*As at the date hereof, the board of directors of the Company comprises two executive directors, namely Mr. Wong Hoi Wong and Mr. Lin En Fu, three non-executive directors, namely Mr. Lin Chien Hsin, Ms. Hsieh Yi Chen and Ms. Wu Chiao Ru and three independent non-executive directors, namely Ms. Lin Yan Jenny, Mr. Chu Meng Chi and Ms. Chan Mei Sze.*