



**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)

## First Quarterly Report 第一季度報告 2016/17



## **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.**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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\$508,000 for the three months ended 30 June 2016.
- Loss attributable to shareholders was approximately HK\$1,243,000.
- The directors of the Company (the “Directors”) do not recommend the payment of dividend for the three months ended 30 June 2016.

## RESULTS

The board of Directors (the “Board”) of Thiz Technology Group Limited (the “Company”) herein announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the three months ended 30 June 2016 together with the comparative unaudited figures for the corresponding periods in 2015 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  |              | <b>For the three months ended</b> |                 |
|--|--------------|-----------------------------------|-----------------|
|  |              | <b>30 June</b>                    |                 |
|  | <i>Notes</i> | <b>2016</b>                       | 2015            |
|  |              | <b>HK\$'000</b>                   | <b>HK\$'000</b> |
| Turnover   | 3            | 508                               | 437             |
| Cost of sales and services                         |              | (9)                               | (8)             |
| Gross profit                                       |              | 499                               | 429             |
| Other income                                       | 3            | 9                                 | 17              |
| Selling and distribution expenses                  |              | (22)                              | (2)             |
| General and administrative expenses                |              | (1,495)                           | (1,493)         |
| Finance costs                                      |              | (234)                             | (236)           |
| Loss before taxation                               | 4            | (1,243)                           | (1,285)         |
| Taxation   | 5            | —                                 | —               |
| <b>Loss for the period</b>                         |              | <b>(1,243)</b>                    | <b>(1,285)</b>  |
| Currency translation differences                   |              | (17)                              | 7               |
| <b>Total comprehensive income</b>                  |              | <b>(1,260)</b>                    | <b>(1,278)</b>  |
| <b>Loss attributable to:</b>                       |              |                                   |                 |
| Owners of the Company                              |              | (1,241)                           | (1,283)         |
| Non-controlling interests                          |              | (2)                               | (2)             |
|  |              | <b>(1,243)</b>                    | <b>(1,285)</b>  |
| <b>Total comprehensive income attributable to:</b> |              |                                   |                 |
| Owners of the Company                              |              | (1,258)                           | (1,276)         |
| Non-controlling interests                          |              | (2)                               | (2)             |
|  |              | <b>(1,260)</b>                    | <b>(1,278)</b>  |
| <b>Loss per share:</b>                             |              |                                   |                 |
| – Basic and diluted ( <i>in cents</i> )            | 6            | (0.6)                             | (0.6)           |

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

|                               | 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>interest<br><i>HK\$'000</i> | Total<br>equity<br><i>HK\$'000</i> |
|-------------------------------|-------------------------------------|-------------------------------------|---|---------------------------------------|---|--|--------------------------|--|------------------------------------|
| Balance at 1 April 2015       | 225,570                             | 27,272                              | 84  | 360                                   | 4,403                                     | (227,537)                                | 30,152                   | (306)  | 29,846                             |
| Other comprehensive income    | –                                   | –                                   | –   | –                                     | (7)                                       | –  | (7)                      | –  | (7)                                |
| Profit or loss for the period | –                                   | –                                   | –   | –                                     | –   | (1,283)                                  | (1,283)                  | (2)  | (1,285)                            |
|                               | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,396</u>                              | <u>(228,820)</u>                         | <u>28,862</u>            | <u>(308)</u>                                       | <u>28,554</u>                      |
| Balance at 30 June 2015       | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>4,396</u>                              | <u>(228,820)</u>                         | <u>28,862</u>            | <u>(308)</u>                                       | <u>28,554</u>                      |
| Balance at 1 April 2016       | 225,570                             | 27,272                              | 84  | 360                                   | 2,702                                     | (232,470)                                | 23,518                   | (315)  | 23,203                             |
| Other comprehensive income    | –                                   | –                                   | –   | –                                     | (17)                                      | –  | (17)                     | –  | (17)                               |
| Profit or loss for the period | –                                   | –                                   | –   | –                                     | –   | (1,241)                                  | (1,241)                  | (2)  | (1,243)                            |
|                               | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>2,685</u>                              | <u>(233,711)</u>                         | <u>22,260</u>            | <u>(317)</u>                                       | <u>21,943</u>                      |
| Balance at 30 June 2016       | <u>225,570</u>                      | <u>27,272</u>                       | <u>84</u>   | <u>360</u>                            | <u>2,685</u>                              | <u>(233,711)</u>                         | <u>22,260</u>            | <u>(317)</u>                                       | <u>21,943</u>                      |

*Notes to the Accounts:*

**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.

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 2016.

