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VISTAR HOLDINGS LIMITED

熒德控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8535)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

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 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 Vistar Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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.

FINANCIAL HIGHLIGHTS

- The Group recorded revenue of approximately HK\$186.3 million for the nine months ended 31 December 2017 (nine months ended 31 December 2016: approximately HK\$117.0 million).
- Profit attributable to equity holders of the Company for the nine months ended 31 December 2017 amounted to approximately HK\$3.7 million (nine months ended 31 December 2016: approximately HK\$9.5 million).
- The Board does not recommend of any dividend for the nine months ended 31 December 2016 and 2017. A special dividend for the year ended 31 March 2017 of HK\$10,000,000 was declared in December 2017.

FINANCIAL RESULTS

The board of directors (the “Board”) of Vistar Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the “Group”) for the nine months ended 31 December 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	70,624	51,170	186,295	117,023
Cost of revenue		<u>(60,201)</u>	<u>(44,041)</u>	<u>(157,096)</u>	<u>(100,046)</u>
Gross profit		10,423	7,129	29,199	16,977
Other income and gains		<u>36</u>	<u>63</u>	<u>278</u>	<u>412</u>
Administrative and other operating expenses	4	(5,211)	(1,686)	(12,287)	(5,856)
Listing expenses		–	–	(10,616)	–
Finance costs		<u>(18)</u>	<u>(30)</u>	<u>(65)</u>	<u>(99)</u>
Profit before income tax		5,230	5,476	6,509	11,434
Income tax	5	<u>(857)</u>	<u>(903)</u>	<u>(2,779)</u>	<u>(1,909)</u>
Profit and total comprehensive income for the period attributable to equity holders of the Company		<u>4,373</u>	<u>4,573</u>	<u>3,730</u>	<u>9,525</u>
Earnings per share					
Basic and diluted (HK cents)	7	<u>0.49</u>	<u>0.51</u>	<u>0.41</u>	<u>1.06</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

	Unaudited				
	Attributable to equity holders of the Company				
	Share capital (Unaudited) <i>HK\$'000</i>	Share premium (Unaudited) <i>HK\$'000</i>	Other reserves* (Unaudited) <i>HK\$'000</i>	Retained earnings (Unaudited) <i>HK\$'000</i>	Total equity (Unaudited) <i>HK\$'000</i>
Balance at 1 April 2017	–	–	2,524	36,336	38,860
Profit and total comprehensive income for the period	–	–	–	3,730	3,730
Dividend	–	–	–	(10,000)	(10,000)
Balance at 31 December 2017	<u>–</u>	<u>–</u>	<u>2,524</u>	<u>30,066</u>	<u>32,590</u>
Balance at 1 April 2016	–	–	2,524	21,349	23,873
Profit and total comprehensive income for the period	–	–	–	9,525	9,525
Balance at 31 December 2016	<u>–</u>	<u>–</u>	<u>2,524</u>	<u>30,874</u>	<u>33,398</u>

* Other reserves represent the difference between the initial share capital balance of the Company and those of its subsidiaries now comprising the Group of approximately HK\$2,500,000 and the statutory legal reserve of its branch in Macau of approximately HK\$24,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Vistar Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 27 June 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is Unit 2, 13/F., Tak King Industrial Building, 27 Lee Chung Street, Chai Wan, Hong Kong.

The Company and its subsidiaries (together, the “Group”) is an established electrical and mechanical (“E&M”) engineering service provider in Hong Kong, specialising in installation, alteration and addition works and maintenance of fire service systems. Our installation services include design and installation of fire service systems for buildings under construction or re-development, our alteration and addition works services cover the alteration and addition works on existing fire service systems, and our maintenance services cover the maintenance and repair of fire service systems for built premises.

The shares of the Company have been listed on GEM of the Stock Exchange on 12 February 2018.

Success Step Management Limited, Mr. Poon Ken Ching Keung (“Ken Poon”), Noble Capital Concept Limited, Trust Holding Company, Unity Trust Limited and Mr. Poon Ching Tong Tommy (“Tommy Poon”) are the controlling shareholders within the meaning of GEM Listing Rules.

