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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

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 of the Stock Exchange (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.

ANNUAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2015, together with the comparative audited figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Revenue	5	214,553	194,660
Direct costs		(195,742)	(180,013)
Gross profit		18,811	14,647
Other income	5	576	314
General and administrative expenses		(19,936)	(14,239)
Share of losses of associates		–	(3)
Operating (loss)/profit		(549)	719
Finance costs	6	(71)	(248)
(Loss)/profit before income tax	7	(620)	471
Income tax expense	8	(910)	(196)
(Loss)/profit for the year		(1,530)	275
Translation of foreign operations		373	–
Total comprehensive income for the year attributable to owners of the Company		(1,157)	275
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company – Basic and diluted (HK cents)	10	(0.4)	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	<i>11</i>	872	1,499
Goodwill	<i>12</i>	7,152	–
Intangible assets	<i>13</i>	6,491	–
Interests in associates	<i>14</i>	–	–
		<hr/> 14,515 <hr/>	<hr/> 1,499 <hr/>
Current assets			
Trade and other receivables, prepayments and deposits	<i>15</i>	33,034	32,011
Loan receivables	<i>16</i>	21,546	–
Amount due from ultimate holding company		–	50
Amount due from related company		50	–
Amounts due from associates		72	52
Tax recoverable		–	601
Pledged bank deposits		–	6,510
Cash at banks and in hand		71,674	21,727
		<hr/> 126,376 <hr/>	<hr/> 60,951 <hr/>
Current liabilities			
Accrued expenses and other payables	<i>17</i>	24,035	17,898
Tax payable		433	–
Bank loans	<i>18</i>	–	2,260
Obligation under finance lease		311	291
		<hr/> 24,779 <hr/>	<hr/> 20,449 <hr/>
Net current assets		<hr/> 101,597 <hr/>	<hr/> 40,502 <hr/>
Total assets less current liabilities		<hr/> 116,112 <hr/>	<hr/> 42,001 <hr/>
Non-current liabilities			
Obligation under finance lease		108	418
Deferred tax liabilities		1,650	–
		<hr/> 1,758 <hr/>	<hr/> 418 <hr/>
Net assets		<hr/> 114,354 <hr/>	<hr/> 41,583 <hr/>
EQUITY			
Equity attributable to the Company's owners			
Share capital	<i>19</i>	6,650	4,000
Reserves		107,704	37,583
Total equity		<hr/> 114,354 <hr/>	<hr/> 41,583 <hr/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2013	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 year	–	(4,585)	–	–	–	–	(4,585)
Profit for the year and total comprehensive income for the year	–	–	–	–	–	275	275
At 31 March 2014 and 1 April 2014	4,000	22,478	(213)	–	–	15,318	41,583
Issue of new shares upon acquisition	750	24,375	–	–	–	–	25,125
Issue of shares upon placing	1,900	47,690	–	–	–	–	49,590
Expenses incurred in connection with the issue of shares during the year	–	(787)	–	–	–	–	(787)
Statutory reserve appropriation	–	–	–	266	–	(266)	–
Loss for the year	–	–	–	–	–	(1,530)	(1,530)
Translation of foreign operations	–	–	–	–	373	–	373
Total comprehensive income for the year	–	–	–	–	373	(1,530)	(1,157)
At 31 March 2015	6,650	93,756	(213)	266	373	13,522	114,354

Notes:

1. GENERAL INFORMATION

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

The directors of the Company consider the ultimate holding company of the Company as at 31 March 2014 to be Zebra Strategic Investments Ltd., a company incorporated in the British Virgin Islands (the “BVI”). During the year, Zebra Strategic Investments Ltd. ceased to be the ultimate holding company of the Company.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which in collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The significant accounting policies that have been used in preparation of the financial statements have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in Note 3.

The financial statements have been prepared under the historical cost convention. It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW AND REVISED HKFRSs

(a) New/Revised HKFRSs – effective 1 April 2014

In the current year, the Group has applied for the first time the following new/revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2014:

Amendments to HKAS 32 Presentation	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
HK (IFRIC) 21	Levies

Except as explained below, the adoption of these new/revised HKFRSs has no material impact on the Group's financial statements.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangement.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2012) - Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

The adoption of the amendments has no impact on these financial statements as the Company is not an investment entity.

