

**BOSA TECHNOLOGY HOLDINGS LIMITED**

**人和科技控股有限公司**

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

**(Stock code: 8140)**

**Third Quarterly Report 2018/19**

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

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

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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 BOSA Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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## **CORPORATE INFORMATION**

### **NON-EXECUTIVE DIRECTOR**

Mr. Kwan Tek Sian (*Chairman*)

### **EXECUTIVE DIRECTORS**

Mr. Lim Su I

Mr. Paulino Lim

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Chan Chi Keung Alan

Ms. Chu Wei Ning

Mr. Ng Ming Hon

### **AUDIT COMMITTEE**

Mr. Ng Ming Hon (*Chairman*)

Mr. Kwan Tek Sian

Mr. Chan Chi Keung Alan

### **REMUNERATION COMMITTEE**

Mr. Chan Chi Keung Alan (*Chairman*)

Mr. Paulino Lim

Mr. Ng Ming Hon

### **NOMINATION COMMITTEE**

Mr. Kwan Tek Sian (*Chairman*)

Ms. Chu Wei Ning

Mr. Ng Ming Hon

### **COMPANY SECRETARY**

Mr. Ng Chit Sing

(*resigned on 2 October 2018*)

Ms. Lam Yuen Man Maria

(*appointed on 2 October 2018*)

### **AUTHORIZED REPRESENTATIVES**

Mr. Paulino Lim

Mr. Ng Chit Sing

(*resigned on 2 October 2018*)

Ms. Lam Yuen Man Maria

(*appointed on 2 October 2018*)

### **COMPLIANCE OFFICER**

Mr. Paulino Lim

### **REGISTERED OFFICE**

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room D, 29/F, King Palace Plaza,  
55 King Yip Street, Kwun Tong,  
Kowloon, Hong Kong

## **CORPORATE INFORMATION**

### **INDEPENDENT AUDITORS**

Deloitte Touche Tohmatsu  
35/F, One Pacific Place  
88 Queensway, Hong Kong

### **COMPLIANCE ADVISER**

Kingsway Capital Limited  
7/F, Tower One, Lippo Centre  
89 Queensway  
Hong Kong

### **PRINCIPAL BANKER**

Bank of China (Hong Kong) Limited  
Bank of China Tower  
1 Garden Road, Hong Kong

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Estera Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **STOCK CODE**

8140

### **COMPANY WEBSITE**

[www.bosa-tech.com](http://www.bosa-tech.com)

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET OVERVIEW

According to the Government's 2018–2019 Budget Speech, the Government is expecting to raise supply of residential property with almost 200,000 units in the next 3–5 years in public and private housing sectors. Also, the Government sets aside HK\$22 billion to implement the first batch of government projects.

It is expected that the ongoing and new infrastructure projects will increase demand for splicing systems. The prospects of the mechanical splicing service market will also be affected by further development of the property market in Hong Kong, including expected increase in construction of residential and non-residential properties.

## BUSINESS REVIEW

The Group is principally engaged in providing mechanical splicing services to the reinforced concrete construction industry in Hong Kong and is the second largest provider of this industry in Hong Kong in terms of overall sales revenue in 2017.

The Group will continue to cautiously monitor the business opportunities and continue to strengthen its competitiveness in the market to enhance the profitability of the Group and interests of the shareholders of the Company.

## OUTLOOK

The Board has foreseen that the Government has implemented policies and measures to promote economic growth by developing infrastructure and public sector projects. Thus, the Board expects that, considering the positive influences of the development of infrastructure and public sector projects, the Group will grow steadily and gradually in near future.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL HIGHLIGHT AND OVERVIEW

