



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

2020/21



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\$11,466,000 for the three months ended 30 June 2020.
- Profit attributable to shareholders was approximately HK\$4,632,000.
- The directors of the Company (the “Directors”) do not recommend the payment of dividend for the three months ended 30 June 2020.

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 2020 together with the comparative unaudited figures for the corresponding periods in 2019 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended	
		30 June	
	<i>Notes</i>	2020	2019
		HK\$'000	HK\$'000
Turnover	3	11,466	4,274
Cost of sales and services		(4,558)	(3,090)
Gross profit		6,908	1,184
Other income	3	25	1,244
Selling and distribution expenses		(18)	(20)
General and administrative expenses		(1,934)	(2,514)
Finance costs		(349)	(310)
Profit/(Loss) before taxation	4	4,632	(416)
Taxation	5	–	228
Profit/(Loss) for the period		4,632	(188)
Currency translation differences		(55)	108
Total comprehensive income		4,577	(80)
Profit/(Loss) attributable to:			
Owners of the Company		4,632	(188)
Non-controlling interests		–	–
		4,632	(188)
Total comprehensive income attributable to:			
Owners of the Company		4,577	(80)
Non-controlling interests		–	–
		4,577	(80)
Profit/(Loss) per share:			
– Basic and diluted (<i>in cents</i>)	6	1.65	(0.1)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	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 interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2019	280,750	16,618	84	360	1,118	(232,925)	66,005	(31)	65,974
Initial application of HKFRS 16	-	-	-	-	-	7,835	7,835	-	7,835
Other comprehensive income	-	-	-	-	108	-	108	-	108
Profit or loss for the period	-	-	-	-	-	(188)	(188)	-	(188)
Balance at 30 June 2019	<u>280,750</u>	<u>16,618</u>	<u>84</u>	<u>360</u>	<u>1,226</u>	<u>(225,278)</u>	<u>73,760</u>	<u>(31)</u>	<u>73,729</u>
Balance at 1 April 2020	280,750	16,618	84	360	(3,005)	(222,282)	72,525	(31)	72,494
Other comprehensive income	-	-	-	-	(55)	-	(55)	-	(55)
Profit or loss for the period	-	-	-	-	-	4,632	4,632	-	4,632
Balance at 30 June 2020	<u>280,750</u>	<u>16,618</u>	<u>84</u>	<u>360</u>	<u>(3,060)</u>	<u>(217,650)</u>	<u>77,102</u>	<u>(31)</u>	<u>77,071</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 is principally engaged in (i) property leasing; (ii) trading business; and (iii) the information technology industry as a developer and provider of a range of solutions pertaining to Linux-based systems and others. The Group has expanded its scope of services to provide Fintech solutions and related post contract support services.

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 2020.

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 2020.

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

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions and to assess the performance.

The Group has three reportable segments. Each of the Group’s reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Details of the business segments are summarised as follows:

- (a) the trading business segment that engages in the trading of computer accessories and household goods;
- (b) software development segment which comprises (i) development of Fintech related customised software/applications and provision of related services and (ii) provision of technical support and other auxiliary services relating to Linux-based systems and others; and
- (c) the property leasing segment that engages in property leasing in the People’s Republic of China (the “PRC”).

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:

	For the three months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover:		
Software development income	4,982	2,200
Rental income	1,720	1,881
Sales of goods	4,764	193
	<hr/>	<hr/>
	11,466	4,274
	<hr/>	<hr/>
Other income:		
Interest income	18	16
Compensation in respect of the termination of acquisition of a target company	–	1,200
Sundry Income	7	28
	<hr/>	<hr/>
	25	1,244
	<hr/>	<hr/>
	11,491	5,518
	<hr/>	<hr/>

4. Loss before taxation (Unaudited)

For the three months ended 30 June	
2020	2019
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Profit/(Loss) before taxation is arrived at after charging:

Fair value change for right-of-use assets	–	1,163
Cost of sales and services	18	20
Depreciation	14	14
Depreciation for right-of-use assets	86	–
Finance costs	349	310

5. Taxation

Hong Kong profits tax is calculated at 16.5% (2019: 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. Profit/(Loss) per share

The calculation of basic profit or loss per share for the three months ended 30 June 2020 is based on the profit attributable to owners of the Company of HK\$4,632,000 (2019 loss: HK\$188,000) and the weighted average of 280,750,261 (2019: 280,750,261) ordinary shares in issue during the period.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2020 (2019: Nil).

