

# ZEBRA STRATEGIC HOLDINGS LIMITED

施伯樂策略控股有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock Code: 8260

FIRST QUARTERLY REPORT 2013



## **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 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 Zebra Strategic Holdings 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 for the purpose of giving information with regard to the Company. 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.*

## FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2013 together with the comparative unaudited figures for the corresponding period in 2012 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVES INCOME

For the three months ended 30 June 2013

		(Unaudited)	
		For the three months ended	
	Notes	30 June 2013 HK'000	30 June 2012 HK'000
<b>Revenue</b>	3	<b>46,995</b>	36,897
Direct costs		<b>(43,460)</b>	(32,803)
<b>Gross profit</b>		<b>3,535</b>	4,094
Other income	3	<b>17</b>	–
General and administrative expenses		<b>(3,254)</b>	(1,992)
<b>Operating profit</b>		<b>298</b>	2,012
Finance costs	4	<b>(101)</b>	(63)
<b>Profit before income tax</b>		<b>197</b>	2,039
Income tax expense	5	<b>(33)</b>	(336)
<b>Profit for the period</b>		<b>164</b>	1,703
<b>Other comprehensive income for the period</b>		<b>–</b>	–
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>164</b>	1,703
<b>Earnings per share for profit attributable to owners of the Company</b>			
— Basic and diluted (HK cents)	6	<b>0.041</b>	0.52

# NOTES TO THE FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

Zebra Strategic Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 24 February 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is located at 5th Floor, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activity of the subsidiaries (together with the Company referred to as the “Group”) is the provision of staff outsourcing services. The Group is also engaged in the provision of executive/staff search services and other human resources support services.

The Company’s shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 April 2013 (the “Listing”).

## 2. BASIS OF PREPARATION

The unaudited accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They are prepared under the historical cost conversion.

The unaudited consolidated results for the three months ended 30 June 2013 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company’s annual financial statements for the year ended 31 March 2013. It should be noted that accounting estimates and assumptions are used in preparation of unaudited consolidated results. Although these estimates are based on management’s best knowledge and judgement to current events and actions, actual results may ultimately differ from those estimates.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting period beginning on 1 April 2013, the adoption of the new HKFRSs had no material impact on how the result and financial positions for the current and prior periods have been prepared and presented. For those which are not effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

### 3. REVENUE AND OTHER INCOME

The Group is principally engaged in the provision of staff outsourcing services and the provision of executive/staff search services and other human resources support services.

An analysis of the Group's revenue and other income is as follows:

	(Unaudited)	
	For the three months ended	
	30 June 2013 HK'000	30 June 2012 HK'000
<b>Revenue</b>		
Staff outsourcing services	43,867	33,850
Executive/Staff search services	2,477	1,782
Other human resources support services	651	1,265
	<b>46,995</b>	<b>36,897</b>
<b>Other income</b>		
Bank interest income	17	–
	<b>17</b>	<b>–</b>
	<b>47,012</b>	<b>36,897</b>

### 4. FINANCE COSTS

	(Unaudited)	
	For the three months ended	
	30 June 2013 HK'000	30 June 2012 HK'000
Interest charges on:		
Bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	94	63
Obligation under a finance lease	7	–
	<b>101</b>	<b>63</b>

## 5. INCOME TAX EXPENSE

	(Unaudited)	
	For the three months ended	
	30 June 2013 HK'000	30 June 2012 HK'000
Current tax		
— Hong Kong Profits Tax		
— charged for the year	33	336
— The People's Republic of China (the "PRC")		
Enterprise Income Tax		
— charged for the year	—	—
	<b>33</b>	<b>336</b>

Hong Kong profits tax have been provided for at 16.5% on the estimated assessable profits for the three months ended 30 June 2013.

No provision for the PRC income taxes have been made during the period as the Group had no assessable profits derived in the PRC for the period (2012: nil).

No provision for deferred tax has been provided in the financial statement since there is no material timing difference.

## 6. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months ended 30 June 2013 is based on the profit attributable to the owners of the Company amounting to HK\$164,000 (2012: HK\$1,703,000) and the weighted average number of ordinary shares of approximately 400,000,000 in issue during the three months ended 30 June 2013.

The calculation of basic earnings per share for the three months ended 30 June 2012 is based on the profit attributable to the owners of the Company amounting to HK\$1,703,000, and on the basis of 325,000,000 shares of the Company in issue, being the number of shares in issue immediately after capitalisation issue as if these shares had been issued throughout the period. The details of the capitalisation issue are published in note 24(f) to the financial statements, included in the annual report of the Company for the year ended 31 March 2013, dated 26 June 2013.

