

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Zheng Li Holdings Limited
正力控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 8283)

2016 THIRD QUARTERLY RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Zheng Li Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed combined financial results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2016. This announcement, containing the full text of the 2016 Third Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of quarterly results.

By order of the Board of
Zheng Li Holdings Limited
Kelvin LIM
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 14 November 2016

As at the date of this announcement, the executive Directors are Mr. Kelvin LIM, Mr. CHUA Boon Hou, Mr. LIM Kong Joo, the non-executive Director is Mr. DU Xianjie; and the independent non-executive Directors are Ms. POK Mee Yau, Mr. LIU Ji and Mr. LEUNG Yiu Cho.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this 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 in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.zhengliholdings.com.

ZHENG LI HOLDINGS LIMITED

正力控股有限公司

(incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8283



2016

Third Quarterly Report

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Zheng Li Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

CORPORATE INFORMATION	3
THIRD QUARTERLY RESULTS	
UNAUDITED CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY	6
NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS	7
MANAGEMENT DISCUSSION AND ANALYSIS	10
DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES	13
DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES	13
SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY	14
PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES	15
SHARE OPTION SCHEME	15
DIRECTORS' SECURITIES TRANSACTIONS	15
COMPLIANCE WITH CORPORATE GOVERNANCE CODE	15
COMPLIANCE WITH CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS' INTERESTS IN COMPETING BUSINESSES	15
INTEREST OF THE COMPLIANCE ADVISER	16
AUDIT COMMITTEE	16
MATERIAL ACQUISITION AND DISPOSAL	16
DIVIDENDS	16
APPRECIATION	16

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Kelvin LIM
Mr. CHUA Boon Hou (Cai Wenhao)
Mr. LIM Kong Joo

Non-executive Director

Mr. DU Xianjie

Independent non-executive Directors

Ms. POK Mee Yau
Mr. LIU Ji
Mr LEUNG Yiu Cho

Audit Committee

Mr. LIU Ji (*Chairman*)
Mr LEUNG Yiu Cho
Ms. POK Mee Yau

Remuneration Committee

Mr LEUNG Yiu Cho (*Chairman*)
Mr. LIU Ji
Mr. Kelvin LIM

Nomination Committee

Ms. POK Mee Yau (*Chairman*)
Mr. LIU Ji
Mr. Kelvin LIM

Risk Management Committee

Ms. POK Mee Yau (*Chairman*)
Mr. Kelvin LIM
Mr. LIM Kong Joo
Mr. CHUA Boon Hou (Cai Wenhao)

Compliance Officer

Mr. CHUA Boon Hou (Cai Wenhao)

Company Secretary

WONG Cheung Ki Johnny, HKICPA

Authorised Representatives

Mr. CHUA Boon Hou (Cai Wenhao)
WONG Cheung Ki Johnny

Auditor

Ernst & Young
Certified Public Accountants:
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Principal Place of Business and Headquarters in Singapore

176 Sin Ming Drive
#01-15 Sin Ming Autocare
Singapore 575721

**Registered Office in the
Cayman Islands**

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

**Principal Place of Business in
Hong Kong under Part 16 of
the Companies Ordinance (Cap 622)**

9/F, Wah Yuen Building
149 Queen's Road Central
Central, Hong Kong

Stock Code

8283

Website

www.zhengliholdings.com

THIRD QUARTERLY RESULTS

The Board of Directors of the Company (the "Board") is pleased to report the unaudited condensed combined financial results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 30 September 2016 with comparative figures for the corresponding periods in the year 2015.

UNAUDITED CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2016

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2016 S\$'000 (Unaudited)	2015 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)	2015 S\$'000 (Unaudited)
REVENUE	4	4,582	3,875	11,490	11,371
Other income and gains		55	294	548	606
Items of expense					
Cost of materials		(2,083)	(2,101)	(5,933)	(5,948)
Marketing and advertising expenses		(16)	(32)	(41)	(69)
Employee benefits expense		(941)	(873)	(3,098)	(2,644)
Depreciation of property, plant and equipment		(87)	(68)	(237)	(211)
Amortisation of intangible assets		(6)	(2)	(14)	(6)
Allowance for doubtful debts		—	—	(29)	—
Finance costs		(14)	(29)	(66)	(86)
Other expenses		(1,279)	(384)	(3,840)	(1,187)
Profit/(loss) before tax		211	680	(1,220)	1,826
Income tax expense	5	(213)	(117)	(272)	(309)
(Loss)/profit for the period		(2)	563	(1,492)	1,517
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Available-for-sale investment:					
Changes in fair value		(1)	9	(20)	28
Income tax effect		—	(3)	3	(5)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(1)	6	(17)	23
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(3)	569	(1,509)	1,540
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
— Basic (S\$ cents)		N/A	0.11	(0.30)	0.30
— Diluted (S\$ cents)		N/A	N/A	N/A	N/A

UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	Share capital S\$'000	Available- for-sale investment revaluation reserve S\$'000	Merger reserve S\$'000	Retained profits/ (accumulated loses) S\$'000	Total S\$'000
At 1 January 2015 (audited)	—	(72)	2,363	4,055	6,346
Profit for the period	—	—	—	1,517	1,517
Other comprehensive income for the period:					
Changes in fair value of an available-for-sale investment, net of tax	—	23	—	—	23
Total comprehensive income for the period	—	23	—	1,517	1,540
Dividend paid	—	—	—	(5,505)	(5,505)
At 30 September 2015 (unaudited)	—	(49)	2,363	67	2,381
At 1 January 2016 (audited)	—	(41)	6,863	266	7,088
Loss for the period	—	—	—	(1,492)	(1,492)
Other comprehensive income for the period:					
Changes in fair value of an available-for-sale investment, net of tax	—	(17)	—	—	(17)
Total comprehensive income for the period	—	(17)	—	(1,492)	(1,509)
At 30 September 2016 (unaudited)	—	(58)	6,863	(1,226)	5,579

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

1. General information

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 17 March 2016. The registered office of the Company is situated at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong under Part 16 of the Companies Ordinance (Cap 622) is at 9/F, Wah Yuen Building, 149 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the business of:

- 1) maintenance and repair of passenger cars; and
- 2) modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories.

2. Basis of presentation

Pursuant to a corporate reorganisation undergone by the Group (the "Reorganisation"), as more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 31 October 2016 (the "Prospectus"), the Company became the holding company of the companies now comprising the Group on 21 October 2016. The companies now comprising the Group were under the common control of the controlling shareholder, Kelvin Lim, before and after the Reorganisation. Accordingly, the unaudited condensed combined financial statements have been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the relevant periods.

The unaudited condensed combined statements of profit or loss and other comprehensive income for the three months and nine months ended 30 September 2015 and 2016 and condensed combined statements of changes in equity for the nine months periods ended 30 September 2015 and 2016 of the Group include the results of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the controlling shareholder.

All intra-group transactions and balances have been eliminated on combination.

3. Basis of preparation

The unaudited condensed combined financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which comprise all standards and interpretations) approved by the International Accounting Standards Board (the "IASB").

The unaudited condensed combined financial statements have been prepared under the historical cost convention, except for an available-for-sale investment, which has been measured at fair value. The unaudited condensed combined financial statements are presented in Singapore dollar ("S\$") and all values in the tables are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed combined financial statements are consistent with those adopted in the preparation of the accountants' report included in the Prospectus.

The Group has not adopted the new and revised IFRSs, which have been issued but are not yet effective.

4. Revenue

Revenue represents services rendered to customers less any discounts and invoiced trading sales of spare parts.

	Three months ended 30 September		Nine months ended 30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Maintenance and repair services	3,228	3,005	8,824	9,409
Modification, tuning and grooming services and trading of spare parts	1,354	870	2,666	1,962
	4,582	3,875	11,490	11,371

5. Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Subsidiaries in Singapore are subject to taxation at a rate of 17% on the estimated profits arising in Singapore.

	Three months ended 30 September		Nine months ended 30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax				
— Current period	213	117	276	308
Deferred tax				
— Current period	—	—	(4)	1
Tax expense for the period — Singapore	213	117	272	309

6. Dividends

The Board did not recommend the payment of any interim dividend for the nine months ended 30 September 2016. In February and July 2015, MBM Wheelpower Pte. Ltd. ("MBMW"), an indirect wholly owned subsidiary, declared interim dividends of S\$4.0 million and S\$1.0 million, respectively, to MBM International Holdings Pte. Ltd. ("MBMI"), its immediate holding company. In the same months, MBMI declared interim dividends of S\$4.0 million and approximately S\$1.5 million, respectively, to Mr. Kelvin Lim ("Mr. Lim"), who was its then sole shareholder. Part of the interim dividends declared by MBMI in February 2015 was offset against the net amount due from Mr. Lim to MBMI of approximately S\$3.3 million. The remaining balance of the interim dividends declared by MBMI of approximately S\$2.2 million was paid in 2015.

