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## **Fineland Real Estate Services Group Limited**

**方圓房地產服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8376)**

### **2019 FIRST QUARTERLY RESULTS ANNOUNCEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of Fineland Real Estate Services Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2019. This announcement, containing the full text of the 2019 First Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of quarterly results. The printed version of the Company’s 2019 First Quarterly Report will be delivered to shareholders of the Company and will be available for viewing on the websites of the Company and the Stock Exchange in due course.

By order of the Board of  
**Fineland Real Estate Services Group Limited**  
**FONG Ming**  
*Chairman*

Hong Kong, 8 May 2019

*As at the date of this announcement, the executive Directors are Ms. RONG Haiming, Mr. YI Ruofeng and Ms. TSE Lai Wa; the non-executive Director is Mr. FONG Ming; and the independent non-executive Directors are Mr. LEUNG Wai Hung, Mr. LIAO Junping, Mr. DU Chenhua and Mr. TIAN Qiusheng.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with 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 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](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at [www.finelandassets.com](http://www.finelandassets.com).*

FIRST  
QUARTERLY  
REPORT  
2019

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GROUP LIMITED**

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## **CHARACTERISTICS OF 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 GEM are generally small and mid-sized companies, 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.**

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*This report, for which the director (collectively the "Directors" and individually a "Director") of Fineland Real Estate Services Group Limited ("the Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the 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 be available on the Company's website [www.finelandassets.com](http://www.finelandassets.com) and will remain on the "Latest Company Announcements" page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting.*



## HIGHLIGHTS

- The Group recorded revenue of approximately RMB68.5 million for the three months ended 31 March 2019 (three months ended 31 March 2018: approximately RMB47.6 million).
- Profit attributable to owners of the Company for the three months ended 31 March 2019 amounted to approximately RMB4.6 million (three months ended 31 March 2018: approximately RMB3.6 million).
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2019.

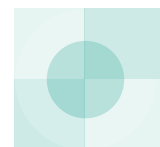
## FIRST QUARTERLY RESULTS

The Board of Directors of the Company (the “**Board**”) hereby reports the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2019 (the “**Period**”) with the unaudited comparative figures for the three months ended 31 March 2018.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	Notes	Three months ended 31 March	
		2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>68,526</b>	47,551
Other income and gains		457	117
Employee benefit expenses		(23,920)	(27,351)
Advertising, promotion and other commission expenses		(32,916)	(10,370)
Operating lease charges in respect of office and shop premises		(2,330)	(2,706)
Depreciation of property, plant and equipment		(297)	(319)
Other operating expenses		(2,967)	(1,824)
<b>Profit before income tax</b>		<b>6,553</b>	5,098
Income tax	4	(2,005)	(1,486)
<b>Profit for the period</b>		<b>4,548</b>	3,612
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations:		538	(2,639)
<b>Total comprehensive income for the period</b>		<b>5,086</b>	973
<b>Profit attributable to:</b>			
Owners of the Company		4,564	3,612
Non-controlling interests		(16)	–
		<b>4,548</b>	3,612
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		5,102	973
Non-controlling interests		(16)	–
<b>Total comprehensive income for the period</b>		<b>5,086</b>	973
		<i>RMB cents</i>	<i>RMB cents</i>
<b>Earnings per share</b>			
— Basic and diluted	6	1.14	0.90



## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 31 March 2019

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Equity attributable to owners of the Company RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>As at 1 January 2019</b>	<b>3,403</b>	<b>51,677</b>	<b>5,987</b>	<b>6,782</b>	<b>(2,678)</b>	<b>41,115</b>	<b>106,286</b>	<b>(1)</b>	<b>106,285</b>
Profit for the period	-	-	-	-	-	4,564	4,564	(16)	4,548
Exchange differences on translation of foreign operations	-	-	-	-	538	-	538	-	538
Total comprehensive income for the period	-	-	-	-	538	4,564	5,102	(16)	5,086
Capital injected by non- controlling interest	-	-	-	-	-	-	-	98	98
<b>As at 31 March 2019</b>	<b>3,403</b>	<b>51,677</b>	<b>5,987</b>	<b>6,782</b>	<b>(2,140)</b>	<b>45,679</b>	<b>111,388</b>	<b>81</b>	<b>111,469</b>
<b>As at 1 January 2018</b>	<b>3,403</b>	<b>51,677</b>	<b>5,987</b>	<b>6,009</b>	<b>512</b>	<b>11,771</b>	<b>79,359</b>	<b>-</b>	<b>79,359</b>
Profit for the period	-	-	-	-	-	3,612	3,612	-	3,612
Exchange differences on translation of foreign operations	-	-	-	-	(2,639)	-	(2,639)	-	(2,639)
Total comprehensive income for the period	-	-	-	-	(2,639)	3,612	973	-	973
<b>As at 31 March 2018</b>	<b>3,403</b>	<b>51,677</b>	<b>5,987</b>	<b>6,009</b>	<b>(2,127)</b>	<b>15,383</b>	<b>80,332</b>	<b>-</b>	<b>80,332</b>

