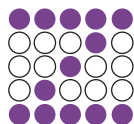




Interim Report  
**2017/18** 中期報告



**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)

## **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\$1,524,000 for the six months ended 30 September 2017.
- Loss attributable to shareholders was approximately HK\$2,462,000.
- The directors of the Company (the “Directors”) do not recommend the payment of an interim dividend for the six months ended 30 September 2017.

## RESULTS

The board of Directors (the “Board”) of Thiz Technology Group Limited (the “Company”) announces the unaudited consolidated interim results (“interim accounts”) of the Company and its subsidiaries (together the “Group”) for the three months and six months ended 30 September 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended 30 September		For the six months ended 30 September	
		2017	2016	2017	2016
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	1,097	493	1,524	1,001
Cost of sales and services		(18)	(7)	(30)	(16)
Gross profit		1,079	486	1,494	985
Other revenue and gain	3	120	6	127	15
Selling and distribution expenses		(28)	(1)	(38)	(23)
General and administrative expenses		(1,950)	(1,409)	(3,516)	(2,904)
Finance costs		(291)	(259)	(533)	(493)
Loss before taxation	4	(1,070)	(1,177)	(2,466)	(2,420)
Taxation	5	—	—	—	—
<b>Loss for the period</b>		<b>(1,070)</b>	<b>(1,177)</b>	<b>(2,466)</b>	<b>(2,420)</b>
Currency translation differences		(228)	36	(520)	19
<b>Total comprehensive income</b>		<b>(1,298)</b>	<b>(1,141)</b>	<b>(2,986)</b>	<b>(2,401)</b>

	<i>Notes</i>	For the three months ended 30 September		For the six months ended 30 September	
		2017	2016	2017	2016
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Loss attributable to:</b>					
Owners of the Company		(1,068)	(1,174)	(2,462)	(2,415)
Non-controlling interests		(2)	(3)	(4)	(5)
		<u>(1,070)</u>	<u>(1,177)</u>	<u>(2,466)</u>	<u>(2,420)</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(1,296)	(1,138)	(2,982)	(2,396)
Non-controlling interests		(2)	(3)	(4)	(5)
		<u>(1,298)</u>	<u>(1,141)</u>	<u>(2,986)</u>	<u>(2,401)</u>
<b>Loss per share:</b>					
– Basic and diluted (in cents)	6	<u>(0.5)</u>	<u>(0.5)</u>	<u>(1.1)</u>	<u>(1.1)</u>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		12	17
Investment properties		42,045	42,045
		<u>42,057</u>	<u>42,062</u>
<b>Current assets</b>			
Trade receivables, other receivables, deposits and prepayments	7	362	395
Cash and bank balances		14,287	17,492
		<u>14,649</u>	<u>17,887</u>
<b>Current liabilities</b>			
Other payables, deposits received and accruals		1,868	2,243
Amount due to a director	8	3,172	—
Amount due to the spouse of a director	8	680	491
		<u>5,720</u>	<u>2,734</u>
<b>Net current assets</b>		<u>8,929</u>	<u>15,153</u>
<b>Total assets less current liabilities</b>		<u>50,986</u>	<u>57,215</u>
<b>Non-current liabilities</b>			
Shareholder loan		35,269	34,789
Amount due to a director	8	—	3,723
Deferred tax liabilities		2,245	2,245
		<u>37,514</u>	<u>40,757</u>
<b>Net assets</b>		<u><u>13,472</u></u>	<u><u>16,458</u></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital		225,570	225,570
Reserves		(211,769)	(208,787)
Equity attributable to owners of the Company		<u>13,801</u>	<u>16,783</u>
Non-controlling interests		<u>(329)</u>	<u>(325)</u>
<b>Total equity</b>		<u><u>13,472</u></u>	<u><u>16,458</u></u>

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(2,166)	(3,238)
Net cash generated from investing activities	—	—
Net cash generated from/(used in) financing activities	<u>(617)</u>	<u>5,695</u>
Net increase/(decrease) in cash and cash equivalents	(2,783)	2,457
Cash and cash equivalents as at 1 April	<u>17,070</u>	<u>14,613</u>
Cash and cash equivalents as at 30 September	<u><u>14,287</u></u>	<u><u>17,070</u></u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u><u>14,287</u></u>	<u><u>17,070</u></u>