	For the three months ended 31 March			For the nine months ended 31 March		
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	Change %	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	Change %
Revenue	<b>11,732</b>	14,541	(19.3)	<b>38,346</b>	40,125	(4.4)
Gross profit	<b>4,463</b>	5,570	(19.9)	<b>13,104</b>	16,141	(18.8)
Net profit and total comprehensive income before listing expenses	<b>1,946</b>	2,160	(9.9)	<b>7,294</b>	6,322	15.4
Net profit (loss) and total comprehensive income (expense) after listing expenses	<b>1,333</b>	(546)	(344.1)	<b>3,647</b>	77	4,636.4
Earnings (loss) per share ( <i>HK cents</i> )	<b>0.17</b>	(0.09)	(285.0)	<b>0.46</b>	0.01	4,500.0

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

In the three months ended 31 March, our revenue decreased by approximately HK\$2.8 million or approximately 19.3% from approximately HK\$14.5 million in 2018 to approximately HK\$11.7 million in 2019.

During the nine months ended 31 March 2019 (the “Period”), our revenue also decreased by approximately HK\$1.8 million or approximately 4.4% to approximately HK\$38.3 million from approximately HK\$40.1 million for the nine months ended 31 March 2018.

The decreases in the above periods were mainly attributable to (i) price reduction in response to the intensified competition in the industry; and (ii) shortening of the overall working days of production due to public holidays in the three months ended 31 March 2018 and 2019.

### Cost of Sales

In the three months ended 31 March, our cost of sales decreased by approximately HK\$1.7 million or approximately 19.0% from approximately HK\$9.0 million in 2018 to approximately HK\$7.3 million in 2019.

During the Period, our cost of sales increased by approximately HK\$1.2 million or approximately 5.3% to approximately HK\$25.2 million from approximately HK\$24.0 million for the nine months ended 31 March 2018.

The fluctuations in the above periods were mainly attributable to (i) an additional cost for quality control performed by a third-party testing laboratory in Taiwan and slight increase in direct labour cost during the Period; and (ii) decreases in direct overheads and consumables in the three months ended 31 March 2019 while the fixed component of Cost of Sales was remained unchanged.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Income

In the three months ended 31 March, our other income increased by approximately HK\$0.4 million or approximately 128.9% from approximately HK\$0.3 million in 2018 to approximately HK\$0.7 million in 2019.

During the Period, our other income increased by approximately HK\$1.9 million or approximately 233.7% to approximately HK\$2.7 million from approximately HK\$0.8 million for the nine months ended 31 March 2018.

The increases in the above periods were mainly attributable to increase in testing income recognized for the periods.

## Gross Profit

In the three months ended 31 March, our gross profit decreased by approximately HK\$1.1 million or approximately 19.9%, from approximately HK\$5.6 million in 2018 to approximately HK\$4.5 million in 2019.

During the Period, our gross profit also decreased by approximately HK\$3.0 million or approximately 18.8% to approximately HK\$13.1 million from approximately HK\$16.1 million for the nine months ended 31 March 2018.

Such decreases were mainly due to reasons disclosed in revenue and cost of sales per above.

## Administrative Expenses

In the three months ended 31 March, our administrative expenses increased by approximately HK\$0.4 million or approximately 16.3%, from approximately HK\$2.5 million in 2018 to approximately HK\$2.9 million in 2019.

During the Period, our administrative expenses also increased by approximately HK\$0.4 million or approximately 4.7% to approximately HK\$8.5 million from approximately HK\$8.1 million for the nine months ended 31 March 2018.

# MANAGEMENT DISCUSSION AND ANALYSIS

The increases in the above periods were mainly attributable to increases in indirect labour cost.

## **Profit and Total Comprehensive Income Attributable to Owners of the Company**

In the three months ended 31 March, our profit attributable to equity holders of the Company increased by approximately HK\$1.9 million or approximately 344.1%, from a loss of approximately HK\$0.5 million in 2018 to a profit of approximately HK\$1.3 million in 2019.

During the Period, our profit attributable to equity holders of the Company also increased by approximately HK\$3.6 million or approximately 4,636.4% to approximately HK\$3.7 million from approximately HK\$0.1 million for the nine months ended 31 March 2018.

The increases in the above periods were mainly attributable to a fact that the Company, successfully listed on 12 July 2018, didn't incur considerable listing expense after the Listing of the Company.