7. Earnings/(Loss) per share

The calculation of basic earnings per share is based on the following data:

	Three months ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period	(2)	563	(1,492)	1,517
Weighted average number of ordinary Shares ('000)	4,582	3,875	11,490	11,371

The number of ordinary Shares for calculating the basic earnings/(loss) per share is based on the assumption that the Reorganisation, as more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus, had been effective at the beginning of the respective periods.

No diluted earnings per share is calculated for the respective periods as there was no potential dilutive ordinary share in issue.

8. Events after the period

The shares of the Company have been listed of the Growth Enterprise Market of the Stock Exchange by way of placing on 8 November 2016. On the same date, 374,990,000 of the Company's new shares were listed through capitalisation of HK\$3,749,900 standing to the credit of share premium account of the Company. Additionally, 125,000,000 shares of the Company of HK\$0.01 each were issued at a placing price of HK\$0.40 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is a leading automotive service provider in Singapore. We have over 14 years of experience in the passenger car service industry, and offer a comprehensive range of passenger car services including (i) maintenance and repair services; and (ii) modification, tuning and grooming services. We have the capability to maintain and repair a wide range of brands of passenger cars in Singapore and are equipped with diagnostic equipment for carrying out such services. We modify and tune mainly luxury and ultra-luxury passenger cars, providing services ranging from aesthetic modifications including installing bodykits, to performance modifications including lowering the suspension of passenger cars and replacing the engine control unit. We also sell passenger car spare parts and accessories in Singapore and export to other countries, such as Malaysia, Indonesia, United Kingdom, People's Republic of China and Thailand.

The Group's competitive strengths include: (i) we are a leading automotive service provider in Singapore with comprehensive service offerings and the capability to repair a wide range of brands of passenger cars; (ii) we collaborate with established car dealers in Singapore and have strong relationships with car tuning parts suppliers; (iii) we focus our modification, tuning and grooming services on luxury and ultra-luxury passenger cars, which has strengthened our brand name; (iv) we focus on providing high quality customer service and stringent quality control; and (v) we have an experienced senior management team who is supported by a team of talented and well-trained technicians.

Despite the highly fragmented passenger car maintenance and repair market in Singapore, we have continued to maintain our key position as one of the leading automotive service providers. Despite the anticipated fall in the total number of registered passenger in Singapore in 2016 and 2017, our management remains confident of the market conditions for automotive services, due to: (i) our collaborations with established car dealers in Singapore; (ii) because the decrease is expected to be mild; and (iii) the Group have established a loyal customer base, which comprises a majority of repeat customers. The Directors also believe that with the proceeds from the listing on GEM, we will be able to expand our market share in the highly fragmented passenger car maintenance and repair market by enhancing our servicing capacity, market reputation and service quality.

As disclosed in the Prospectus, we ceased our operations at one of our two service centres located at part of Unit 01-01, Units 01-02, 01-03 and 01-04, 2 Kung Chong Road, Singapore 159140 (the "Kung Chong Service Centre") in operation in September 2016 and relocated these operations (the "Relocation") to our other service centres located at 1 Commonwealth Lane, Units 01-11, 01-12 and 01-13 One Commonwealth, Singapore 149544 (the "Commonwealth Service Centre") and Units 01-11, 01-14, 01-15 and 01-16, Block 176, Sin Ming Drive, Sin Ming Autocare, Singapore 575721 ("Sin Ming Service Centre"). Since the Relocation, our Commonwealth Service Centre has served as our office and showroom, where our customers may drop off and collect their passenger cars, and our Sin Ming Service Centre has served as our primary workshop. Based on our consistent revenue for the nine months ended 2015 and 2016, we do not expect these changes to impact the operations of the Group in any significant way.

Outlook

The Company's shares ("Shares") were successfully listed on GEM on 8 November 2016 (the "Listing") by way of placing of a total of 125,000,000 shares, at the placing price of HK\$0.40 per share (the "Placing"). The amount of the net proceeds from the Placing received by the Company was approximately HK\$24.6 million.

