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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)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2014

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.

This announcement, for which the directors (the “Directors”) of Zebra Strategic Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purposes 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 announcement 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 announcement 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 2014 together with the comparative unaudited figures for the corresponding period in 2013 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2014

		(Unaudited)	
		For the three months ended	
		30 June	30 June
		2014	2013
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	49,840	46,995
Direct costs		(45,975)	(43,460)
Gross profit		3,865	3,535
Other income	3	7	17
General and administrative expenses		(3,220)	(3,254)
Operating profit		652	298
Finance costs	4	(28)	(101)
Profit before income tax		624	197
Income tax expense	5	(103)	(33)
Profit for the period		521	164
Other comprehensive income for the period		—	—
Total comprehensive income for the period attributable to owners of the Company		521	164
Earnings per share for profit attributable to owners of the Company — Basic and diluted (HK cents)	6	0.130	0.041

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.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the three months ended 30 June 2014 have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institutes of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial information has been prepared on the historical cost basis.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial information for the three months ended 30 June 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

In the current period, the Group has applied, for the first time, certain new or revised HKFRSs issued by the HKICPA that are mandatorily effective for the current period.

The application of the new or revised HKFRSs in the current period has had no material effect on the amounts reported in the unaudited condensed consolidated financial information and/or disclosures set out in the unaudited condensed consolidated financial information.

The unaudited consolidated results for the three months ended 30 June 2014 have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

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	30 June
	2014	2013
	HK\$'000	HK\$'000
Revenue		
Staff outsourcing services	46,133	43,867
Executive/Staff search services	2,851	2,477
Other human resources support services	856	651
	49,840	46,995
Other income		
Bank interest income	7	17
	7	17
	49,847	47,012

4. FINANCE COSTS

	(Unaudited)	
	For the three months ended	
	30 June	30 June
	2014	2013
	HK\$'000	HK\$'000
Interest charges on:		
Bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	27	94
Obligation under a finance lease	1	7
	28	101

5. INCOME TAX EXPENSE

	(Unaudited)	
	For the three months ended	
	30 June	30 June
	2014	2013
	HK\$'000	HK\$'000
Current tax		
— Hong Kong Profits Tax		
— charged for the year	103	33
— The People's Republic of China (the "PRC") Enterprise Income Tax		
— charged for the year	—	—
	103	33

Hong Kong profits tax have been provided for at 16.5% on the estimated assessable profits for the three months ended 30 June 2014 (2013: 16.5%).

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 (2013: 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 2014 is based on the profit attributable to the owners of the Company amounting to HK\$521,000 (2013: HK\$164,000) and the weighted average number of ordinary shares of approximately 400,000,000 in issue during the three months ended 30 June 2014 (2013: 400,000,000).

No diluted earnings per share is calculated for the three months ended 30 June 2014 and 2013 as there were no dilutive potential ordinary shares in existence.

7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 March 2013 (Audited)	313	—	(213)	15,043	15,143
Issue of shares upon Placing	750	30,000	—	—	30,750
Issue of shares upon Capitalisation	2,937	(2,937)	—	—	—
Expenses incurred in connection with the issue of shares during the period	—	(4,585)	—	—	(4,585)
Transactions with owners	3,687	22,478	—	—	26,165
Total comprehensive income for the period	—	—	—	164	164
At 30 June 2013 (Unaudited)	4,000	22,478	(213)	15,207	41,472
At 31 March 2014 (Audited)	4,000	22,478	(213)	15,318	41,583
Total comprehensive income for the period	—	—	—	521	521
At 30 June 2014 (Unaudited)	4,000	22,478	(213)	15,839	42,104

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited revenue of approximately HK\$49,840,000 for the three months ended 30 June 2014, representing an increase of approximately 6.1% as compared with the last corresponding period of the previous year (2013: HK\$46,995,000).

The Group incurred a net profit of approximately HK\$521,000 during the three months ended 30 June 2014, as compared to a net profit of approximately HK\$164,000 for the same period of last financial year. The increase in net profit was due to the overall increase in revenue from the Group's staff outsourcing services and provision of executive/staff search services.

Gross profit for the three months ended 30 June 2014 was approximately HK\$3,865,000, representing an increase of approximately 9.3% as compared with the last corresponding period (2013: HK\$3,535,000). The gross profit margin of the Group for the three months ended 30 June 2014 was approximately 7.8%, relatively the same when compared with the last corresponding period (2013: 7.5%).

The Group's administrative expenses for the three months ended 30 June 2014 amounted to approximately HK\$3,220,000, remaining stable as compared with the last corresponding year (2013: HK\$3,254,000).