## **Liquidity and Financial Resources**

The Group practiced prudent financial management and maintained a strong and sound financial position during the Period. As of 31 March 2019, the Group had cash and cash equivalents of approximately HK\$54.3 million (30 June 2018: approximately HK\$10.0 million). The increase in cash and cash equivalents was mainly attributable to the funds raised in the IPO and the settlements of trade receivables from the customers during the Period.

As at 31 March 2019, the Group did not have any outstanding borrowing and other indebtedness.

The current ratio, calculated as the total current assets divided by total current liabilities, was approximately 5.4 times as at 31 March 2019 (30 June 2018: approximately 1.6 times). The gearing ratio, calculated as all obligations under finance leases divided by total equity, was approximately 0.001 times as at 31 March 2019 (30 June 2018: approximately 0.004 times).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Foreign Exchange Exposure

The Group purchased all of the couplers used in our business operations from Taiwan. These purchases were denominated in TWD. The Group expects to continue to make coupler purchases in Taiwan in the near future. Accordingly, fluctuations in TWD against HK\$ may result in exchange losses or gains and affect our results of operations.

The Group has not entered into any agreement to hedge our exchange rate exposure relating to TWD and will continue to monitor its foreign exchange exposure. The Group will consider hedging significant foreign currency exposure should the need arises and no derivative financial instruments were held by the Group as at 31 March 2019 for speculative purposes. During the three months ended 31 March 2019, all our revenue was generated from services of processing and connecting reinforcing bars in Hong Kong. Accordingly, we have only one single operating segment and one geographical segment.

## Contingent Liabilities

As at 30 June 2018, the Group was involved in a litigation related to claims of defamation and malicious falsehood against a subsidiary of the Company for alleging that plaintiff's coupler system infringes the patent. The legal claim is still in preliminary stage and the final outcome is unable to be determined at this stage based on legal advice to the Group.

Save as disclosed above and as at 31 March 2019, the Group did not have any material contingent liabilities (30 June 2018: Nil).

## Commitment

As at 31 March 2019, the Group had the non-cancellable operating lease commitments in respect of office and workshop for approximately HK\$1.4 million (at 30 June 2018: approximately HK\$3.1 million).

Save as disclosed above, the Group did not have any material capital commitment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Dividends

The Board does not recommend the payment of dividend in respect for the Period (for the three months ended 31 March 2018: nil).

## Pledge of Assets

As at 31 March 2019, the Group did not have pledged assets as at 31 March 2019 (at 30 June 2018: Nil).

## Capital Structure

The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination its cash and cash equivalents, cash flows generated from operations and bank facilities.

## Future Plans for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets as at 31 March 2019 save for the acquisition a parcel of land to open new workshop in Hong Kong, details of which are set out in the prospectus of the Company dated 28 June 2018.

The Company has actively sought out a suitable parcel of land, but no land was suitable for acquisition due to rising price and limited supply of lands.

## Significant Investments Held, Acquisitions and Disposals

There were no significant investments held, acquisitions or disposals of subsidiaries, associates, joint venture and affiliated companies by the Group during the Period.

The Group did not have any other material plans for significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures as at 31 March 2019.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 March 2019

The board (the “Board”) of directors (the “Directors”) is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 31 March 2019, which has been reviewed by the audit committee of the Company, together with the comparative unaudited figures for the corresponding periods in 2018, as follows:

	Note	Three months ended 31 March,		Nine months ended 31 March,	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	11,732	14,541	38,346	40,125
Cost of sales		(7,269)	(8,971)	(25,242)	(23,984)
Gross profit		4,463	5,570	13,104	16,141
Other income	4	714	312	2,706	811
Other losses		–	(208)	(230)	(697)
Selling and distribution expenses		(17)	(44)	(277)	(375)
Administrative expenses		(2,953)	(3,086)	(8,525)	(8,141)
Listing expenses		(613)	(2,706)	(2,026)	(6,245)
Finance costs		–	(2)	(1)	(6)
Profit (loss) before taxation	5	1,594	(164)	4,751	1,488
Taxation	6	(261)	(382)	(1,104)	(1,411)
Profit (loss) for the period		1,333	(546)	3,647	77
<b>Other comprehensive income (expense)</b>					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of foreign operation		–	–	–	(3)
Profit (loss) and total comprehensive income (expense) for the period attributable to the owners of the Company		1,333	(546)	3,647	74
Earnings (loss) per share					
Basic (HK cents)	7	0.17	(0.09)	0.46	0.01