^ The balance represents amount less than RMB1,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 9/F, Wah Yuen Building, 149 Queen's Road Central, Central, Hong Kong. Since 15 November 2017, its shares have been listed on GEM of the Stock Exchange.

The principal activities of the Group are the provision of real estate agency services, property research and consultancy and integrated services in the People's Republic of China (the "PRC").

The immediate holding company and ultimate holding company of the Company are Mansion Green Holdings Limited ("Mansion Green") and Widethrive Investments Limited ("Widethrive Investments"), respectively, which are companies incorporated in the British Virgin Islands (the "BVI") with limited liability.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

These unaudited condensed financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

The accounting policies and basis of preparation used in preparation of the unaudited condensed consolidated results are consistent with those used in the Company's annual financial statements for the year ended 31 December 2018.

#### (b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

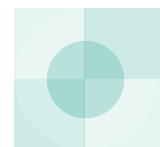
#### (c) Functional and presentation currency

The financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company's subsidiaries established in the PRC from which all of the Group's revenue and operating profit were generated. The functional currency of the Company is Hong Kong dollars ("HK\$"). All values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

### 3. REVENUE

	Three months ended	
	31 March	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Real estate agency service income (including online property referral and agency service income*)	68,418	47,200
Property research and consultancy service income	28	141
Integrated services income	80	210
	<b>68,526</b>	<b>47,551</b>

\* Online property referral and agency service income amounted to approximately RMB44,392,000 (three months ended 31 March 2018: RMB10,974,000).



#### 4. INCOME TAX

The amounts of income tax in the consolidated statement of comprehensive income represent:

	Three months ended 31 March	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Current tax — PRC Enterprise Income Tax ("EIT")	2,005	1,486

- (i) No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising in Hong Kong for the current and prior years.
- (ii) Provision for the PRC EIT is calculated at a statutory tax rate of 25% (2018: 25%) of the estimated assessable profit as determined in accordance with the relevant EIT law in the PRC.

#### 5. DIVIDEND

The Directors do not recommend the payment of a dividend for the three months ended 31 March 2019 (2018: Nil).

#### 6. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Profit for the period attributable to the owners of the Company	4,564	3,612
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>Note</i> )	400,000,000	400,000,000

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding for the three months ended 31 March 2018 and 2019.



## BUSINESS REVIEW AND OUTLOOK

The Group engages in property agency services, with a focus mainly in Guangzhou and also elsewhere in the Pearl River Delta. Since the successful listing on GEM of the Stock Exchange on 15 November 2017 by share offer, there has been no significant change in the business operations.

For the three months ended 31 March 2019, the Group recorded total revenue of approximately RMB68.5 million, representing an increase by approximately RMB21.0 million or approximately 44.1%, from RMB47.6 million for the three months ended 31 March 2018. The increase is mainly due to the expansion of real estate agency services, in particular primary property real estate agency services and online property referral and agency services. After the entry into Qingyuan and Huizhou markets in 2017, Leizhou in Zhanjiang, Zhaoqing and Heyuan markets in 2018, the Group further entered into the Zhongshan market in 2019. The Group's services currently covers a majority of the cities in the Greater Bay Area.

Due to a slowdown in the macro-economic growth rate, lenders are relatively lenient in offering credit in general. In March 2019, transaction GFA and volume slightly increased compared to March 2018. At the same time, the scale of residential land transactions in first-tier cities increased, and the rise of floor prices and premiums in some major cities became prominent, showing signs of recovery. Although development of the real estate industry is still under pressure, it is expected that transaction volume will increase further in the second quarter of 2019.