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- Controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2016	225,570	27,272	84	360	2,702	(232,470)	23,518	(315)	23,203
Other comprehensive income	–	–	–	–	19	–	19	–	19
Loss for the period	–	–	–	–	–	(2,415)	(2,415)	(5)	(2,420)
Balance at 30 September 2016	<u>225,570</u>	<u>27,272</u>	<u>84</u>	<u>360</u>	<u>2,721</u>	<u>(234,885)</u>	<u>21,122</u>	<u>(320)</u>	<u>20,802</u>
Balance at 1 April 2017	225,570	27,272	84	360	526	(237,029)	16,783	(325)	16,458
Other comprehensive income	–	–	–	–	(520)	–	(520)	–	(520)
Loss for the period	–	–	–	–	–	(2,462)	(2,462)	(4)	(2,466)
Balance at 30 September 2017	<u>225,570</u>	<u>27,272</u>	<u>84</u>	<u>360</u>	<u>6</u>	<u>(239,491)</u>	<u>13,801</u>	<u>(329)</u>	<u>13,472</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 2017.

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 2017.

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



### 3. Revenue, other income and gain

Revenue 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 30 September		For the six months ended 30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue:—				
Software development income	691	124	768	260
Rental income	406	369	756	741
	<u>1,097</u>	<u>493</u>	<u>1,524</u>	<u>1,001</u>
Other revenue and gain:—				
Interest income	9	6	16	15
Sundry income	111	—	111	—
	<u>120</u>	<u>6</u>	<u>127</u>	<u>15</u>
	<u><u>1,217</u></u>	<u><u>499</u></u>	<u><u>1,651</u></u>	<u><u>1,016</u></u>

### 4. Loss before taxation (Unaudited)

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before taxation is arrived at after charging:				
Cost of sales and services	18	7	30	16
Depreciation	1	1	3	3
Finance costs	291	259	533	493
Staff costs (including Directors)	1,059	896	1,939	1,796
Legal and professional fees	384	68	470	133

## 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.

Deferred tax assets in respect of the deductible temporary differences have not been recognised in the 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 six months ended 30 September 2017 is based on the loss attributable to owners of the Company of HK\$2,462,000 (2016: HK\$2,415,000) and the weighted average of 225,570,261 (2016: 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 2017</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>31 March 2017</b> <b>(Audited)</b> <b>HK\$'000</b>
0 – 30 days	<b>27</b>	27
31 – 60 days	–	–
61 – 90 days	–	–
91 – 180 days	–	–
181 – 360 days	–	–
Over 360 days	–	–
	<hr/>	<hr/>
	<b>27</b>	<b>27</b>
	<hr/>	<hr/>

## 8. Amount due to a 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.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2017 (2016: Nil).

## **BUSINESS REVIEW**

During the period under review, the Group's rental business for its office located in Shanghai, China remained as its most important source of revenue and was stable over the same period last year. In addition, after years of exploration and endeavours, the Group's software development business achieved a growth in revenue.

It is stated that in the first half of this year (2017), amounts of foreign-direct-investment contracts in Shanghai decreased over the same period last year, which was the first decline over the past 16 years, probably due to the fact that international enterprises had to move to other markets as affected by the cost pressures they faced. However, as demand from domestic companies on offices in Shanghai was still strong and they have gradually become the leading players in the market, impact of the decrease in foreign direct investment seemed limited to the Shanghai office market.

With the increase in new supply of Shanghai offices, the vacancy rate of the non-core business district for the quarter increased. Yet, the leasing in some projects and the core business district have improved further, triggering the expectation of owners for upward adjustment in rental. The development of the non-core business district still focused on those business districts with comprehensive planning, such as the Hongqiao transport hub, Qiantan and the World Expo Area. In view of the vacancy rate of the newly delivered projects in recent quarters, it might take some time for the market to digest the increase in supply.

## **PROSPECTS**

With the emergence and development of new business districts, the trend of decentralization in the market will continue. Although the new projects will continue to push up the vacancy rate and thus restrain the upward rent adjustment, with supports of the government, improvement in linkage between emerging business districts and the well-developed office market and continuous growth in leasing demand from the emerging industries, the long-term development prospects of the non-core business district are still promising.

In the short term, however, in light of the ongoing supply of Shanghai offices, office rents are expected to suffer from downward pressure in the coming quarters. The launch of plentiful of new high-quality projects and emergence of new business districts provide tenants with not few choices and thus owners are forced to offer rent concessions and more flexible leasing terms to attract and retain quality tenants.