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2017 (Audited)	21	8,489	196	(1)	27,575	36,280
Profit for the period	–	–	–	–	77	77
Other comprehensive expense for the period	–	–	–	(3)	–	(3)
Dividend recognised as distribution	–	–	–	–	(18,500)	(18,500)
Contribution from a shareholder	–	–	451	–	–	451
	<u>21</u>	<u>8,489</u>	<u>647</u>	<u>(4)</u>	<u>9,152</u>	<u>18,305</u>
At 31 March 2018 (Unaudited)						
<b>At 1 July 2018 (Audited)</b>	<b>21</b>	<b>8,489</b>	<b>5,647</b>	<b>24</b>	<b>7,910</b>	<b>22,091</b>
Profit for the for the period	–	–	–	–	3,647	3,647
Share issued pursuant to the initial public offering (the “IPO”)	20	59,980	–	–	–	60,000
Transaction costs attributable to the IPO	–	(7,949)	–	–	–	(7,949)
	<u>41</u>	<u>60,520</u>	<u>5,647</u>	<u>24</u>	<u>11,557</u>	<u>77,789</u>
At 31 March 2019 (Unaudited)						

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in provision of mechanical splicing services to the reinforced concrete construction industry in Hong Kong.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated first quarterly financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong which include Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of GEM Listing Rules.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

Except as described below, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in preparing the annual audited consolidated financial statements for the year ended 30 June 2018.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

In the current period, the Group has applied the following new or revised Hong Kong Financial Reporting Standards (“new HKFRSs”) issued by the HKICPA which are or have become effective.

Annual Improvements 2014–2016 Cycle	Amendments to HKFRS Clarification of the Scope of the Standard
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. Most of the amendments will also not affect the current or future periods.

## 3. REVENUE

Revenue represents the fair value of amounts received and receivable for the services provided and net of discount during the period. The Group’s operations and revenue is solely derived from provision of mechanical splicing services in Hong Kong during the period. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

## 4. OTHER INCOME

	Three months ended		Nine months ended	
	31 March		31 March	
	2019	2018	2019	2018
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Handling charge	618	234	2,429	668
Insurance compensation	7	57	24	64
Others	89	21	253	79
	<u>714</u>	<u>312</u>	<u>2,706</u>	<u>811</u>



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 5. PROFIT BEFORE TAXATION

	Three months ended		Nine months ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:				
Cost of inventories recognized an expense	3,247	4,031	11,259	10,820
Depreciation of plant and equipment	432	750	1,696	2,242
Directors' remuneration	1,145	757	2,882	2,198
Other staff costs				
Salaries and other benefits	2,647	2,631	7,714	7,227
Retirement benefits scheme contributions	114	124	356	335
Total staff costs	3,906	3,512	10,952	9,760
Research expenses	111	90	256	228
Minimum lease payments under operating leases in respect of land and buildings	737	754	2,257	2,172

## 6. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period.

No deferred taxation has been provided as the Group has no material unprovided deferred tax assets or liabilities which are expected to be crystallised in the foreseeable future (three months ended 31 March 2018: Nil).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Three months ended 31 March		Nine months ended 31 March	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Earnings:				
Earnings for the purpose of calculating basic earnings per share				
Profit (loss) for the period attributable to the owners of the Company	<u>1,333</u>	<u>(546)</u>	<u>3,647</u>	<u>74</u>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>791,941</u>	<u>600,000</u>	<u>791,941</u>	<u>600,000</u>

The weighted average number of ordinary shares in issued used in the basic earnings per share calculation is determined on the assumption that reorganisation and capitalisation issued as described in the Prospectus had been effective on 1 July 2016.