No diluted earnings per share is calculated for the three months ended 30 June 2013 and 2012 as there were no dilutive potential ordinary shares in existence.

7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Merger reserve* <i>HK\$'000</i>	Retained earnings* <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>At 31 March 2012 (Audited)</b>	–	100	14,783	14,883
Total comprehensive income for the period	–	–	1,703	1,703
<b>At 30 June 2012 (Unaudited)</b>	–	100	16,486	16,586
<b>At 31 March 2013 (Audited)</b>	<b>313</b>	<b>(213)</b>	<b>15,043</b>	<b>15,143</b>
Total comprehensive income for the period	–	–	<b>164</b>	<b>164</b>
<b>At 30 June 2013 (Unaudited)</b>	<b>313</b>	<b>(213)</b>	<b>15,207</b>	<b>15,307</b>

\* *The total of these balances represents “Reserves” in the consolidated statement of financial position.*

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2013 (2012: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

The Group recorded an unaudited revenue of approximately HK\$46,995,000 for the three months ended 30 June 2013, a 27% increase as compared with the last corresponding period of the previous year (2012:HK\$36,897,000).

The Group incurred a net profit of approximately HK\$164,000 during the three months ended 30 June 2013, as compared to a net profit of approximately HK\$1,703,000 for the same period of last financial year. The decrease of profit was mainly due to a special bonus paid to the Group's employees in connection with the success of the Listing.

Gross profit for the three months ended 30 June 2013 was approximately HK\$3,535,000 representing a slight decrease of 14% as compared with the last corresponding period (2012: HK\$4,094,000). The gross profit margin of the Group for the three months ended 30 June 2013 was 8%, slightly lower when compared with the last corresponding period (2012: 11%).

The Group's administrative expenses for the three months ended 30 June 2013 amounted to approximately HK\$3,254,000, representing an increase of 63% compared with the last corresponding year (2012: HK\$1,992,000). The increase is due to legal and professional fee related to the Listing, and the special bonus paid to employees in connection with the success of the listing.

During the period under review, the Group subscribed into a convertible bond of an independent third party developing an online human resources portal amounting to HK\$5,000,000. The said convertible bond bears interest at the rate of 18% per annum with a maturity date of 4 June 2014.



## **OPERATION REVIEW**

For the three months ended 30 June 2013, unaudited revenue from staff outsourcing services is approximately HK\$43,867,000, an increase of 30% when compared to approximately HK\$33,850,000 for the corresponding period of the previous year. The reason for the increase was due to a rise in demand for staff outsourcing services from existing clients.

Revenue from executive/staff search services for the three months ended 30 June 2013 also increased by approximately 39%, the unaudited revenue being approximately HK\$2,477,000 when compared to approximately HK\$1,782,000 for the corresponding period of previous year. The increase was mainly due to a new executive/staff search team focusing on fast moving consumer goods and luxury brand sectors in Hong Kong, which rendered new clients and business. The Group is continuing to widen its revenue channel by expanding into commerce and retail sector.

For the three months ended 30 June 2013, unaudited revenue from other human resources support services is approximately HK\$651,000, decrease of 49% when compared to the corresponding period of previous year being approximately HK\$1,265,000. The decrease was mainly due to the upgrading of the software and the Group is preparing to re-launch the software with a more enhanced version to its customers.

## **PROSPECTS**

To maintain our competitiveness in the market as the leading human resource services provider in Hong Kong. The Group will focus on their core business of staff outsourcing services in the banking, telecommunications, insurance and retail sectors. We will channel our business into the PRC and continue our product development in enhancing our eHRIS software, to deliver greater product functionality, and expand our service dimensions in human resources support.

## DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2013, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and Stock Exchange pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

### LONG POSITION IN ORDINARY SHARES AND UNDERLYING SHARES

Name of Directors	Nature of interests	Number of Shares held	Approximate percentage of issued share capital
Chang Tin Duk Victor ("Mr. Chang")	Interest in controlled corporation	235,000,000 (Note 1)	58.75%
Kung Phong ("Mr. Kung")	Interest in controlled corporation	235,000,000 (Note 1)	58.75%
Pan Chik ("Mr. Pan")	Interest in controlled corporation	65,000,000 (Note 2)	16.25%

## LONG POSITION IN SHARES OF ASSOCIATED CORPORATION

Name of Directors	Name of associated corporation	Nature of interests	Number of shares held/ interested	Percentage of interest
Mr. Chang	Z Strategic Investments Ltd. ("Z Strategic")	Beneficial owner <i>(Note 1)</i>	3	50%
Mr. Kung	Z Strategic Investments Ltd. ("Z Strategic")	Beneficial owner <i>(Note 1)</i>	3	50%