HK (IFRIC) 21 – Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation has been applied retrospectively.

The adoption of HK (IFRIC) 21 has no impact on these financial statements as the interpretation is consistent with the Group's previous application of its accounting policies on provisions.

(b) New/Revised HKFRSs – issued but not yet effective

At the date of approval of these financial statements, the HKICPA has issued certain new or amended HKFRSs that have been issued but are not yet effective, and have not been early adopted by the Group. The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on those new or amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new or amended HKFRSs have been issued but are not expected to have a material impact on the Group's financial statements.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ²
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ¹
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKAS 27	Equity Method in Separate Financial Statements ³
Amendments to HKAS 1	Presentation of Financial Statements ³
HKFRS 9 (2014)	Financial Instruments ⁵
HKFRS 15	Revenue from Contracts with Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

Amendments to HKAS 1 – Presentation of Financial Statements

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

HKFRS 9 – Financial instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors anticipated that more disclosures would be made but so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors, the chief operating decision-makers, in order to allocate resources and assess performance of the segment.

During the prior year, executive directors regularly reviewed revenue and operating results derived from provision of staff outsourcing services, executive/staff search services and other human resources support services on an aggregate basis and consider as one single operating segment, i.e. human resource services segment, which is mainly based in Hong Kong.

During the current year, provision of credit consultancy services has been carried out by the Group in the People's Republic of China (the "PRC") upon the business combination, which is identified by the executive directors a new separate reportable segment. Accordingly the Group has two reportable segments, human resources service and credit consultancy service. The segments are managed separately as each business offers different services and requires different business strategies.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated and the expenses incurred by those segments. The measurement of segment profit or loss is the same as those used in preparing these financial statements under HKFRSs except that finance costs, income tax, share of results of associates, provision for impairment loss on trade, other receivables and prepayments, corporate income and expenses and other income and expenses not directly attributable to business activities of the operating segments are not included in arriving at the operating results of the operating segments. Unallocated corporate results comprise of administrative expenses of the Company for the years ended 31 March 2014 and 2015.

Segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliation to revenue, loss before income tax, total assets, total liabilities and other segment information are as follows:

2015	Human resource services <i>HK\$'000</i>	Credit consultancy services <i>HK\$'000</i>	Corporate/ Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Reportable segment revenue	210,582	3,971	–	214,553
Reportable segment profit/(loss)	1,610	862	(1,978)	494
Finance costs				(71)
Provision for impairment loss on other receivables and prepayments				(560)
Unallocated interest income				272
Corporate expenses, net				(755)
Loss before income tax				(620)
				Total HK\$'000
Reportable segment assets	31,254	24,320	–	55,574
Goodwill				7,152
Intangible assets				6,491
Cash in banks and in hand				71,674
Total consolidated assets				140,891
Reportable segment liabilities	22,681	1,354	–	24,035
Obligation under finance lease				419
Tax payable				433
Deferred tax liabilities				1,650
Total consolidated liabilities				26,537
Other information				
Depreciation	695	9	–	704
Amortisation	–	–	164	164

2014	Human resource services <i>HK\$'000</i>	Credit consultancy services <i>HK\$'000</i>	Corporate/ Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Reportable segment revenue	194,660	–	–	194,660
Reportable segment profit/(loss)	1,748	–	(1,026)	722
Finance costs				(248)
Share of losses of associates				(3)
Provision for impairment on trade receivables				(64)
Unallocated interest income				64
Profit before income tax				471
				Total <i>HK\$'000</i>
Reportable segment assets	33,612	–	–	33,612
Tax recoverable				601
Pledged bank deposits				6,510
Cash in banks and in hand				21,727
Total consolidated assets				62,450
Reportable segment liabilities	17,898	–	–	17,898
Obligation under finance lease				709
Bank loans				2,260
Total consolidated liabilities				20,867
Other information				
Depreciation	630	–	–	630

There has been no inter-segment sale between different business segments during the year or in prior year. Specified non-current assets include property, plant and equipment, goodwill, intangible assets and interests in associates.

Geographical information

The following table presents the revenue from external customers for the reporting period and the specified non-current assets by geographical locations as at the reporting date.