Diluted earnings per share were the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding for the three months ended 31 March 2019 and 2018.

## 8. INTERIM DIVIDEND

The Board does not recommend the payment of dividend in respect for the Period (for the three months ended 31 March 2018: nil).

### SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (“Share Option Scheme”), which was approved by written resolutions passed by the shareholders (the “Shareholders”) of the Company’s shares (the “Shares”) on 19 June 2018 and became unconditional on 12 July 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As at 31 March 2019, there was no option outstanding, granted, cancelled, exercised or lapsed.

### DIRECTORS’ RIGHT TO ACQUIRE SHARE OR DEBENTURES

Apart from the aforesaid Share Option Schemes, at no time during the Period was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

### DIRECTORS AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2019, the interests or short positions of Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and 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 and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to of the GEM Listing Rules, were as follows:

## OTHER INFORMATION

### (I) Long Position in the Ordinary Shares and Underlying Shares of the Company

#### (i) *Interests in the Company*

##### *Interests in ordinary shares*

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>% of the Company's issued voting shares</b>
Mr. Kwan Tek Sian	Interest in a controlled corporation	301,463,415	37.7%
Mr. Lim Su I	Beneficial owner	73,170,732	9.2%
Mr. Paulino Lim	Beneficial owner	40,975,610	5.1%

#### (ii) *Interests in the associated corporation*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Number of shares held</b>	<b>% of the Company's issued voting shares</b>
Mr. Kwan Tek Sian	Kin Sun Creative Company Limited	10,000	100.0

Save as disclosed above, as at 31 March 2019, none of the directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standards of dealing by Directors as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules.

**SUBSTANTIAL SHAREHOLDER’S INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 31 March 2019, the following persons/entities (not being Directors or chief executive of our Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

**Long position in the ordinary shares and underlying shares of the Company**

Name of shareholders	Capacity	Number of shares held	% of the Company’s issued voting shares
Kin Sun Creative Company Limited <sup>Note 1</sup>	Beneficial owner	301,463,415	37.7%
Mr. Yang Tien-Lee	Beneficial owner	64,390,244	8.0%
Mr. Wang Wann-Bao	Beneficial owner	64,390,244	8.0%
Ms. Chiu Yin Mei <sup>Note 2</sup>	Beneficial owner	40,975,610	5.1%
Ms. Ha Jasmine Nim Chi <sup>Note 3</sup>	Interest of spouse	301,463,415	37.7%
Ms. Chan Ching <sup>Note 4</sup>	Interest of spouse	73,170,732	9.2%
Ms. Liu Li Wen <sup>Note 5</sup>	Interest of spouse	64,390,244	8.0%
Ms. Wang Yu-Ju <sup>Note 6</sup>	Interest of spouse	64,390,244	8.0%
Ms. Ng Pei Ying <sup>Note 7</sup>	Interest of spouse	40,975,610	5.1%

## OTHER INFORMATION

### *Notes:*

1. Mr. Kwan Tek Sian beneficially owns 100% of the entire issued shares of Kin Sun Creative Company Limited. Therefore, Mr. Kwan Tek Sian is deemed, or taken to be, interested in 301,463,415 Shares held by Kin Sun Creative Company Limited for the purposes of the SFO.
2. Ms. Chiu Yin Mei is our administration manager.
3. Ms. Ha Jasmine Nim Chi, spouse of Mr. Kwan Tek Sian, is deemed, or taken to be, interested in 301,463,415 Shares in which Mr. Kwan Tek Sian is interested for the purposes of the SFO.
4. Ms. Chan Ching, spouse of Mr. Lim Su I, is deemed, or taken to be, interested in 73,170,732 Shares in which Mr. Lim Su I is interested for the purposes of the SFO.
5. Ms. Liu Li Wen, spouse of Mr. Yang Tien-Lee, is deemed, or taken to be interested in 64,390,244 Shares in which Mr. Yang is interested for the purposes of the SFO.
6. Ms. Wang Yu-Ju, spouse of Mr. Wang Wann-Bao, is deemed, or taken to be interested in 64,390,244 Shares in which Mr. Wang is interested for the purposes of the SFO.
7. Ms. Ng Pei Ying, spouse of Mr. Paulino Lim, is deemed, or taken to be, interested in 40,975,610 Shares in which Mr. Paulino Lim is interested for the purposes of the SFO.