The Directors believe that the Listing would facilitate the implementation of our business strategies. The Listing would (i) allow the Group a platform to access the capital markets for future secondary fund-raising that would have lower financing costs; (ii) enhance the market reputation and brand awareness of our Group with the public and potential business partners; (iii) enhance our internal control and corporate governance practises, resulting in increased customers' and suppliers' confidence and attract potential customers to us.

Moving forward, with the additional capital raised from the Placing, the Group will pursue the following key business strategies: (i) continue to strengthen our leading market position in Singapore and expand our servicing capacity and customer base; (ii) continue to increase the brands of car tuning parts that we offer; (iii) further strengthen our brand, operational efficiency and sales and marketing efforts, and improve our customer service quality; and (iv) continue to attract, train and retain skilled employees to support our future growth and expansion.

Financial review

Revenue

Revenue of our Group remained comparable at approximately S\$11.4 million and approximately S\$11.5 million for the nine months ended 30 September 2015 and 2016, respectively.

Employee benefits expense

Our Group's employee benefits expense increased by approximately S\$0.5 million or 17.2% from approximately S\$2.6 million for the nine months ended 30 September 2015 to approximately S\$3.1 million for the nine months ended 30 September 2016. This is mainly due to an increase in employee headcount in the second half of 2015 to prepare for our expansion plan and salary increments for existing employees. The number of our full-time employees increased from 66 as at 30 September 2015 to 70 as at 30 September 2016.

Other expenses

Our Group's other expenses increased by approximately S\$2.6 million or 223.5% from approximately S\$1.2 million for the nine months ended 30 September 2015 to approximately S\$3.8 million for the nine months ended 30 September 2016. This is mainly due to non-recurring expenses related to the Listing of approximately S\$2.5 million being recorded for the nine months ended 30 September 2016.

(Loss)/profit for the period

Our Group recorded a loss for the nine months ended 30 September 2016 of approximately S\$1.5 million, while a profit of approximately S\$1.5 million was recorded for the nine months ended 30 September 2015. This was mainly due to: (i) expenses related to the Listing of approximately S\$2.5 million recorded during the nine months ended 30 September 2016 as compared with nil during the nine months ended 30 September 2015; and (ii) an increase in employee-related expenses. Along with (i) the salary increments for existing employees during 2016; (ii) the joining of our chief financial officer in January 2016 for the preparation of the Listing; (iii) the salary increments of certain senior management members of our Group in 2016 to reflect their efforts for the preparation of the Listing and their ongoing senior management role in our Group, our employee benefit expenses increased from approximately S\$2.6 million for the nine months ended 30 September 2015 to approximately S\$3.1 million for the nine months ended 30 September 2016. Our Group would have been recorded a profit of approximately S\$1.0 million for the nine months ended 30 September 2016 should the expenses related to the Listing be excluded.

Use of proceeds from the Placing

The amount of the net proceeds from the Placing received by the Company, after deducting the expenses related to the Placing payable by the Company, is approximately HK\$24.6 million. The Company intends to apply such net proceeds for the following purposes:

- approximately HK\$14.1 million, representing approximately 57.4% of the net proceeds from the Placing, will be used for expanding our servicing capacity;
- approximately HK\$4.3 million, representing approximately 17.5% of the net proceeds from the Placing, will be used for expanding and training the workforce of the Group;
- approximately HK\$2.4 million, representing approximately 9.9% of the net proceeds from the Placing, will be used for strengthening the brand and sales and marketing of the Group;
- approximately HK\$2.1 million, representing approximately 8.4% of the net proceeds from the Placing, will be used for upgrading the informational technology system of the Group;
- approximately HK\$1.3 million, representing approximately 5.3% of the net proceeds from the Placing, will be used for partial repayment of bank loan; and
- approximately HK\$0.4 million, representing approximately 1.5% of the net proceeds from the Placing, will be used as working capital and for general corporate purposes.

For further details of the Group's intended use of the net proceeds from the Placing, please refer to "Future Plans and Use of Proceeds" in the Prospectus.