Operation Review

For the three months ended 30 June 2014, the unaudited revenue from staff outsourcing services was approximately HK\$46,133,000, representing an increase of approximately 5.2% when compared to approximately HK\$43,867,000 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 2014 increased significantly by approximately 15.1%, the unaudited revenue being approximately HK\$2,851,000 when compared to approximately HK\$2,477,000 for the corresponding period of previous year. The increase was mainly due to a rise in demand for executive/staff search in the banking industry, together with the Group's diversification into executive/staff search for the medical and pharmaceutical sectors in Hong Kong, which rendered new clients and business. The Group is continuing to widen its revenue channel by expanding into various sectors but will focus and concentrate more its resources into building the PRC market for executive/staff search this coming financial year.

For the three months ended 30 June 2014, the unaudited revenue from other human resources support services was approximately HK\$856,000, representing an increase of approximately 31.5% when compared to the corresponding period of previous year being approximately HK\$651,000. The Group managed to sustain its revenue from providing human resource support services and maintenance services for its eHRIS software. Even though the upgrading of the eHRIS software has been completed, the Group has yet to secure more sales and attract new customers to the product.

Prospects

The Group intends to maintain their competitiveness in the market as the leading human resource services provider in Hong Kong. The Group will focus strongly on their business developments in the PRC this coming financial year by expanding their expertise and services in staff outsourcing services in the PRC banking sectors. The Group will also build its executive/staff search business platform in the PRC for banking, telecommunications, insurance and retail sectors.

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

As at 30 June 2014, 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	204,000,000 (Note)	51%
Kung, Phong (“Mr. Kung”)	Interest in controlled corporation	204,000,000 (Note)	51%

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 (Note 1)	3	50%
Mr. Kung	Z Strategic Investments Ltd. ("Z Strategic")	Beneficial owner (Note 1)	3	50%

Note: These 204,000,000 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 204,000,000 Shares held by Z Strategic. Each of Mr. Chang and Mr. Kung is a director of Z Strategic.

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 2014, 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	204,000,000	51%
Tong Shing Ann, Sharon	Interest of spouse (Note 1)	204,000,000	51%
Lee Man Ching	Interest of spouse (Note 2)	204,000,000	51%

Notes:

- Ms. Tong Shing Ann Sharon, the spouse of Mr. Chang, is deemed under the SFO to be interested in these 204,000,000 Shares in which Mr. Chang is deemed to be interested.
- Ms. Lee Man Ching, the spouse of Mr. Kung, is deemed under the SFO to be interested in these 204,000,000 Shares in which Mr. Kung is deemed to be interested.

EVENTS AFTER THE END OF REPORTING PERIOD

Mandatory Unconditional Cash Offer

As disclosed in the joint announcement of the Company dated 9 July 2014, the Board was informed by Z Strategic Investments Ltd. (the “Vendor”) that on 3 July 2014, Upmost Corporation Limited (the “Offeror”), the Vendor and Mr. Chang and Mr. Kung (the “Vendor Guarantors”) entered into the share purchase agreement dated 3 July 2014 (the “Share Purchase Agreement”). Pursuant to the terms of the Share Purchase Agreement, the Offeror conditionally agreed to purchase and the Vendor conditionally agreed to sell 204,000,000 Shares of the Company (the “Sale Shares”) for a total cash consideration of HK\$85,680,000 (equivalent to HK\$0.42 per Sale Share). The Offeror is required under Rule 26.1(a) of the Hong Kong Code on Takeovers and Mergers to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties concert with it.

Completion of the transaction took place on 3 July 2014 and the Offeror became the controlling shareholder of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period, 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 2014. The Company had not redeemed any of its listed securities during the three months ended 30 June 2014.

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 2014.

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 2014, except for the deviation from the code provision A.2.1 of the Code.

COMPLIANCE ADVISER’S INTEREST

As at 30 June 2014, as notified by Messis Capital Limited (“Messis Capital”), the compliance adviser of the Company, neither Messis Capital nor its directors or employees or associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. Pursuant to the agreement dated 27 March 2013 entered into between Messis Capital and the Company, Messis Capital received fees for acting as the compliance adviser of the Company.

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 2014.

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) in March 2013 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s annual report and consolidated financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control of the Group.

The Audit Committee consists of the three independent non-executive Directors, namely, Mr. Ng Kwan Ho Andy, Mr. Lam Raymond Shiu Cheung and Mr. Tam Tak Kei Raymond. Mr. Ng Kwan Ho Andy is the chairman of the Audit Committee. The Group’s unaudited results for the three months ended 30 June 2014 have been reviewed by the Audit Committee in accordance with Rule 5.30 of the GEM Listing Rules. The Audit Committee was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

The Group’s unaudited results for the three months ended 30 June 2014 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, 11 August 2014

Executive Directors as at the date of this announcement:

Mr. Chang Tin Duk Victor (*Chairman*)

Mr. Kung Phong

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

Mr. Ng Kwan Ho Andy

Mr. Lam Raymond Shiu Cheung

Mr. Tam Tak Kei Raymond

This announcement will remain on GEM website on the “Latest Listed Company Information” page for at least seven days from the day of its posting and on the Company’s website at www.zebra.com.hk.