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 2016.

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

**3. Turnover and other revenue**

Turnover represents the invoiced value of the Group’s 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 and other revenue is as follows:

|                             | <b>For the three months<br/>ended 30 June</b> |             |
|-----------------------------|---|-------------|
|                             | <b>2016</b>                                   | 2015        |
|                             | <b>(Unaudited)</b>                            | (Unaudited) |
|                             | <b>HK\$’000</b>                               | HK\$’000    |
| Turnover:                   |   |             |
| Software development income | 136   | 77          |
| Rental income               | 372   | 360         |
|                             | <u>508</u>                                    | <u>437</u>  |
| Other income:               |   |             |
| Interest income             | 9   | 5           |
| Sundry income               | –   | 12          |
|                             | <u>517</u>                                    | <u>454</u>  |

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

| For the three months<br>ended 30 June |                 |
|---------------------------------------|-----------------|
| 2016                                  | 2015            |
| (Unaudited)                           | (Unaudited)     |
| <i>HK\$'000</i>                       | <i>HK\$'000</i> |

Loss before taxation is arrived at after charging:

|                            |     |     |
|----------------------------|-----|-----|
| Cost of sales and services | 9   | 8   |
| Depreciation               | 1   | 2   |
| Finance costs              | 234 | 236 |

#### 5. Taxation

Hong Kong profits tax is calculated at 16.5% (2015: 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 per share

The calculation of basic loss per share for the three months ended 30 June 2016 is based on the loss attributable to owners of the Company of HK\$1,241,000 (2015: HK\$1,283,000) and the weighted average of 225,570,261 (2015: 225,570,261) ordinary shares in issue during the period.

## **DIVIDEND**

The Board does not recommend the payment of dividend for the three months ended 30 June 2016 (2015: Nil).

## **BUSINESS REVIEW**

As economy in China is in the midst of industry transformation and structural adjustment, the speed of economic growth rate is slowing down. According to the information issued by the National Bureau of Statistics, the economic growth rate in Mainland China for the first quarter and the second quarter of this year (2016) were both 6.7%, which were the lowest growth rate since 2009, but remained in the range between 6.5% and 7.0%, the economic growth target set by the State Council of Mainland China.

Affected by the overall macro environment, the rental growth of office building in Shanghai was suppressed, however the overall vacancy rate of the emerging commerce area stayed at a relatively low level, as a result of the relatively lower cost advantages compared with the central commerce area. Office buildings with good location and a lower rental cost compared with the central commerce area were still attractive.

Reviewing the first quarter (April to June, 2016), the leased office premises of the Group located in Shanghai, China were the main source of income with a steady turnover as compared with the corresponding period of last year.

## **PROSPECTS**

Due to the weak global economic growth and Mainland China are still under the stage of processing the overcapacity, if the real estate investment and the private investment cannot be effectively boosted up in time, it is expected that the speed of the economic growth in Mainland China will be further slowdown in the third and the fourth quarter of this year.

Although the economic growth in Mainland China and even for the whole world is still sluggish in short term, we strive to seek or nurture new industry with high potential prospect. The so called “market crisis” is that while the weak economic environment brings challenges to the operation of the Group, it brings opportunities as well. The Group will continue to seek profitable investment opportunities with a discreet attitude to broaden the income source of the Group and enhance the profitability of the Group.

## **Financial Performance**

The Group’s consolidated turnover for the three months ended 30 June 2016 amounted to approximately HK\$508,000 (2015: HK\$437,000). During the period under review, loss from operations for the period was HK\$1,009,000, compared to HK\$1,050,000 in the corresponding period of last year. Further, loss attributable to owners of the Company for the period was HK\$1,241,000 while the corresponding period of last year was HK\$1,283,000.

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

As at 30 June 2016, 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 June 2016, 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 June 2016, 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 June 2016, 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 June 2016 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:–

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

Save as disclosed above, as at 30 June 2016, 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 three months ended 30 June 2016 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 three months ended 30 June 2016.

## **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 three months ended 30 June 2016 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 three months ended 30 June 2016.

By Order of the Board

**Wong Hoi Wong**

*Chairman*

Hong Kong, 11 August 2016

*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.*