	Revenue from external customers		Specified non-current assets	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	210,582	194,660	872	1,499
PRC	3,971	–	13,643	–
	<u>214,553</u>	<u>194,660</u>	<u>14,515</u>	<u>1,499</u>

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group is all contributed from human resources services in Hong Kong and is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	135,466	132,039
Customer B	21,911	N/A ¹
Customer C	<u>N/A²</u>	<u>23,157</u>

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group during the prior year.

² The corresponding revenue did not contribute over 10% of total revenue of the Group during the current year.

5. REVENUE AND OTHER INCOME

An analysis of the revenue from the Group's principal activities, which is also the Group's turnover, and other income is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Staff outsourcing services	195,671	181,804
Executive/staff search services	11,339	9,447
Other human resources support services	3,572	3,409
Credit consultancy services	3,971	–
	<u>214,553</u>	<u>194,660</u>
Other income		
Interest income from		
– bank deposits	41	36
– amount due from a director	24	28
– loan receivables	207	–
Sundry income	304	250
	<u>576</u>	<u>314</u>
	<u><u>215,129</u></u>	<u><u>194,974</u></u>

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest charges on:		
Bank loans, which contain repayment on demand clause, wholly repayable within five years	34	191
Obligation under finance lease	37	57
	<u>71</u>	<u>248</u>
	<u><u>71</u></u>	<u><u>248</u></u>

7. (LOSS)/PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditor's remuneration	380	350
Cost of services rendered	195,742	180,013
Depreciation:		
– Owned assets	171	97
– Leased assets	533	533
	704	630
Amortisation	164	–
Employee benefits expenses (including directors' remuneration):		
Salaries, allowances and benefits in kind, included in		
– Cost of services rendered	187,621	173,237
– General and administrative expenses	7,059	6,029
Retirement benefits — defined contribution plans, included in		
– Cost of services rendered	7,389	6,631
– General and administrative expenses	258	188
	202,327	186,085
Exchange losses, net	(68)	(3)
Operating lease charges in respect of rented premises	2,115	1,201
Provision for impairment on trade receivables	–	64
Provision for impairment on other receivables and prepayments	560	–
	—————	—————

8. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax		
– Hong Kong Profits Tax		
– charged for the year	388	206
Over-provision in prior years	–	(10)
– The PRC Enterprise Income Tax (“EIT”)		
– charged for the year	522	–
	—————	—————
	910	196
	—————	—————

Hong Kong Profits Tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Taxation for subsidiaries established and operated in the PRC is calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are subject to EIT at the rate of 25% for the year ended 31 March 2014 and 2015.

9. DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 March 2015 and 31 March 2014.

10. (LOSS)/EARNINGS PER SHARE

The calculations of basic (loss)/ earnings per share for the year ended 31 March 2015 are based on the loss attributable to the owners of the Company amounting to HK\$1,530,000 (2014: profit of HK\$275,000), and the weighted average number shares of approximately 426,151,000 in issue (2014: 398,151,000) during the year.

The Group had no potential dilutive ordinary shares in issue during the years.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013					
Cost	583	146	456	1,776	2,961
Accumulated depreciation	(529)	(134)	(324)	(355)	(1,342)
Net carrying amount	<u>54</u>	<u>12</u>	<u>132</u>	<u>1,421</u>	<u>1,619</u>
Year ended 31 March 2014					
Opening net carrying amount	54	12	132	1,421	1,619
Additions	–	–	510	–	510
Depreciation	(19)	(5)	(73)	(533)	(630)
Closing net carrying amount	<u>35</u>	<u>7</u>	<u>569</u>	<u>888</u>	<u>1,499</u>
At 31 March 2014 and 1 April 2014					
Cost	583	146	966	1,776	3,471
Accumulated depreciation	(548)	(139)	(397)	(888)	(1,972)
Net carrying amount	<u>35</u>	<u>7</u>	<u>569</u>	<u>888</u>	<u>1,499</u>
Year ended 31 March 2015					
Opening net carrying amount	35	7	569	888	1,499
Business combination	–	–	26	–	26
Additions	–	–	51	–	51
Depreciation	(19)	(3)	(149)	(533)	(704)
Closing net carrying amount	<u>16</u>	<u>4</u>	<u>497</u>	<u>355</u>	<u>872</u>
At 31 March 2015					
Cost	583	146	1,043	1,776	3,548
Accumulated depreciation	(567)	(142)	(546)	(1,421)	(2,676)
Net carrying amount	<u>16</u>	<u>4</u>	<u>497</u>	<u>355</u>	<u>872</u>

As at 31 March 2015, the net carrying amount of property, plant and equipment included the amount of a motor vehicle of approximately HK\$355,000 (2014: HK\$888,000) held under a finance lease.

