

ZHENG LI HOLDINGS LIMITED

正力控股有限公司

(incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8283

2018

First 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 small and mid-sized 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.

Given that the companies listed on the GEM are generally small and mid-sized companies, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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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.

This report 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 date of its posting. This report will also be published on the website of the Company at www.zhengliholdings.com.

CONTENTS

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Kelvin LIM
Mr. WANG Jingan
Mr. CHUA Boon Hou (Cai Wenhao)
Mr. SO Zelong

NON-EXECUTIVE DIRECTORS

Mr. DU Xianjie
Mr. WU Tangqing

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. CHUA Boon Hou (Cai Wenhao)

COMPLIANCE OFFICER

Mr. CHUA Boon Hou (Cai Wenhao)

COMPANY SECRETARY

Mr. WONG Cheung Ki Johnny, FCPA, ACIS, ACS

AUTHORISED REPRESENTATIVES

Mr. CHUA Boon Hou (Cai Wenhao)
Mr. WONG Cheung Ki Johnny, FCPA, ACIS, ACS

AUDITOR

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

COMPLIANCE ADVISOR

Messis Capital Limited
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PRINCIPAL BANKS

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United Overseas Bank Limited
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Level 22, Hopewell Centre
183 Queen's Road East
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PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

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REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Clifton House
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP 622)

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Hong Kong

STOCK CODE

8283

COMPANY'S WEBSITE ADDRESS

www.zhengliholdings.com

FIRST QUARTERLY RESULTS

The Board of Directors of the Company (the “Board”) is pleased to report the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2018 together with the unaudited comparative figures for the corresponding period in the year 2017.

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

For the three months ended 31 March 2018

	Notes	2018 S\$'000 (Unaudited)	2017 S\$'000 (Unaudited)
REVENUE	3	3,763	2,977
Other income and gains		75	321
Items of expense			
Cost of materials		(2,113)	(1,562)
Marketing and advertising expenses		(54)	(35)
Employee benefits expense		(1,534)	(1,035)
Depreciation of property, plant and equipment		(459)	(44)
Amortisation of intangible assets		(11)	(38)
Finance costs		(53)	(17)
Other expenses		(1,084)	(439)
(Loss)/profit before tax		(1,470)	128
Income tax expense	4	–	(42)
(Loss)/profit for the period		(1,470)	86
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(1,470)	86
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (S\$ cents)	6	(0.29)	0.02

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 31 March 2018

	Share capital S\$'000	Share premium S\$'000	Available- for-sale investment revaluation reserve S\$'000	Merger reserve S\$'000	Retained profits/ (accumulated losses) S\$'000	Total S\$'000
At 1 January 2017 (audited)	900	8,982	17	3,884	546	14,329
Profit for the period	-	-	-	-	86	86
Total comprehensive income for the period	-	-	-	-	86	86
At 31 March 2017 (unaudited)	900	8,982	17	3,884	632	14,415
At 1 January 2018 (audited)	900	8,982	8	3,884	(1,511)	12,263
Loss for the period	-	-	-	-	(1,470)	(1,470)
Total comprehensive income for the period	-	-	-	-	(1,470)	(1,470)
At 31 March 2018 (unaudited)	900	8,982	8	3,884	(2,981)	10,793

NOTES TO THE CONDENSED CONSOLIDATED 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 at the offices of Estera Trust (Cayman) Ltd, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

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 preparation

The unaudited financial statements has been prepared in accordance with International Financial Reporting Standards ("IFRSs") which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board (the "IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

On 1 January 2018, the Group has adopted all the new and revised IFRSs issued by IASB that are relevant to its operations. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and has no material effect on the financial performance or position of the Group.

The unaudited 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 financial statements are presented in Singapore dollar ("SGD" or "S\$") and all values are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

Basis of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

3. Revenue

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

	2018 S\$'000 (Unaudited)	2017 S\$'000 (Unaudited)
Maintenance and repair services	3,099	2,532
Modification, tuning and grooming services and trading of spare parts	664	445
	3,763	2,977

4. 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.