## FINANCIAL REVIEW

### Revenue

Revenue for the three months ended 31 March 2019 was approximately RMB68.5 million, representing an increase of approximately 44.1% compared to approximately RMB47.6 million for the three months ended 31 March 2018. Such increase was primarily attributable to the increase in revenue generated from real estate agency service of approximately RMB21.2 million, which were in turn primarily driven by an increase in transaction volume and higher commission rates.

### Employee benefit expenses

Employee benefit expenses decreased by 12.5% to approximately RMB23.9 million for the three months ended 31 March 2019 from approximately RMB27.4 million for the three months ended 31 March 2018. This decrease is mainly due to new employees that are mostly front line sales staff with lower level of benefit expenses.

### Operating lease charges

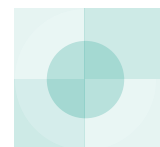
The Group recorded operating lease charges in respect of office and shop premises of approximately RMB2.3 million for the three months ended 31 March 2019, representing an approximately 13.9% decrease compared to RMB2.7 million for the three months ended 31 March 2018. This is primarily due to the Company having relocated some of its outlets with higher levels of rent to areas with more competitive rental prices.

### Advertising, promotion and other commission expenses

The Group recorded approximately RMB32.9 million for advertising, promotion and other commission expenses for the three months ended 31 March 2019, representing a 217.4% increase compared to RMB10.4 million for the three months ended 31 March 2018. This increase was primarily due to the increase in revenue of the online property referral and agency services, resulting in the increase in the commission that was split to real estate agents that brought in buyers, which were recorded under advertising, promotion and other commission expenses.

### Net Profit Margin

The net profit margin decreased to 6.6% for the three months ended 31 March 2019 as compared to 7.6% for the three months ended 31 March 2018. This decrease was mainly due to the impact of exchange rate fluctuation on net profit during the period.



### Profit for the Period

As a result of the factors discussed above, the Group recorded a profit before tax for the Period of approximately RMB4.5 million, compared to approximately RMB3.6 million for the three months ended 31 March 2018.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code for the three months ended 31 March 2019.

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

As at 31 March 2019, the interests or short positions of the Directors and chief executives in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Long position in the Shares as at the date of this report:

Name	Nature of interest	Total number of shares held	Percentage of shareholding
Mr. FONG Ming ("Mr. Fong")	Interest in controlled corporation <sup>(1)</sup>	216,000,000	54%
Ms. TSE Lai Wa ("Ms. Tse")	Interest in controlled corporation <sup>(1)</sup>	216,000,000	54%
Ms. RONG Haiming ("Ms. Rong")	Interest in controlled corporation <sup>(2)</sup>	24,000,000	6%
Mr. YI Ruofeng ("Mr. Yi")	Interest in controlled corporation <sup>(3)</sup>	9,000,000	2.25%

Notes:

- 216,000,000 Shares are registered in the name of Mansion Green, which is held 70% by Mr. Fong's holding companies (including Stand Smooth Group Limited ("Stand Smooth"), which is held as to 100% by Hero Dragon Management Limited ("Hero Dragon"), which is in turn held as to 100% by Fineland Group Holdings Company Limited ("Fineland Real Estate", formerly known as Fineland Real Estate Holdings Company Limited) and Widethrive Investments) and 30% by Aspiring Vision Holdings Limited ("Aspiring Vision"), which is wholly-owned by Ms. Tse.
- Shares are held by Metropolitan Dawn Holdings Limited ("Metropolitan Dawn"), which is wholly-owned by Ms. Rong.
- Shares are held by Totoro Holding Limited, which is wholly-owned by Mr. Yi.