12. GOODWILL

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At beginning of year	–	–
Business combination	7,104	–
Exchange adjustment	48	–
At end of year	<u>7,152</u>	<u>–</u>

For the purpose of impairment testing, goodwill is allocated to the credit consultancy service cash generating units (“CGU”).

The recoverable amounts of the CGU have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a three-year period. Cash flow beyond the three-year period are extrapolated using an estimated weighted average growth rate of 3%, which does not exceed the long-term growth rate for the credit consultancy service industry in the PRC.

Discount rate	18.4%
Operating margin	49.0%
Growth rate within the three-year period	3.0%

The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU. The operating margin and growth rate within the three-year period have been based on past experience.

13. INTANGIBLE ASSETS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost		
At beginning of year	–	–
Business combination	6,558	–
Exchange adjustment	43	–
	<hr/>	<hr/>
At the end of year	6,601	–
	<hr/>	<hr/>
Amortisation		
At beginning of year	–	–
Amortisation	164	–
Exchange adjustment	(54)	–
	<hr/>	<hr/>
At the end of year	110	–
	<hr/>	<hr/>
Net carrying amount	6,491	–
	<hr/> <hr/>	<hr/> <hr/>

Intangible assets represented customer relationships and customer contracts recognised by the Group upon the acquisition of the credit consultancy service business.

14. INTERESTS IN ASSOCIATES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Unlisted shares, at cost	3	3
Share of net liabilities other than goodwill	(3)	(3)
	<hr/>	<hr/>
	–	–
	<hr/> <hr/>	<hr/> <hr/>

Particulars of the Company's associates, which are private company with limited liability, as at 31 March 2015 are as follow:

Name	Country/ Place of incorporation	Particulars of issued and fully paid share capital	Percentage of ownership interests/voting rights/profit share	Principal activities
Interests held indirectly				
Zebra China Holding Limited	The BVI	US\$1,000	40%	Investment holding
Zebra Strategic Outsource Solution (China) Limited	The BVI	US\$1,000	40%	Investment holding
Zebra Strategic Outsource China Limited	Hong Kong	HK\$10,000	40%	Investment holding

The primary business of the associates is investment holding. The associates are established in the view of exploring opportunity in the PRC market.

15. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current		
Trade receivables	28,200	29,521
Deposits	3,327	384
Prepayments	1,505	1,546
Other receivables	2	560
	33,034	32,011

The Group normally allows credit periods ranging from 30 to 60 days to its major customers and the Group did not hold any collateral as security or other credit enhancements over the trade receivables.

Ageing analysis of trade receivables that are not impaired is as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	23,783	15,530
1–90 days past due	3,846	13,921
91–180 days past due	256	70
181–365 days past due	315	–
	<hr/> 4,417 <hr/>	<hr/> 13,991 <hr/>
	28,200	29,521
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables that were neither past due nor impaired and that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

16. LOAN RECEIVABLES

As at 31 March 2015, there are five loan receivables due from independent third parties. These loans are unsecured and interest-bearing at fixed rates ranging from 6% to 7% per annum, except for three loan receivables in the aggregate amount of HK\$9,900,000 which are secured by corporate guarantees executed by independent third party. All loan receivables are denominated in Renminbi (“RMB”) and repayable within twelve months from the end of the reporting period, and they are subsequently settled in full as of the date of approval of these financial statements.

The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, while overdue balances are reviewed regularly for recoverability.

17. ACCRUED EXPENSES AND OTHER PAYABLES

The amounts are non-interest-bearing as at the reporting date.

