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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 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 (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 2015 together with the comparative unaudited figures for the corresponding period in 2014 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2015

		(Unaudited)	
		For the three months ended	
		30 June	30 June
		2015	2014
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	55,060	49,840
Direct costs		(49,077)	(45,975)
Gross profit		5,983	3,865
Other income	4	252	7
General and administrative expenses		(5,626)	(3,220)
Operating profit		609	652
Finance costs	5	(18)	(28)
Profit before income tax		591	624
Income tax expense	6	(465)	(103)
Profit for the period		126	521
Total comprehensive income for the period attributable to owners of the Company		126	521
Earnings per share for profit attributable to owners of the Company			
– Basic and diluted (HK cent)	7	0.019	0.130

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 activities of the subsidiaries (together with the Company referred to as the “Group”) are the provision of staff outsourcing services and credit counseling 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 2015 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 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

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 2015 have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

3. 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 period, the executive Directors regularly reviewed the 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 period, 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 as a new separate reportable segment. Accordingly the Group has two reportable segments, human resources services and credit consultancy services. The segments are managed separately as each segment 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, 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 three-month periods ended 30 June 2014 and 2015.

Segment revenue and results

	Human resource services HK\$'000	Credit consultancy services HK\$'000	Corporate/ unallocated HK\$'000	Consolidated HK\$'000
For the three-month period ended 30 June 2015 (Unaudited)				
Reportable segment revenue	52,559	2,501	–	55,060
Reportable segment profit	159	1,745	(1,295)	609
Finance costs				(18)
Profit before income tax				591

	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>
For the three-month period ended 30 June 2014 (Unaudited)				
Reportable segment revenue	<u>49,840</u>	<u>–</u>	<u>–</u>	<u>49,840</u>
Reportable segment profit	<u>652</u>	<u>–</u>	<u>–</u>	<u>652</u>
Finance costs				<u>(28)</u>
Profit before income tax				<u>624</u>

There has been no inter-segment sale between different business segments during the period or in prior year.

Geographical information

The following table presents the revenue from external customers for the three months ended 30 June 2015 and 2014 by geographical locations:

	(Unaudited)	
	For the three months ended	
	30 June 2015 <i>HK\$'000</i>	30 June 2014 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	52,559	49,840
PRC	2,501	–
	<u>55,060</u>	<u>49,840</u>

4. 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:

	(Unaudited)	
	For the three months ended	
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
Revenue		
Staff outsourcing services	49,513	46,133
Executive/Staff search services	1,787	2,851
Other human resources support services	1,259	856
Credit consultancy services	2,501	—
	<u>55,060</u>	<u>49,840</u>
Other income		
Interest income from – bank deposits	—	7
Sundry income	252	—
	<u>252</u>	<u>7</u>
	<u>55,312</u>	<u>49,847</u>

5. FINANCE COSTS

	(Unaudited)	
	For the three months ended	
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
Interest charges on:		
Bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	18	27
Obligation under a finance lease	—	1
	<u>18</u>	<u>28</u>

6. INCOME TAX EXPENSE

	(Unaudited)	
	For the three months ended	
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
Current tax		
– Hong Kong Profits Tax		
– charged for the period	25	103
– The PRC Enterprise Income Tax (“EIT”)		
– charged for the period	440	–
	<u>465</u>	<u>103</u>

Hong Kong profits tax have been provided for at 16.5% on the estimated assessable profits for the three months ended 30 June 2015 (2014: 16.5%).

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 three months ended 30 June 2015 (2014: nil).

7. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months ended 30 June 2015 is based on the profit attributable to the owners of the Company amounting to approximately HK\$126,000 (2014: approximately HK\$521,000) and the weighted average number of ordinary shares of approximately 665,000,000 in issue during the three months ended 30 June 2015 (2014: 400,000,000).

No diluted earnings per share is calculated for the three months ended 30 June 2015 and 2014 as there were no dilutive potential ordinary shares in existence.

8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger Reserve	Statutory reserve	Translation reserve	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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)	<u>4,000</u>	<u>22,478</u>	<u>(213)</u>	<u>–</u>	<u>–</u>	<u>15,839</u>	<u>42,104</u>
At 31 March 2015 (Audited)	6,650	93,756	(213)	266	373	13,522	114,354
Total comprehensive income for the period	–	–	–	–	–	126	126
At 30 June 2015 (Unaudited)	<u>6,650</u>	<u>93,756</u>	<u>(213)</u>	<u>266</u>	<u>373</u>	<u>13,648</u>	<u>114,480</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited revenue of approximately HK\$55,060,000 for the three months ended 30 June 2015, representing an increase of approximately 10.5% as compared with the last corresponding period of the previous year (2014: approximately HK\$49,840,000).

The Group reported a net profit of approximately HK\$126,000 during the three months ended 30 June 2015, as compared to a net profit of approximately HK\$521,000 for the same period of last financial year, representing a decrease of approximately 75.8%. The decrease was due to the increase in the Group's general and administrative expenses incurred by the Group's newly acquired subsidiaries.

Gross profit for the three months ended 30 June 2015 was approximately HK\$5,983,000, representing an increase of approximately 54.8% as compared with the last corresponding period (2014: approximately HK\$3,865,000). The significant increase in the Group's gross profit was mainly attributable by the profits derived from the Group's provision of credit counseling services, of which accounted for almost 41.8% of the Group's total gross profit. This business segment also placed a positive impact on the Groups gross profit margin. The gross profit margin of the Group for the three months ended 30 June 2015 was approximately 10.9%, significantly higher when compared with the last corresponding period (2014: 7.8%).