	2018 S\$'000 (Unaudited)	2017 S\$'000 (Unaudited)
Current income tax		
— Current period	—	42
Tax expense for the period — Singapore	—	42

5. Dividends

The Board did not recommend the payment of any dividend for the three months ended 31 March 2018 (2017: Nil).

6. Earnings/(loss) per share attributable to ordinary equity holders of the parent

As at 31 March 2018, the Company had 500,000,000 ordinary shares in issue. The Company was listed on the GEM on 8 November 2016 by way of placing of 125,000,000 new shares and capitalisation of 375,000,000 shares resulting in 500,000,000 ordinary shares in issue. The calculation of basic earnings per share is based on the following data:

	2018 S\$'000 (Unaudited)	2017 S\$'000 (Unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of basic (loss)/earnings per share		
(Loss)/profit for the period attributable to owners of the Company	(1,470)	86
	2018 '000 (Unaudited)	2017 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	500,000	500,000

Basic (loss)/earnings per share for the three months ended 31 March 2018 is S\$(0.29) cents (2017: S\$0.02 cents).

No adjustment has been made to the basic earnings/(loss) per share as the Group had no potentially dilutive ordinary shares in issue during the three months ended 31 March 2018 and 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is a leading automotive service provider in Singapore. We have over 15 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. Maintenance and repair services continue to be a key focus of the Group, contributing approximately 82.4% and 85.1% of total revenue for the three months ended 31 March 2018 and 2017, respectively. 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. We have continued to expand our range of tuning products and services to meet new customer demands and this segment has realised an increase of 49.2% in revenue from approximately S\$0.4 million for the three months ended 31 March 2017 to approximately S\$0.7 million for the three months ended 31 March 2018.

Our management is confident of the Group's strong performance in our key market Singapore due to the Group's competitive strengths which 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.

Outlook

2018 is a year of many changes for the Singapore passenger car market. Since February 2018, the Singapore Government implemented a zero car and motorcycle growth rate policy. The new policy will result in a number of changes in the market, including an expected fall of total registered vehicles in Singapore, and increased retention of vehicles via renewed COEs. In March, the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed, which will bring significant changes and opportunities to international trade in the near future. Despite the uncertainty of these changes, our management remains cautiously optimistic of the outlook for the Group in 2018, due to: (i) our collaborations with established car dealers in Singapore; (ii) the decrease is expected to be of mild impact to our service offerings; and (iii) the Group have established a loyal customer base of repeat customers.

In addition, the market for taxi transportation services have reportedly doubled since private hire and self-operated car services have begun operating in Singapore. The total number of chauffeur-driven private-hire car is about 1.5 times that of taxis, according to the numbers released by the Land Transport Authority of Singapore in 2017. The private-hire car industry is expected to grow and evolve further. This presents an opportunity for the Group to increase its customer base, with private car owners that increasingly require maintenance and repair services. The Group aims to continue to increase our customer base in the highly fragmented passenger car maintenance and repair market, by enhancing our servicing capacity, market reputation and service quality. 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.

In 2017, the Group began operating additional units of workshops at our new Sin Ming Autocity service centre, a new 8 storey complex located across our existing Sin Ming Service Centre. The new workshops include accident repair facilities such as aluminium welding centre, spray painting preparation area, a section for Chromax low emission spray painting activities, low bake oven and wheels alignment system. This is to cater for the Group's expansion of its services to include car bodywork involving panel beating and spray painting which we subcontracted previously. This expansion allowed the Group to qualify as an approved reporting centre ("ARC") and authorised repairer ("Authorised Repairer") for insurance companies. An insured who is involved in any car accident, will report the accident to the insurance company's ARC within 24 hours or by the next working day. Our Group has been appointed by several insurance companies, as an Authorised Repairer, where we render repair services in respect of the insured vehicles. Further, our Group has entered into an agreement with an international insurance company and offer warranty programme ("Extended Warranty Programme") to both new and used passenger cars. Under the Extended Warranty Programme, the Group provides authorised automobile repair and maintenance services for the insured customers and receive a warranty revenue from the programme. The Extended Warranty Programme allows the Group to provide supplemental services to its existing customers and expand its customer base.