18. BANK LOANS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current		
Bank loans, repayable within one year	–	2,260

During the year ended 31 March 2015, the Group had repaid all of its bank loans.

As at 31 March 2014, secured bank loans included an instalment loan with a principal amount of HK\$2,000,000 that bore interest at 1.25% per annum below the bank's HK\$ prime rate and was repayable in 59 monthly instalments. The outstanding balance of the instalment loan amounted to approximately HK\$260,000 as at 31 March 2014.

As at 31 March 2014, another secured bank loan represented a revolving loan with a principal amount of HK\$2,000,000 that bore interest at 0.5% per annum over the higher of (i) the bank's prime rate and (ii) the bank's cost of fund. The outstanding balance of the revolving loan amounted to approximately HK\$2,000,000 as at 31 March 2014.

The effective interest rates applicable to the bank loans for the year ended 31 March 2014 ranged from 4.0% to 58.1% per annum.

19. SHARE CAPITAL

	Number of ordinary shares	Nominal value <i>HK\$'000</i>
Authorised:		
At 1 April 2013, and 31 March 2014 and 2015, ordinary shares of HK\$0.01 each	5,000,000,000	50,000
Issued and fully paid:		
At 1 April 2013, ordinary shares of HK\$0.01 each	31,250,100	313
Issue of shares upon capitalisation (<i>Note (c)</i>)	293,749,900	2,937
Issue of shares upon placing (<i>Note (b)</i>)	75,000,000	750
At 31 March 2014, ordinary shares of HK\$0.01 each	400,000,000	4,000
Issue of shares upon acquisition (<i>Note (a)</i>)	75,000,000	750
Issue of shares upon placing (<i>Note (b)</i>)	190,000,000	1,900
At 31 March 2015, ordinary shares of HK\$0.01 each	665,000,000	6,650

Notes:

- (a) On 15 December 2014, the Company issued an aggregate of 75,000,000 consideration shares, credited as fully paid, to the vendor as consideration with a fair value of approximately HK\$25,125,000 for the acquisition of the entire issued share capital of Sheng Zhuo Group Limited. An amount of HK\$750,000 was credited to share capital and the balance of HK\$24,375,000 was credited to share premium.
- (b) During the year, the Company completed the placing of 190,000,000 (2014: 75,000,000) new shares to placees at the placing price of HK\$0.261 each (2014: HK\$0.410 each), resulting in gross proceeds of HK\$49,590,000 (2014: HK\$30,750,000) of which an amount of HK\$1,900,000 (2014: HK\$750,000) was credited to share capital and the amount of HK\$47,690,000 (2014: HK\$30,000,000) was credited to share premium.
- (c) Pursuant to a shareholder resolution passed on 19 March 2013, the directors were authorised to allot and issue a total of 293,749,900 shares credited as fully paid at par to each holder of the shares on 19 March 2013 in proportion to their shareholdings (save that no shareholder shall be entitled to be allotted or issued by fraction of a share) by way of capitalisation of the sum of approximately HK\$2,937,000 standing to the credit of the share premium account of the Company, and the shares to be allotted and issued shall rank pari passu in all respects with the existing issued shares, which was completed in the prior year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of staff outsourcing services, provision of executive/staff search services and other human resources support services. During the year, the Group diversified into providing credit assessment and credit consultancy services to customers in the PRC.

For the year ended 31 March 2015, the Group has continued to maintain its market position as the leading human resources services provider in Hong Kong. Revenue derived from staff outsourcing services amounted to approximately HK\$195,671,000 (2014: approximately HK\$181,804,000), an increase of approximately 7.63% in revenue as compared to the corresponding period of the previous year.

Having successfully expanded its executive/staff search services into the food and beverage sectors and the luxury brand sectors in Hong Kong, the Company has achieved a significant increase in its revenue from executive/staff search services. Revenue from executive/staff search services for the year ended 31 March 2015 was approximately HK\$11,339,000, an increase of approximately 20.03% when compared to the corresponding period of the previous year of approximately HK\$9,447,000. Due to the need and growing demands for executives in the food and beverage, and luxury brand sectors, given that sector have benefited from the influx of tourists from the PRC in recent years, the rising demand has allowed an opportunity for the Group to extend their service network, enhancing the Group's performance and profits.