This unaudited condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Group.

The unaudited condensed consolidated financial information have been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the nine months ended 31 December 2017 have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The unaudited condensed consolidated financial information should be read in conjunction with the Company’s combined financial statements for the year ended 31 March 2017, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the prospectus of the Company dated 31 January 2018.

Pursuant to the group reorganisation (the “Reorganisation”) as detailed in the prospectus of the Company dated 31 January 2018 (the “Prospectus”) under the section headed “History, reorganisation and corporate structure”, the Company became the holding company of the companies. The Group has been under the control and beneficially owned by controlling shareholders. Accordingly, the Reorganisation has been accounted for as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout the nine months ended 31 December 2017 or since their respective dates of incorporation to 31 December 2017.

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

The accounting policies used in this unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2017 except the following new or revised HKFRSs, potentially relevant to the Group, have been issued, but are not yet effective and have not been adopted by the Group in the preparation of unaudited condensed consolidated financial information.

NEW OR REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The following new or revised HKFRSs, potentially relevant to the Group, have been issued, but are not yet effective and have not been early adopted by the Group in the preparation of the unaudited condensed financial information.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures ¹
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
HKFRS 16	Leases ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2019

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3 REVENUE AND SEGMENT INFORMATION

	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Installation	35,375	31,300	115,104	68,255
Alteration and additions works	31,689	17,778	64,285	44,337
Maintenance	3,560	2,092	6,906	4,431
	70,624	51,170	186,295	117,023

The Executive Directors have been identified as the chief operating decision-makers of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The directors regard the Group's business as a single operating segment and review financial information accordingly.

The Group is principally engaged in the provision of E&M engineering services and specialize in the installation, alteration and addition works and maintenance of fire service systems.

The Group primarily operates in Hong Kong with all of its non-current assets located in and capital expenditure incurred in Hong Kong. Revenue was also earned from customers located in Hong Kong.

4 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Unaudited		Unaudited	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs, including				
Directors' emoluments	2,859	903	6,263	3,305
Travelling expenses	280	192	875	587
Depreciation	199	126	634	447
Legal and professional fees	637	–	2,120	16
Entertainment expenses	282	108	590	226
Operating lease rental on land and buildings	105	63	321	355
Repair and maintenance	40	36	112	152
Insurance	147	138	255	262
Others	662	120	1,117	506
	5,211	1,686	12,287	5,856

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% based on the estimated assessable profits of the Group for the periods.

6 DIVIDEND

The Board does not recommend of any dividend for the nine months ended 31 December 2016 and 2017.

A special dividend for the year ended 31 March 2017 of HK\$10,000,000 was declared in December 2017.

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holder of the Company by 900,000,000 ordinary shares on the assumption that all these shares of the Company have been in issue throughout the periods, which being the total number of shares in issue of the Company immediately upon the listing (as defined in prospectus dated 31 January 2018).

No adjustment has been made to the basic earnings per share presented for the nine months ended 31 December 2016 and 2017 as the Group had no potentially diluted ordinary shares in issue during those periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Our Group is a registered fire service installation contractor in Hong Kong and is qualified to undertake works in respect of the installation, maintenance, repair or inspection of fire safety systems. Fire safety systems mainly consist of fire alarm systems, water and gas expression systems, fire hydrant and hose reel systems, emergency lighting systems and portable fire equipment. Besides that, the Group is also an established E&M engineering service provider in Hong Kong.

The Group is principally engaged in the provision of E&M engineering services and specialize in the installation, alteration and addition works and maintenance of fire services system. Our installation services include design and installation of fire service systems for buildings under construction or re-development, our alteration and addition works services cover the alteration and addition works on existing fire service systems, and our maintenance services cover the maintenance and repair of fire service systems for built premises.

Our Board and management are actively exploring new business opportunities by keeping track of any new projects in Hong Kong through existing network, soliciting and through marketing effort with our customers. Our listing status also conduce to enhance our corporate profile and recognition that in turn strengthen our brand awareness and image in both of our existing and potential customers.