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 the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

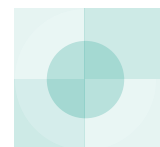
As at 31 March 2019, the following persons (other than Directors or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

### Long Positions in Shares:

Name	Nature of Interest	Number of Shares held	Approximate percentage of shareholding
Ms. HE Kangkang (何康康) <sup>(1)</sup>	Interest of spouse	216,000,000	54%
Mr. ZHENG Muming (鄭木明) <sup>(2)</sup>	Interest of spouse	216,000,000	54%
Mr. WANG Haihui (王海暉) <sup>(3)</sup>	Interest of spouse	24,000,000	6%
Mansion Green <sup>(4)</sup>	Legal and beneficial owner	216,000,000	54%
Widethrive Investments <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Fineland Real Estate <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Hero Dragon <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Stand Smooth <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Aspiring Vision <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Metropolitan Dawn <sup>(5)</sup>	Legal and beneficial owner	24,000,000	6%

#### Notes:

- Ms. HE Kangkang (何康康) is the spouse of Mr. Fong. Under the SFO, Ms. HE Kangkang (何康康) is deemed to be interested in the same number of Shares in which Mr. Fong is interested in.
- Mr. ZHENG Muming (鄭木明) is the spouse of Ms. Tse. Under the SFO, Mr. ZHENG Muming (鄭木明) is deemed to be interested in the same number of Shares in which Ms. Tse is interested in.
- Mr. WANG Haihui (王海暉) is the spouse of Ms. Rong. Under the SFO, Mr. WANG Haihui (王海暉) is deemed to be interested in the same number of Shares in which Ms. Rong is interested in.
- Mansion Green is the registered owner of 216,000,000 Shares, representing 54% of the issued share capital of the Company. Mansion Green is owned as to 30% by Aspiring Vision, which is in turn wholly-owned by Ms. Tse, and as to 70% by Stand Smooth. Stand Smooth is wholly owned by Hero Dragon, which is wholly-owned by Fineland Real Estate, which in turn is wholly owned by Widethrive Investments, and ultimately wholly-owned by Mr. Fong. Accordingly, Widethrive Investments, Fineland Real Estate, Hero Dragon, Stand Smooth, Aspiring Vision, Mr. Fong and Ms. Tse are therefore deemed to be interested in the same number of Shares as to which Mansion Green is interested under the SFO.
- Metropolitan Dawn is the registered owner of 24,000,000 Shares, representing 6% of the issued share capital of the Company. Metropolitan Dawn is wholly-owned by Ms. Rong. Ms. Rong is therefore deemed to be interested in the same number of Shares as to which Metropolitan Dawn is interested under the SFO.



Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares and debentures which would fall to be disclosed to the Company under the provisions of Division 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.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the three months ended 31 March 2019 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the Shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

### **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 on the Stock Exchange or any other Stock Exchange, by private arrangement, or by way of grant offer, during the three months ended 31 March 2019.

### **SHARE OPTION SCHEME**

The Company adopted a share option scheme (the "**Scheme**") on 23 October 2017. As at 31 March 2019, no option had been granted, agreed, exercised, cancelled or lapsed under the Scheme, and there was no share option outstanding.

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Board has reviewed the Group's corporate governance practices and is satisfied that during the three months ended 31 March 2019, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report of the GEM Listing Rules.

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES**

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company 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 2019.

### **INTEREST OF THE COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, RaffAello Capital Limited (the "**Compliance Adviser**"), one former employee, Ms. LIN Wei, who resigned on 1 April 2018, held 4,000 Shares which accounted for approximately 0.001% of the total issued shares of the Company as at 30 June 2018. Other than as disclosed above and the compliance adviser agreement dated 3 April 2017 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser 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 to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2019 and up to the date of this report.

## REVIEW BY AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 23 October 2017 with written terms of reference which were revised and adopted on 15 February 2019 in compliance with Rule 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to assist the Board in reviewing and supervising the financial reporting process and internal control system of the Group. At present, the Audit Committee consists of three members who are Mr. LEUNG Wai Hung, Mr. TIAN Qiusheng and Mr. DU Chenhua. Mr. LEUNG Wai Hung has been appointed as the chairman of the Audit Committee.

The unaudited first quarterly results of the Group for the three months ended 31 March 2019 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited first quarterly results comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the three months ended 31 March 2019.

## DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2019 (three months ended 31 March 2018: 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. FONG Ming**  
Chairman

Hong Kong, 8 May 2019

*As at the date of this report, the executive Directors are Ms. RONG Haiming, Mr. YI Ruofeng and Ms. TSE Lai Wa; the non-executive Director is Mr. FONG Ming; and the independent non-executive Directors are Mr. LEUNG Wai Hung, Mr. LIAO Junping, Mr. TIAN Qiusheng and Mr. DU Chenhua.*