Revenue from other human resources support services showed a steady return. For the year ended 31 March 2015, the revenue for other human resources support services was approximately HK\$3,572,000, representing a marginal increase of approximately 4.78%, when compared to approximately HK\$3,409,000 for the year ended 31 March 2014.

Apart from staff outsourcing services, executive/staff search services and human resources services mentioned above, the Group diversified into providing credit assessment and credit consultancy services in the PRC. Revenue from credit assessment and consultancy services in the PRC was approximately HK\$3,971,000 for the year ended 31 March 2015 (2014: nil). Considering that the credit assessment and credit consultancy business was acquired in December 2014, incorporating just less than 4 months of its operating results, the new business has brought into the Group a steady income, broadening the Group's sources of income.

FINANCIAL REVIEW

For the year ended 31 March 2015, the Group recorded revenue of approximately HK\$214,553,000 (2014: approximately HK\$194,660,000), representing staff outsourcing revenue, executive/staff search revenue, other human resources support services revenue and credit assessment and consultancy revenue. Gross profit for the year ended 31 March 2015 was approximately HK\$18,811,000 (2014: approximately HK\$14,647,000), representing a gross profit margin of approximately 8.77% for the year ended 31 March 2015 (2014: approximately 7.52%).

During the year ended 31 March 2015, direct costs amounted to approximately HK\$195,742,000 (2014: approximately HK\$180,013,000), representing costs rendered for sourcing and employing candidates for outsourcing services, direct wages for executive/staff search teams and direct wages for human resources support team, and costs rendered for credit consultancy and assessment services.

Other income for the year ended 31 March 2015 was approximately HK\$576,000 (2014: approximately HK\$314,000), representing interest from bank deposits and director's loan of approximately HK\$65,000 (2014: approximately HK\$64,000), from loan receivables of approximately HK\$207,000 (2014: nil) and sundry income of approximately HK\$304,000 (2014: approximately HK\$250,000).

General and administrative expenses for the year ended 31 March 2015 were approximately HK\$19,936,000 (2014: approximately HK\$14,239,000), representing a significant increase of approximately 40.01% compared with that of last year, of which staff related costs were approximately HK\$7,317,000 (2014: approximately HK\$6,217,000). Consultancy fees were approximately HK\$738,000 (2014: approximately HK\$652,000), representing the costs of engaging a consultant to identify and negotiate with potential strategic partners. Rental expenses were approximately HK\$2,115,000 (2014: approximately HK\$1,201,000) due to rental of an additional office space to support the expansion of the Group's executive/staff search business. Professional fees were approximately HK\$916,000 (2014: approximately HK\$913,000), mainly representing cost of obtaining legal advices on the takeovers code, placing of new shares and acquisition of a subsidiary.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation by its own working capital and from bank borrowings. Total net cash inflow from financing amounted to approximately HK\$46,182,000 for the year ended 31 March 2015 (2014: net inflow of approximately HK\$23,300,000) and the movements are mainly attributable to receiving HK\$4,000,000 from new bank borrowings (2014: HK\$8,000,000), approximately HK\$48,803,000 (2014: HK\$26,165,000) from issue of new shares, expenses, and repayment of bank borrowings, bills payables, interest paid, payments of both capital and interest element of finance lease liabilities amounting to HK\$6,621,000 (2014: HK\$10,946,000) in aggregate.

As at 31 March 2015, the Group had no borrowings from banks (2014: approximately HK\$2,260,000) but had obligations under finance leases of approximately HK\$419,000 (2014: approximately HK\$709,000). Among the total outstanding amounts of obligations under finance leases as at 31 March 2015, 74.2% (2014: approximately 41.0%) is repayable within the next year.

The Group has a current ratio of approximately 5.10 comparing to that of approximately 2.98 as at 31 March 2014. As at 31 March 2015, the Group's gearing ratio was approximately 0.3% (2014: approximately 7.1%), which is calculated based on the Group's total borrowings of approximately HK\$419,000 (2014: approximately HK\$2,969,000) and the Group's total equity of approximately HK\$114,354,000 (2014: HK\$41,583,000). The Group's total cash and bank balances as at 31 March 2015 amounted to approximately HK\$71,674,000 compared to approximately HK\$21,727,000 as at 31 March 2014. The cash and bank balance provide adequate liquidity and capital resources for the ongoing operating requirements of the Group.