Financial Review

Revenue and Gross Profit

Our revenue, is principally generated from the provision of installation, alteration and addition works, maintenance of fire service systems and engineering services for construction projects, was approximately HK\$186.3 million for the nine months ended 31 December 2017 and HK\$117.0 million for the corresponding period in 2016. The Group's gross profit margin increased from 14.5% for the nine months ended 31 December 2016 to 15.7% for the nine months ended 31 December 2017. Our revenue increment was mainly due to more contracts on installation, alteration and addition secured before year ended 31 March 2017 and contracts signed during the reporting period for which works were performed during the reporting period.

Administrative and operating expenses

Administrative and operating expenses mainly consist of staff cost, depreciation, rental expenses, non-recurring listing expenses and other general administrative expenses.

Our administrative and operating expenses increased from approximately HK\$5.9 million for the nine months ended 31 December 2016 to approximately HK\$12.3 million for the nine months ended 31 December 2017. Such increase is mainly due to (1) the increase in staff cost of approximately HK\$3.4 million which is mainly due to the acquisition of Guardian Engineering Limited, an indirect wholly-owned subsidiary of our Company, on 3 August 2017 and (2) the increase in professional fees of approximately HK\$1.5 million in relation to the enhancement of accounting and internal control systems.

Profit attributable to equity holders of the Company

The gain attributable to equity holders of the Company was approximately HK\$3.7 million for the period ended 31 December 2017, as compared to profit of approximately HK\$9.5 million attributable to the equity holders of the Company for the corresponding period in 2016. The decrease was mainly due to (i) one-off listing expenses as mentioned above during the reporting period and (ii) increase in staff costs.

Treasury policy

The Group adopted a prudent financial management approach towards its treasury policies and maintained a healthy liquidity position throughout the reporting period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Commitments and Contingent Liability

The Group did not have significant lease commitments and contingent liabilities as at 31 December 2017.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 24 January 2018. For further details, please refer to the section headed "E. Share Option Scheme" in Appendix V of the prospectus.

No share option has been granted under the Share Option Scheme since its adoption.

DISCLOSURE OF INTERESTS

1. Disclosure of interests

- (a) *Interests and short positions of our Directors and chief executives in the share capital and the associated corporations following the completion of the Capitalisation Issue and the Share Offer*

Immediately following completion of the Capitalisation Issue and the Share Offer (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options under the Share Option Scheme), the interests of our Directors and chief executives in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or under the GEM Listing Rules, to be notified to our Company and the Stock Exchange, in each case, once the Shares are listed will be as follows:

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of Underlying Shares <small>(Note 1)</small>	Percentage of shareholding immediately following the completion of the Capitalisation Issue and the Share Offer <small>(Note 2)</small>
Mr. Ken Poon <small>(Notes 3 and 6)</small>	Interest in a controlled corporation	508,500,000	42.4%
Mr. Tommy Poon <small>(Notes 4 and 6)</small>	Settlor and beneficiary of a discretionary trust	481,500,000	40.1%
Mr. Ng Kwok Wai <small>(Notes 5 and 6)</small>	Interest in a controlled corporation	90,000,000	7.5%
Ms. Odilia Poon <small>(Notes 5 and 6)</small>	Interest in a controlled corporation	90,000,000	7.5%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 1,200,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options under the Share Option Scheme).
- (3) Mr. Ken Poon holds the entire issued share capital of Success Step. Success Step, in turn, will directly hold 418,500,000 Shares after the completion of the Share Offer and is deemed to be interested as holder of equity derivative in the 90,000,000 Shares held by Legend Advanced as described in note 6 below. Accordingly, Mr. Ken Poon is deemed to be interested in the 508,500,000 Shares which Success Step is deemed to be interested in.
- (4) Unity Trust, the trustee of the Alderhill Trust, holds the entire issued share capital of Trust Holding Company. Trust Holding Company, in turn, holds the entire issued share capital of Noble Capital. The Alderhill Trust is a discretionary trust established by Mr. Tommy Poon (as the settlor) and the discretionary beneficiaries of which include Mr. Tommy Poon and his family members. Noble Capital, in turn, will directly hold 391,500,000 Shares after the completion of the Share Offer and is deemed to be interested as holder of equity derivative in the 90,000,000 Shares held by Legend Advanced as described in note 6 below. As such, Mr. Tommy Poon is deemed to be interested in the 481,500,000 Shares which Noble Capital is deemed to be interested in.
- (5) Ms. Odilia Poon, Mr. Ng Kwok Wai and Ms. Lee To Yin are interested in approximately 40%, 30% and 30% of the issued share capital of Legend Advanced, respectively. Legend Advanced, in turn, will directly hold 90,000,000 Shares after the completion of the Share Offer.
- (6) On 25 January 2018, Legend Advanced entered into the Deed of Undertaking in favour of Success Step and Noble Capital. For further details, please refer to the paragraph headed “History, Reorganisation and Corporate Structure — Reorganisation” in this prospectus. Accordingly, each of Success Step, Mr. Ken Poon, Noble Capital, Trust Holding Company, Unity Trust and Mr. Tommy Poon is deemed to be interested in the 90,000,000 Shares held by Legend Advanced.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) *Interests and short positions of our substantial Shareholders in the share capital and the associated corporations following the completion of the Capitalisation Issue and the Share Offer*