BUSINESS REVIEW

Leasing business

During the period under review, the Group's leasing of office premises in Shanghai, PRC, suffered from a limited impact of the COVID-19 epidemic. It recorded an increase in turnover compared with the corresponding period of last year, including the leasing of office premises' management business in Shanghai.

As affected by the epidemic, during the prevention and control period and at the beginning of resumption of work and production, the tenants of enterprises were unable to carry out a physical inspection of the premises, renovation of offices was delayed and the delivery time of many new projects were also delayed. In general, office tenants will start considering relocation and site selection six to nine months before the expiration of the existing lease. Due to the delay in renovation of the new site as well as relevant costs, many enterprises will choose to renew the lease temporarily or officially instead.

Software business

The turnover of the Group's software business increased compared with the corresponding period of last year. In general, financial technology has become one of the main driving forces for the development of the finance industry in recent years. In particular, in solving the problems of the difficulties of enterprise financing and high cost in financing, financial technology has made it possible to sink financial services. During the prevention and control of the epidemic, the increasing demand for online finance put more demands on the online financial service, risk control, artificial intelligence and other aspects.

The rapid development of contactless online financial service under the epidemic is an important twist in the demand for financial technology, and many detail conversion of contactless technology are accelerating. During the epidemic, the financial institutions can effectively satisfy the multi-level financial demands in the process of prevention and control of epidemic and the resumption of work and production, which is benefited from the rich digital technology accumulation and technology exploration in the early stage. However, it is still necessary to continue to accelerate the commencement of large-scale digital construction, promote the formation of a full life-cycle financial service system covering the front, middle and back offices. With the increase in total online time of financial consumers, financial institutions also need to achieve intelligent breakthroughs in marketing, customer service and other aspects, so as to build a systematic digital operation system.

Prospects

At present, most enterprises in Shanghai have resumed operations, owners and company employees are gradually adapting to the new norm. All personnel entering the office buildings are required to take a temperature measurement. There are also enterprises adopt other methods such as flexible working and staggered dining time, to avoid crowded situations, as well as reduce unnecessary business travel and meetings are switched to online. In order to lower the risk of spreading, people are required to wear masks and maintain social distancing when going out, public places will also be fully disinfected regularly.

The impact of financial technology on financial institutions has gradually deepened, the degree of mobilization, networking and intelligent has been deepened, it has become a core driving force for the digitalization and intelligent transformation and upgrade of financial institutions. With improved operating efficiency, optimized cost structure, the financial products and services have continued its innovation to bring a better customer experience.

Looking forward, we will respond positively to the challenging market environment under the epidemic, and have full confidence in the future. The Group will adopt a present attitude and seek for investment opportunities so as to expand the Group's income sources and strengthen the profitability of the Group.

Financial Performance

The Group's consolidated turnover for the three months ended 30 June 2020 amounted to approximately HK\$11,466,000 (2019: HK\$4,274,000). During the period under review, profit from operations for the period was HK\$4,632,000 (2019 loss: HK\$188,000). Further, profit attributable to owners of the Company for the period was HK\$4,632,000 (2019 loss: HK\$188,000).

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

As at 30 June 2020, 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	Total number of shares held	Percentage of shareholding
Ms. Hsieh Ju Lin	9,850,000	3.51%
Mr. Wong Hoi Wong ("Mr. Wong") (<i>Note</i>)	1,508,600	0.54%

Note: These 1,508,600 shares are registered in name of Eaglemax International Investment Limited. As at 30 June 2020, Mr. Wong held the entire issued share capital of Eaglemax International Investment 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 2020, 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 2020, 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 2020 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	Number of Shares Held	Approximate percentage of issued share capital
Wang Ying Fang	54,009,090	19.24%
Extra Bright Trading Limited (<i>note 1</i>)	46,279,750	16.48%

Note:

1. Extra Bright Trading Limited is owned as to 49% and 51% by Yarn Shouu Bair and Advanced Enterprises Limited respectively. Advanced Enterprises Limited is wholly owned by Chang Wei Min. Chang Wei Min and Yarn Shouu Bair are deemed to be interested in all the Shares held by Extra Bright Trading Limited under the SFO.

Save as disclosed above, as at 30 June 2020, 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 2020 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 2020.

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. Chen Yun Jung, 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 2020 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 2020.

By Order of the Board
Wong Hoi Wong
Chairman

Hong Kong, 13 August 2020

As at the date hereof, the board of directors of the Company comprises two executive directors, namely Mr. Wong Hoi Wong and Ms. Yang Hui Ling, one non-executive director, Ms. Hsieh Ju Lin, and three independent non-executive directors, namely Ms. Chen Yun Jung, Mr. Chu Meng Chi and Ms. Chan Mei Sze.