Save as disclosed above, as at 31 March 2019, the Company had not been notified by any persons (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## INTERIM DIVIDENDS

The Board does not recommend the payment of a dividend in respect of the Period (for the nine months ended 31 March 2018: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the nine months ended 31 March 2019.

### **DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS**

Save as disclosed above and the service contract/appointment letter with the Directors, no other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of the period or at any time during the period and up to the date of this report.

### **NON-COMPETITION UNDERTAKING**

Each of Kin Sun Creative Company Limited and Mr. Kwan Tek Sian has jointly and severally, irrevocably and unconditionally, undertaken to the Company that he/it shall not, and he/it shall procure that none of his/its respective close associates and/or persons and companies controlled by them (other than members the Group) shall not, except through his or its interests in the Company, whether as principal or agent and whether undertaken directly or indirectly through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or concerned with, directly or indirectly, any business which is in any respect in competition with or similar to or is likely to be in competition with the business within any of the territories within Hong Kong or any of the territories where any member of the Group carries and/or will carry on business from time to time upon listing of the Company.

## **OTHER INFORMATION**

Mr. Yang Tien-Lee has also irrevocably and unconditionally, undertaken to our Company that he shall not and he shall procure that none of his close associates and/or persons and companies controlled by Mr. Yang shall not, except through his interests in the Company, whether as principal or agent and whether undertaken directly or indirectly through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or concerned with, directly or indirectly, any business which is in any respect in competition with or similar to or is likely to be in competition with the business of the Group within Hong Kong upon listing of the Company.

Pursuant to their respective undertakings, each of them is required to make an annual declaration on compliance with his/its non-competition undertakings for the relevant financial year in the Company's annual report. Since the Shares were listed on the Stock Exchange on 12 July 2018 and their respective undertakings were not in force as at 30 June 2018, each of Kin Sun Creative Company Limited, Mr. Kwan Tek Sian and Mr. Yang Tien-Lee shall provide confirmation in respect of their compliance with the terms of non-competition undertaking for the year ending 30 June 2019 onwards.

The independent non-executive Directors shall then review their respective confirmation to advise if each of them has complied with the non-competition undertaking in accordance with its terms for the year ending 30 June 2019 onwards.

## **CONFLICT OF INTERESTS**

Saved as disclosed above and during the Period, none of the Directors, the substantial Shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.



### INTERESTS OF THE COMPLIANCE ADVISER

As notified by Kingsway Capital Limited, compliance adviser of our Company, neither Kingsway Capital Limited nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of Kingsway Capital Limited had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 March 2019.

### AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) on 19 June 2018, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executives Directors, namely Mr. Ng Ming Hon, Mr. Kwan Tek Sian and Mr. Chan Chi Keung Alan. Mr. Ng Ming Hon is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the Period and is of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure have been made in respect thereof.

### CODE ON CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to maintain a high degree of corporate governance and transparency for the benefit of all its stakeholders. During the nine months ended 31 March 2019, the Board considers that the Company has complied with all the provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

## **OTHER INFORMATION**

### **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the directors, its employees, and the directors and employees of its subsidiaries and holding companies, who may likely possess inside information on the Company or its securities, on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the nine months ended 31 March 2019.

### **PUBLICATION OF THE THIRD QUARTERLY REPORT**

The 2018/2019 third quarterly report of the Company containing all the information required by GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at [www.bosa-tech.com](http://www.bosa-tech.com) and the “HKExnews” website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).