CAPITAL STRUCTURE OF THE GROUP

Details of the movements in the Company's share capital are set out in note 19 to the consolidated financial statements in this announcement.

FOREIGN EXCHANGE EXPOSURE

As most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group did not use any financial instrument to hedge against foreign currency risk.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group did not have any material contingent liabilities (31 March 2014: nil).

SIGNIFICANT INVESTMENT

During the year ended 31 March 2015, the Group did not have any significant investment (31 March 2014: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

For the year ended 31 March 2015, the Group acquired 100% of the voting equity instruments of Sheng Zhuo Group Limited, a company whose principal activity is investment holding and its subsidiary of 廣東弘博信用管理服務有限公司, a company engaging in credit assessment and consultancy services to customers in PRC. The acquisition was made with the aims to diversify the business of the Group with the objective of broadening its sources of income. The acquisition was completed on 15 December 2014. Details of which have been disclosed in the announcements of the Company dated 25 November 2014 and 15 December 2014 respectively (31 March 2014: nil).

No material disposals of subsidiaries were made by the Group for the year ended 31 March 2015 (2014: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group's staff costs, including director's remuneration, were approximately HK\$202.3 million (2014: approximately HK\$186.1 million). It is the Group's policy to review its employee's pay levels and performance bonus system regularly to ensure the remuneration policy is competitive within the industry.

FINAL DIVIDENDS

The Directors do not recommend the payment of the final dividend for year ended 31 March 2015 (2014: nil).

PROSPECTS

The Group intends to continuously strive to create value for its shareholders. The Group will continue to focus on its staff outsourcing services and expand its existing executive search services in Hong Kong and in the PRC. The Group has successfully diversified into providing credit assessment and credit consultancy services to customers in PRC, providing a strong platform to broaden and secure a steady income stream for the Group. The Company will continue to look for opportunities within our existing business, particularly in expanding within the Group's existing platform and service networking.

In addition, the Company will continue to enhance competitiveness and strengthen its market position while maintaining a firm monitor over its cost and operating expenses to maximize the returns for shareholders.

OTHER INFORMATION

The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 28 March 2013 (the "Prospectus") with actual business progress for the period ended 31 March 2015 (the "Period").

Business objectives up to 31 March 2015 as set out in the Prospectus

Actual business progress up to 31 March 2015

Expansion of existing executive/staff search and staff outsourcing services

- | | |
|---|--|
| <ul style="list-style-type: none">• Set up a new team with 1 to 3 staff for providing executive search services for industries with growth potential.• Continue to explore business opportunities in our staff outsourcing and executive/staff search businesses in the banking, insurance and telecommunications industries in Hong Kong and evaluate the possibility to expand staff outsourcing business in other industries. | <p>The Group has recruited 4 staff for providing executive/staff search services for the retail sector and to seek sectors with potential growth. Sectors. An additional office has also been rented to support such expansion.</p> <p>The Group has started to explore other opportunities for staff outsourcing clients in the finance industries in Hong Kong. The Group has also contracted new businesses in the food and beverage sector in Hong Kong, and also the medical sector in Hong Kong.</p> |
|---|--|

Development in PRC and Singapore markets for executive/staff search services

- | | |
|---|---|
| <ul style="list-style-type: none">• Further employ about 1 to 3 staff for the further development of our executive/staff search services in the PRC market.• Evaluate the progress of the strategic alliance with the potential partners in the development of the PRC/Singapore market. | <p>The Group has opened an office in Shanghai and has employed 2 staff to manage its executive/staff search services in the PRC market.</p> <p>The Group is evaluating the need for strategic partners in the Singapore to develop its business in Singapore.</p> |
|---|---|

Business objectives up to 31 March 2015 as set out in the Prospectus

Actual business progress up to 31 March 2015

Upgrading of the Group's eHRIS software

- Continue to carry out the improvement work for eHRIS software.

The Group has completed the upgrading of the eHRIS software and is continuously improving on the software.