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options under the Share Option Scheme), the following persons (other than our Directors and chief executive) will have an interest or short position in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of the subsidiaries:

Name of Shareholder	Name of company	Capacity/ Nature of Interest	Number of Underlying Shares ^(Note 1)	Percentage of shareholding immediately following the completion of the Capitalisation Issue and the Share Offer ^(Note 2)
Success Step ^(Notes 3 and 5)	Our Company	Beneficial owner	418,500,000	34.9%
		Holder of equity derivative	90,000,000	7.5%
			508,500,000	42.4%
Noble Capital ^(Notes 4 and 5)	Our Company	Beneficial owner	391,500,000	32.6%
		Holder of equity derivative	90,000,000	7.5%
			481,500,000	40.1%

Name of Shareholder	Name of company	Capacity/ Nature of Interest	Number of Underlying Shares ^(Note 1)	Percentage of shareholding immediately following the completion of the Capitalisation Issue and the Share Offer ^(Note 2)
Trust Holding Company ^(Notes 4 and 5)	Our Company	Interest in a controlled corporation	481,500,000	40.1%
Unity Trust ^(Notes 4 and 5)	Our Company	Trustee of trust	481,500,000	40.1%
Legend Advanced ^(Note 6)	Our Company	Beneficial owner	90,000,000	7.5%
Ms. Deng Anna Man Li ^(Note 7)	Our Company	Interest of spouse	508,500,000	42.4%
Ms. Lau Sze Mun Charmaine ^(Note 8)	Our Company	Interest of spouse	481,500,000	40.1%
Mr. Roberts Christopher John ^(Note 9)	Our Company	Interest of spouse	90,000,000	7.5%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 1,200,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options under the Share Option Scheme).
- (3) Mr. Ken Poon holds the entire issued share capital of Success Step. Success Step, in turn, will directly hold 418,500,000 Shares after the completion of the Share Offer and is deemed to be interested as holder of equity derivative in the 90,000,000 Shares held by Legend Advanced as described in note 5 below. Accordingly, Mr. Ken Poon is deemed to be interested in the 508,500,000 Shares which Success Step is deemed to be interested in.