*Notes:*

1. These 235,000,000 Shares are held by Z Strategic, which in turn is wholly and beneficially owned by Mr. Chang and Mr. Kung in equal shares. As such, each of Mr. Chang and Mr. Kung is deemed under the SFO to be interested in these 235,000,000 Shares held by Z Strategic. Each of Mr. Chang and Mr. Kung is a director of Z Strategic.
2. These 65,000,000 Shares are held by Ascent Way Investments Limited ("Ascent Way"), which in turn is wholly and beneficially owned by Mr. Pan. As such, Mr. Pan is deemed under the SFO to be interested in these 65,000,000 Shares held by Ascent Way. Mr. Pan is a director of Ascent Way.

## INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executives of the Company, as at 30 June 2013, the following persons/entities have an interest or a short position in the shares or the underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Nature of interests	Number of Shares held	Approximate percentage of issued share capital
Z Strategic	Beneficial owner	235,000,000	58.75%
Ascent Way	Beneficial owner	65,000,000	16.25%
Tong Shing Ann Sharon	Interest of spouse (Note 1)	235,000,000	58.75%
Lee Man Ching	Interest of spouse (Note 2)	235,000,000	58.75%
Liu Ming Lai Lorna	Interest of spouse (Note 3)	65,000,000	16.25%
Zhang Wenyan	Beneficial owner	20,000,000	5.00%

Notes:

1. Ms. Tong Shing Ann Sharon, the spouse of Mr. Chang, is deemed under the SFO to be interested in these 235,000,000 Shares in which Mr. Chang is deemed to be interested.
2. Ms. Lee Man Ching, the spouse of Mr. Kung, is deemed under the SFO to be interested in these 235,000,000 Shares in which Mr. Kung is deemed to be interested.
3. Ms. Liu Ming Lai Lorna, the spouse of Mr. Pan, is deemed under the SFO to be interested in these 65,000,000 Shares in which Mr. Pan is deemed to be interested.

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

Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the three months ended 30 June 2013. The Company had not redeemed any of its listed securities during the three months ended 30 June 2013.

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

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees 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. The Company has also made specific enquiry of all Directors who have confirmed their compliance with required standard set out in the Securities Code during the three months ended 30 June 2013.

## **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules throughout the three months ended 30 June 2013.

## **COMPETITION AND CONFLICT OF INTEREST**

None of the directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during three months ended 30 June 2013.

## **REMUNERATION COMMITTEE**

The Company established a remuneration committee in March 2013. The primary duties of the remuneration committee are to review and make recommendation for the remuneration policy of the directors and senior management. The chairman of the remuneration committee is Mr. Lam Raymond Shiu Cheung and other members include one executive Director, namely Mr. Chang Tin Duk Victor, and Mr. Ng Kwan Ho Andy and Mr. Tam Tak Kei Raymond, both of them are independent non-executive directors of the Company.

## **NOMINATION COMMITTEE**

The Company established a nomination committee in March 2013. The primary duties of the nomination committee are to formulate nomination policy and make recommendation to the Board on nomination and appointment of the directors and board succession. The chairman of the nomination committee is Mr. Tam Tak Kei Raymond and other members include one executive Director, namely Mr. Chang Tin Duk Victor, and Mr. Ng Kwan Ho Andy and Mr. Lam Raymond Shiu Cheung, both of them are independent non-executive directors of the Company.

## **AUDIT COMMITTEE**

The Company established an audit committee in March 2013 with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendation to the Board on the appointment, re-appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee internal control procedures of the Company. The chairman of the audit committee is Mr. Ng Kwan Ho Andy and other members include Mr. Raymond Shiu Cheung and Mr. Tam Tak Kei Raymond, all of them are independent non-executive directors of the Company.

The Group's unaudited results for the three months ended 30 June 2013 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board  
**Zebra Strategic Holdings Limited**  
**Chang Tin Duk Victor**  
*Chairman*

Hong Kong, 13 August 2013

*Executive Directors as at the date of this report:*

Mr. Chang Tin Duk Victor (*Chairman*)

Mr. Kung Phong

*Non-executive Director as at the date of this report:*

Mr. Pan Chik

*Independent Non-executive Directors as at the date of this report:*

Mr. Ng Kwan Ho Andy

Mr. Lam Raymond Shiu Cheung

Mr. Tam Tak Kei Raymond