The Group's administrative expenses for the three months ended 30 June 2015 amounted to approximately HK\$5,626,000 an increase of approximately 74.7% as compared with the last corresponding year, due to the inclusion of administrative expenses incurred by the Group's recent acquired subsidiaries (2014: approximately HK\$3,220,000).

Operation Review

The Group has successfully diversified into providing credit assessment and credit consultancy services to customers in the PRC and this new business segment has broaden the Group's revenue stream. The unaudited revenue from credit consultancy services for the three months ended 30 June 2015 was approximately HK\$2,501,000 which represented approximately 4.5% of the Group's total revenue.

For the three months ended 30 June 2015, the unaudited revenue from staff outsourcing services was approximately HK\$49,513,000, representing an increase of approximately 7.3% when compared to approximately HK\$46,133,000 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 2015 decreased significantly by approximately 37.3%, the unaudited revenue being approximately HK\$1,787,000 when compared to approximately HK\$2,851,000 for the corresponding period of previous year. The decrease was mainly due to a drop in demand for executive/staff search in the banking industry, together with a significant drop in demand for executive/staff search in the luxury and retail sector, being a domino effect from the economic downturn of the Hong Kong retail market. The Group is continuing to widen its revenue channel by concentrating its focus in the PRC market for executive/staff search this financial year.

The unaudited revenue from other human resources support increased by approximately 47.1% when compared to the corresponding period of previous year, due to the Group's successful engagements of new clients for its human resources services. For the three months ended 30 June 2015, the unaudited revenue from other human resources support services was approximately HK\$1,259,000, while the corresponding period of previous year was approximately HK\$856,000.

Prospects

The Group aims to create value for shareholders by looking into new business synergies and exploring potential strategic partners to broaden its credit consultancy and counseling business. While maintaining their competitiveness in the market as the leading human resource services provider in Hong Kong, the Group will also focus strongly on their business developments in the PRC by expanding their expertise and services in staff outsourcing services in the PRC.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2015, none of the Directors and chief executives of the Company were interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Long positions in underlying shares of equity derivatives and debentures of the Company

As at 30 June 2015, no long positions of the Directors and chief executives of the Company in the underlying shares of equity derivatives and debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Short positions in shares, underlying shares of equity derivatives and debentures of the Company

During the period under review, no short positions of the Directors and chief executives of the Company in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares of equity derivative and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by the Directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executives of the Company, as at 30 June 2015, 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	Notes	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Upmost Corporation Limited	1	Beneficial owner	207,200,000	31.16%
Zhang Jian		Interest in controlled corporation	207,200,000	31.16%
Zhan Yu Global Limited	2	Beneficial owner	75,000,000	11.28%
Ye Jun		Interest in controlled corporation	75,000,000	11.28%

Notes:

1. Upmost Corporation Limited is a company owned as to 100% by Mr. Zhang Jian. By virtue of the SFO, Mr. Zhang Jian is deemed to be interested in the same block of shares in which Upmost Corporation Limited is interest.
2. Zhan Yu Global Limited is a company owned as to 100% by Mr. Ye Jun. By virtue of the SFO, Mr. Ye Jun is deemed to be interested in the same block of shares in which Zhan Yu Global Limited is interest.

Short positions in underlying shares of the Company

As at 30 June 2015, no short positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

As at 30 June 2015, the Directors were not aware of any person who had an interest or short position in the underlying shares (including interests in options, if any) of the Company as recorded in the register required to be kept under Section 336 of the SFO.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 8 June 2015, the Group has entered into a conditional agreement with an independent third party for the acquisition of entire issued share capital of Radiant Expert Global Limited (“Radiant”) at a consideration of HK\$204,000,000. The consideration will be satisfied by the allotment and issuance of 340,000,000 convertible preference shares of the Company. Subsequent to the acquisition, Radiant will become the wholly-owned subsidiary of the Company of which its PRC subsidiary is principally engaged in the provision of internet financing services through an online platform. For further details, please refer to the announcement of the Company dated 9 June 2015 and the supplemental announcement dated 25 June 2015. As at the date of this announcement, the acquisition has not been completed.

Save as disclosed above, the Company has not completed any material acquisitions or disposal during the period.

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 2015. The Company had not redeemed any of its listed securities during the three months ended 30 June 2015.

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 2015.

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 2015, except for the deviation from the code provision A.2.1 of the Code.

Chairman and Chief Executive Officer

Pursuant to the code provision A.2.1 of the Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. 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.

COMPLIANCE ADVISER’S INTEREST

As at 30 June 2015, except for the compliance adviser agreement entered into between the Company and Messis Capital Limited (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 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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 2015.

REVIEW BY AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, namely, Mr. Lam Raymond Shiu Cheung, Mr. Wang En Ping and Dr. Cheung Wai Bun Charles, JP. Mr. Wang En Ping is the chairman of the audit committee.

The Group's unaudited results for the three months ended 30 June 2015 and this announcement have been reviewed by the audit committee. The Board is of the opinion that such financial information has been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By Order of the Board
Zebra Strategic Holdings Limited
Chang Tin Duk Victor
Chairman and Executive Director

Hong Kong, 14 August 2015

Executive Directors as at the date of this announcement:

Mr. Chang Tin Duk Victor (*Chairman*)

Mr. Zheng Zhong Qiang

Non-executive Director as at the date of this announcement:

Mr. Lam Tsz Chung

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

Mr. Lam Raymond Shiu Cheung

Mr. Wang En Ping

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.