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

As at 30 September 2016 and the date of this report, the interests and short positions of the Directors and chief executives of the Company or any of their respective associates 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 ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares as at the date of this report (Note 1):

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Shares held as at the date of this report	
		Number of Underlying Shares	Approximate Percentage
Mr. Kelvin LIM	Beneficial interest	281,250,000	56.25%

Note 1: Part XV of the SFO is not applicable to the Company as at 30 September 2016 as the Shares were not listed on the Stock Exchange until 8 November 2016. As such, interest and short positions of the relevant parties as at the date of this report will be disclosed instead.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time from the Listing to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the date of this report, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions in the Shares as at the date of this report (Note 1):

Name	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company as at the date of this report
Mr. Kelvin LIM	Beneficial owner	281,250,000	56.25%
Mdm. Chong Ling Ling (Note 2)	Interest of spouse	281,250,000	56.25%
Mr. Zhou Yunchuan	Interest of a controlled corporation, interests held jointly with another person	93,750,000	18.75%
Mdm. Chen Yi (Note 3)	Interest of spouse	93,750,000	18.75%
Mdm. Ng Geok Luan	Interest of a controlled corporation, interests held jointly with another person	93,750,000	18.75%
Mr. Goh Seng Moh (Note 4)	Interest of spouse	93,750,000	18.75%
Valiant World Enterprises Limited (Note 5)	Beneficial owner	93,750,000	18.75%

Notes:

- (1) Part XV of the SFO is not applicable to the Company on 30 September 2016 as the Shares are not listed on the Stock Exchange until 8 November 2016. As such, interest and short positions of the relevant parties as at the date of this report will be disclosed instead.
- (2) Mdm. Chong Ling Ling is the spouse of Mr. Kelvin LIM ("Mrs. Lim"). Under the SFO, Mrs. Lim is deemed to be interested in the same number of Shares in which Mr. Kelvin LIM is interested.
- (3) Mdm. Chen Yi is the spouse of Mr. Zhou Yunchuan. Under the SFO, Mdm. Chen Yi is deemed to be interested in the same number of Shares in which Mr. Zhou Yunchuan is interested.
- (4) Mr. Goh Seng Moh is the spouse of Mdm. Ng Geok Luan. Under the SFO, Mr. Goh Seng Moh is deemed to be interested in the same number of Shares in which Mdm. Ng Geok Luan is interested.
- (5) The entire issued share capital of Valiant World Enterprises Limited is legally and beneficially owned by Mr. Zhou Yunchuan and Mdm. Ng Geok Luan as to 55% and 45%, respectively.

Save as disclosed above, as at the date of this report, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person or corporation (other than the Directors and chief executives of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the Listing and up to the date of this report.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 21 October 2016 (the "Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. No share option has been granted since the adoption of the Scheme up to the date of this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms equivalent to the Required Standard of Dealings. The Company had made specific enquiries with written guidelines in relation to the Required Standard of Dealings to all Directors, all Directors have confirmed that they complied with the required standards set out in the Required Standard of Dealings since the Listing and up to the date of this report.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

As the Listing only took place after the end of the period ended 30 September 2016, the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the "CG Code") only apply to the Company from the Listing to the date of this report.

Pursuant to code provision A.2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. Lim currently performs these two roles. Our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Save as disclosed above, the Directors consider that since the Listing and up to the date of this report, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

COMPLIANCE WITH CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the date of this report, none of the Directors had an interest in a business (other than those businesses where the Director were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with businesses of the Group.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Messis Capital Limited, neither Messis Capital Limited nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser service provided by Messis Capital Limited) as at the date of this report.

AUDIT COMMITTEE

The Group's third quarterly results for the nine months ended 30 September 2016 were unaudited. The Company's audit committee (the "Audit Committee") has reviewed the third quarterly results of the Group for the nine months ended 30 September 2016. A meeting of the Audit Committee was held with the management of the Company for, amongst other things, reviewing the third quarterly results of the Group for the nine months ended 30 September 2016.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates since the Listing to the date of this report.

DIVIDENDS

The Board did not recommend the payment of any interim dividend for the nine months ended 30 September 2016. In February and July 2015, MBMW, an indirect wholly owned subsidiary, declared interim dividends of S\$4.0 million and S\$1.0 million, respectively, to MBMI, its immediate holding company. In the same months, MBMI declared interim dividends of S\$4.0 million and approximately S\$1.5 million, respectively, to Mr. Lim, who was its then sole shareholder. Part of the interim dividends declared by MBMI in February 2015 was offset against the net amount due from Mr. Lim to MBMI of approximately S\$3.3 million. The remaining balance of the interim dividends declared by MBMI of approximately S\$2.2 million was paid in 2015.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board
Mr. Kelvin LIM
Chairman and Executive Director

14 November 2016