Moving forward, the Group will focus on maintaining its leading position in the Singapore passenger car market and closely monitor the market changes that zero-growth policy and the CPTPP will bring, while looking for new opportunities in private car hire services. We shall continue to expand our service and product offerings as customer demands and trends shift. Our management will continue to forge stronger bonds with our customers, suppliers and working partners to continue to provide the premier passenger car service in the Singapore passenger car market.

Financial review

Revenue

Revenue of our Group increased by approximately S\$0.8 million or approximately 26.4% from approximately S\$3.0 million for the three months ended 31 March 2017 to approximately S\$3.8 million for the three months ended 31 March 2018. This is mainly due to increases in both our maintenance and repair services and modification, tuning and grooming services and trading of spare parts segments. This is mainly a result of the increased capacity and service offerings with the new Sin Ming Autocity service centre.

Employee benefits expense

Our Group's employee benefits expense increased by approximately S\$0.5 million or approximately 48.2% from approximately S\$1.0 million for the three months ended 31 March 2017 to approximately S\$1.5 million for the three months ended 31 March 2018. This is mainly due to an increase in employee headcount in line with our business expansion at the new Sin Ming Autocity service centre. In addition, there were increased directors' fees as a result of the appointment of two executive Directors in 2017 and salary increments for existing employees during 2017.

Other expenses

Our Group's other expenses increased by approximately S\$0.6 million or approximately 146.9% from approximately S\$0.4 million for the three months ended 31 March 2017 to approximately S\$1.1 million for the three months ended 31 March 2018. This is mainly due to increases in rental expense due to commencement of operations at Sin Ming Autocity service centre and professional advisory fees.

(Loss)/profit for the period

Our Group recorded a profit for the three months ended 31 March 2017 of approximately S\$86,000, while a loss of approximately S\$1.5 million was recorded for the three months ended 31 March 2018. This was mainly due to: (i) an increase in employee benefits expense including directors' fees as a result of the increase in headcount for the expansion of our business at the new Sin Ming Autocity service centre and salary increments for existing employees during 2017, and the appointment of two executive Directors in 2017; and (ii) increases in our rental expense due to commencement of operations at Sin Ming Autocity service centre and professional advisory fees.

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

As at 31 March 2018, 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:

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Shares held as at 31 March 2018	
		Number of Underlying Shares	Approximate Percentage (Note)
Mr. Kelvin LIM	Beneficial interest	281,250,000	56.25%
Mr. CHUA Boon Hou (Cai Wenhao)	Beneficial interest	40,000	0.01%

Note: This is based on the total Shares in issue as at 31 March 2018, being 500,000,000.

Save as disclosed above, as at 31 March 2018, 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 31 March 2018 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 31 March 2018, 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:

Name	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company as at 31 March 2018 ¹
Mr. Kelvin LIM	Beneficial owner	281,250,000	56.25%
Mdm. CHONG Ling Ling ²	Interest of spouse	281,250,000	56.25%

Notes:

- (1) This is based on the total Shares in issue as at 31 March 2018, being 500,000,000.
- (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.

Save as disclosed above, as at 31 March 2018, 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.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor our controlling shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the three months ended 31 March 2018.

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 during the three months ended 31 March 2018.

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 during the three months ended 31 March 2018.

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 "Required Standard of Dealings") set out in rule 5.48 to 5.67 of the GEM Listing Rule. 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 during the three months ended 31 March 2018.

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.

Pursuant to code provision A.2 of the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (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 during the three months ended 31 March 2018, 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 31 March 2018, 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 first quarterly results for the three months ended 31 March 2018 were unaudited. The Company's audit committee (the "Audit Committee") has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31 March 2018. A meeting of the Audit Committee was held with the management of the Company for, amongst other things, reviewing the unaudited condensed consolidated results of the Group for the three months ended 31 March 2018.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the three months ended 31 March 2018.

DIVIDENDS

The Board did not recommend the payment of any dividend for the three months ended 31 March 2018 (2017: Nil).

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 May 2018, Hong Kong