- (4) Unity Trust, the trustee of the Alderhill Trust, holds the entire issued share capital of Trust Holding Company. Trust Holding Company, in turn, holds the entire issued share capital of Noble Capital. The Alderhill Trust is a discretionary trust established by Mr. Tommy Poon (as the settlor) and the discretionary beneficiaries of which include Mr. Tommy Poon and his family members. Noble Capital, in turn, will directly hold 391,500,000 Shares after the completion of the Share Offer and is deemed to be interested as holder of equity derivative in the 90,000,000 Shares held by Legend Advanced as described in note 5 below. As such, Mr. Tommy Poon is deemed to be interested in the 481,500,000 Shares which Noble Capital is deemed to be interested in.
- (5) On 25 January 2018, Legend Advanced entered into the Deed of Undertaking in favour of Success Step and Noble Capital. For further details, please refer to the paragraph headed “History, Reorganisation and Corporate Structure — Reorganisation” in this prospectus. Accordingly, each of Success Step, Mr. Ken Poon, Noble Capital, Trust Holding Company, Unity Trust and Mr. Tommy Poon is deemed to be interested in the 90,000,000 Shares held by Legend Advanced.
- (6) Ms. Odilia Poon, Mr. Ng Kwok Wai and Ms. Lee To Yin are interested in approximately 40%, 30% and 30% of the issued share capital of Legend Advanced, respectively. Legend Advanced, in turn, will directly hold 90,000,000 Shares after the completion of the Share Offer.
- (7) Ms. Deng Anna Man Li is the spouse of Mr. Ken Poon. By virtue of the SFO, Ms. Deng Anna Man Li is deemed to be interested in the Shares held by Mr. Ken Poon.
- (8) Ms. Lau Sze Mun Charmaine is the spouse of Mr. Tommy Poon. By virtue of the SFO, Ms. Lau Sze Mun Charmaine is deemed to be interested in the Shares held by Mr. Tommy Poon.
- (9) Mr. Roberts Christopher John is the spouse of Ms. Odilia Poon. By virtue of the SFO, Mr. Roberts Christopher John is deemed to be interested in the Shares held by Ms. Odilia Poon.

Save as disclosed above, as at 31 December 2017, no other persons had any interests or short positions in the shares or underlying shares 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 under section 336 of the SFO.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the nine months ended 31 December 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) had interests in any business which competes or is likely to compete, directly or indirectly, with our Group's business during the nine months ended 31 December 2017.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Group has appointed Kingsway Capital Limited as our compliance adviser, which provides advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. As notified by the Group's compliance adviser, neither our compliance adviser nor its Directors, employees or close associates had any interests in relation to the Company which is required to be notified to our Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE 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 as at the date of this announcement.

CORPORATE GOVERNANCE CODE

The Corporate Governance Code ("the Code") in Appendix 15 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given.

Throughout the nine months ended 31 December 2017 (the “reporting period”), the Company had complied with the applicable code provisions of the Code with the exception of the deviation from code provision A.2.1 as explained below:

Code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and not performed by the same individual. Mr. Poon has been managing the Group’s business and overall strategic planning since the incorporation of the Company. The Directors believe that the vesting of the roles of chairman and chief executive officer in Mr. Poon is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group.

Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as suggested by code provision A.2.1 of the Code. Except for the deviation from code provision A.2.1 of the Code, the Company’s corporate governance practices have complied with the Code as set out in Appendix 15 to the GEM Listing Rules during the reporting period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “Code of Conduct”). Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the reporting period.

DIVIDEND

The Board does not recommend of any dividend for the nine months ended 31 December 2016 and 2017.

A special dividend for the year ended 31 March 2017 of HK\$10,000,000 was declared in December 2017.

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 of the GEM Listing Rules, and paragraphs C.3.3 of the CG Code. The audit committee consists of three members, namely Dr. Wong Kam Din, Mr. Yung Chung Hing and Mr. Lam Chung Wai, all being independent non-executive Directors. Mr. Yung Chung Hing currently serves as the chairman of the audit committee. The committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group, and as to the adequacy of the external and internal audits. The audit committee has reviewed the unaudited consolidated financial statements of the Group for the nine months ended 31 December 2017 and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Vistar Holdings Limited
Poon Ken Ching Keung
Chairman and chief executive officer

Hong Kong, 12 February 2018

As at the date of this announcement, the executive Directors are Mr. Poon Ken Ching Keung (Chairman), Mr. Poon Ching Tong, Tommy and Mr. Ng Kwok Wai and the non-executive Director is Ms. Poon Kam Yee, Odilia and the independent non-executive Directors are Dr. Wong Kam Din, Mr. Yung Chung Hing, and Mr. Lam Chung Wai.

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