After years of research and studies, the Group expects that along with evolution of the Internet, mobile carriers and artificial intelligence, demands of financial and other related industries on application software, computing system and information center of marketing and sales of financial products will be different from the past, and Mainland China, Hong Kong and Taiwan will be our major markets. The Group anticipates that the software development business will become another force boosting up our revenue. The Group will continue to improve its operation efficiency and enhance its financial position as well as deploy more resources for new business development, striving to capture future development opportunities.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial review**

The Group's consolidated turnover for the six months ended 30 September 2017 amounted to approximately HK\$1,524,000 (2016: HK\$1,001,000). During the period under review, loss from operations for the period was HK\$1,929,000, compared to loss from operations of HK\$1,927,000 in the corresponding period of last year.

Gross profit for the Group increased from HK\$985,000 in 2016 to HK\$1,494,000 in 2017, due to the increase of software income with higher profit margin.

Total operating costs were approximately HK\$3,550,000 (2016: HK\$2,927,000). Compare to the corresponding period of last year, the operating costs have increased by 21%, due to the increase of professional fees.

Loss attributable to owners of the Company and loss per share for the period were HK\$2,462,000 (2016: HK\$2,415,000) and HK\$1.1 cents (2016: HK\$1.1 cents) respectively.

### **Liquidity and financial resources**

As at 30 September 2017, the Group had current assets amounted to HK\$14,649,000, of which HK\$14,287,000 were cash and bank deposits. Current liabilities of HK\$5,720,000 mainly comprised of other payables, deposits received and accruals. The current ratio of the Group was approximately 2.6 and gearing ratio of the Group was 3.0 (2016: 1.8) representing the Group's borrowings divided by total equity. The Group had net current assets of approximately HK\$8,929,000 as at 30 September 2017.

Reference is made to the announcement of the Company, on 25 September 2017, the Company and the Subscriber entered into the Subscription Agreement whereby the Subscriber agreed to subscribe for, and the Company agreed to issue and allot for an aggregate of 35,180,000 Subscription Shares at HK\$1.0 per Subscription Share to settle the Loan Repayment Amount owed by the Group to the Subscriber.

## Segmental information (Unaudited)

### (a) Business segments

The following table presents revenue and loss information for the Group's business segments for the six months ended 30 September 2017.

	Rental income		Software development		Consolidated	
	2017	2016	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:–						
Sales to external customers	<u>756</u>	<u>741</u>	<u>768</u>	<u>260</u>	<u>1,524</u>	<u>1,001</u>
Segment results	<u>583</u>	<u>545</u>	<u>(646)</u>	<u>9</u>	<u>(63)</u>	<u>554</u>
Interest income					16	15
Unallocated income					111	–
Unallocated expenses					<u>(1,997)</u>	<u>(2,496)</u>
Loss from operations					<u>(1,933)</u>	<u>(1,927)</u>
Finance costs					<u>(533)</u>	<u>(493)</u>
Loss before taxation					<u>(2,466)</u>	<u>(2,420)</u>
Taxation					<u>–</u>	<u>–</u>
Loss for the period					<u><u>(2,466)</u></u>	<u><u>(2,420)</u></u>
Attributable to:						
Owners of the Company					<u>(2,462)</u>	<u>(2,415)</u>
Non-controlling interests					<u>(4)</u>	<u>(5)</u>
					<u><u>(2,466)</u></u>	<u><u>(2,420)</u></u>

(b) *Geographical segments (Unaudited)*

The following table presents revenue information for the Group's geographical segments for the six months ended 30 September 2017.

	<b>Taiwan</b>		<b>PRC</b>		<b>Hong Kong</b>		<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<i>(HK\$'000)</i>							
Segment revenue:–								
Sales to external customers	<b><u>154</u></b>	<b><u>154</u></b>	<b><u>869</u></b>	<b><u>847</u></b>	<b><u>500</u></b>	<b><u>–</u></b>	<b><u>1,524</u></b>	<b><u>1,001</u></b>

**Employee information**

As at 30 September 2017, the Group had approximately 31 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 2017, 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 2017, 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

Name of Directors	Type of interest	Total number of shares held	Percentage of shareholding
Mr. Lin Chien Hsin	Personal	5,295,000	2.35%
Mr. Wong Hoi Wong ("Mr. Wong") (Note)	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 2017, 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 2017, 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 2017, 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 2017, 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 Shares Held</b>	<b>Approximate percentage of issued share capital</b>
Ms. Wang Ying Fang	Beneficial	40,000,000	17.73%

Save as disclosed above, as at 30 September 2017, 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 2017 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 2017.

## **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 2017 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 2017.

By Order of the Board

**Wong Hoi Wong**

*Chairman*

Hong Kong, 13 November 2017

*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.*