Development of other human resources support services

- Continue to explore business opportunities in the Group's human resources support services.
- Evaluate any human resources support services that can be provided to the Group's clients.

The Group continued to explore business opportunities in human resources support services.

The Group has evaluated and is considering to provide a one-stop human resources related and other supporting services such as payroll services, company secretarial services and professional referral services.

As of the date of this announcement, the Directors had no intention to make any changes to the business plan.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year ended 31 March 2015, the Group has not entered into any connected transactions that are not exempt under Rule 20.31 of the GEM Listing Rules nor any continuing connected transactions that are not exempt under Rule 20.33 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As far as the Directors are aware of, none of the Directors or any of their respective associates (as defined in the GEM Listing Rules) has any business or interest in a business which competes or may compete with the business of the Group during the year ended 31 March 2015.

All the independent non-executive Directors were delegated with the authority to review on an annual basis the non-competition undertaking given by Ms. Yeung Ka Fung, Queenie (“Ms. Yeung”), in the respective non-competition undertaking (the “Undertaking”) entered into by Ms. Yeung and Zebra Strategic Outsource Solution Limited dated 1 March 2013 and the deed of non-competition (the “Deed of Non-competition”) dated 19 March 2013 (an extract of the respective material terms of Undertaking and the Deed of Non-competition had been set out in the Prospectus). Ms. Yeung confirmed that (a) she has provided all information necessary for the enforcement of the Undertaking and the Deed of Non-competition, as requested by all independent non-executive directors from time to time; and (b) from the effective date of respective Undertaking and the Deed of Non-competition and up to 5 June 2015, Ms. Yeung had complied with the Undertaking and the Deed of Non-competition. All independent non-executive Directors also confirmed that they were not aware of any non-compliance with the Undertaking by Ms. Yeung or the Deed of Non-competition during the same period.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2015, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company’s listed securities.

COMPLIANCE ADVISER’S INTEREST IN THE COMPANY

As notified by the Company’s compliance adviser, Messis Capital Limited (the “Compliance Adviser”), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 27 March 2013, which commencing on 10 April 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 31 March 2015 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as 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 of them have complied with the required standards of dealings regarding securities transactions throughout the year ended 31 March 2015.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) on 19 March 2013 with written terms of reference for the purpose of reviewing and supervising the Company’s financial reporting and internal control procedures in compliance with the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, the chairman is Mr. Wang En Ping and other members include Dr. Cheung Wai Bun Charles, *JP* and Mr. Lam Raymond Shiu Cheung, both are independent non-executive Directors of the Company.

The primary duties of the Audit Committee are to review the Group’s audit findings, accounting policies and standards, changes of accounting rules (if any), compliance to the GEM Listing Rules, internal and audit control, and cash flow forecast.

The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2015 and the internal control system of the Group.

During the year, the Group’s unaudited quarterly and half-yearly results and audited annual results for the year ended 31 March 2015 have been reviewed by the Audit Committee and have opined such financial statements complied with the applicable accounting standards and that adequate disclosures have been made.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2015 have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 15 to the GEM Listing Rules. The Company has complied with the code provisions set out in the Code throughout the year ended 31 March 2015 except for the deviations from code provision A.2.1 of the Code as explained as follows:

Code provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate.

Mr. Chang Tin Duk, Victor (“Mr. Chang”) acts as both the chairman and the chief executive officer of the Company. The Board is of the view that, given that Mr. Chang has been primarily responsible for leading the strategic planning and business development of the Group, the current arrangement would provide the Company with strong and consistent leadership, and allow for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the current arrangement is overall beneficial to the management and development of the Group’s business. The Board will continue to review the current management structure from time to time and may make changes if and when appropriate.

Thus, the Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the Code.

On behalf of the Board
Zebra Strategic Holdings Limited
Chang Tin Duk, Victor
Chairman and Executive Director

Hong Kong, 5 June 2015

As at the date of this announcement, the executive Directors are Mr. Chang Tin Duk Victor and Mr. Zheng Zhong Qiang, the non-executive Director is Mr. Lam Tsz Chung and the independent non-executive Directors are Mr. Lam Raymond Shiu Cheung, Mr. Wang En Ping and Dr. Cheung Wai Bun Charles, JP.

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.