



睿鋒集團控股有限公司
Rui Feng Group Holdings
Company Limited

Rui Feng Group Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8312)

2019
FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of Rui Feng Group Holdings Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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, in both English and Chinese versions, is available on the Company’s website at www.chinahanya.com.hk.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

The board of Directors (the “Board”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2019 together with the comparative unaudited figures for the corresponding period in 2018, as follows:

		Three months ended	
		31 March	
	Notes	2019	2018
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	1,990	48,475
Cost of sales		(1,603)	(44,049)
Gross profit		387	4,426
Other income, gains and losses		3,427	45
Selling and distribution expenses		(619)	(448)
Administrative and other operating expenses		(6,566)	(4,013)
Finance costs		(210)	(46)
Loss before tax	4	(3,581)	(36)
Income tax	5	—	53
(Loss)/profit for the period attributable to owners of the Company		(3,581)	17
Other comprehensive (expenses)/income:			
Exchange differences arising on translation of foreign operations, with no income tax effects		(6)	411
Total comprehensive (expenses)/income for the period attributable to owners of the Company		(3,587)	428
(Loss)/earning per share			
Basic (HK cents)	7	(0.484)	0.002

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and was registered as a non-Hong Kong company under part XVI of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The Company's principal place of business in Hong Kong is Room 2404, 24/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in distribution of apparel products and household products.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated statement of comprehensive income has been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. There has been no significant change to the accounting policies applied in this financial statement for the period presented as a result of these developments.

The unaudited condensed consolidated statement of comprehensive income has been prepared under the historical cost convention.

The preparation of statement of comprehensive income in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgments in the process of applying the Group's accounting policies.

The accounting policies adopted in preparing the unaudited condensed consolidated statement of comprehensive income were consistent with those applied for the financial statements of the Group for the fifteen months ended 31 December 2018.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

2. BASIS OF PREPARATION (Continued)

This unaudited condensed consolidated statement of comprehensive income is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000), unless otherwise stated.

The condensed consolidated statement of comprehensive income has not been audited by the Company's auditors, but has been reviewed by the Company's audit committee (the "Audit Committee").

3. REVENUE AND SEGMENT INFORMATION

Information reported to the general manager of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focusing on the types of goods distributed by the Group.

The Group's operating and reportable segments under HKFRS 8 are (i) distribution of household products and (ii) distribution of garment products. The CODM reviews the financial performance of different product mix separately.

The revenue streams and results from these segments are the basis of the internal reports about components of the Group that are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance.

No segment assets or liabilities is presented as the CODM does not review segment assets and liabilities.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

3. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the three months ended 31 March 2019

	Distribution of household products <i>HK\$'000</i> (Unaudited)	Distribution of garment products <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue			
External sales	—	1,990	1,990
Segment profit	—	387	387
Other income, gains and losses			3,427
Unallocated expenses			(7,395)
Loss before taxation			(3,581)

For the three months ended 31 March 2018

	Distribution of household products <i>HK\$'000</i> (Unaudited)	Distribution of garment products <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue			
External sales	43,513	4,962	48,475
Segment profit/(loss)	4,546	(120)	4,426
Other income, gains and losses			45
Unallocated expenses			(4,507)
Loss before taxation			(36)

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

3. REVENUE AND SEGMENT INFORMATION (Continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 2. Segment result represents the profit earned by each product mix segment without allocation of other income, gains and losses, selling and distribution expenses, administrative and other operating expenses, finance costs and taxation. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenue and results

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Household products	—	43,513
Clothing products (other than innerwear)	1,990	4,781
Innerwear	—	181
	1,990	48,475

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operation is mainly carried out in Hong Kong and the People's Republic of China (the "PRC"). The Group's revenue is mainly derived from customers located in Hong Kong (2018: the PRC and Hong Kong).

	For the three months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
The PRC, excluding Hong Kong	—	43,694
Hong Kong	1,990	4,781
	1,990	48,475

Information about major customers

Revenues from external customers of the corresponding period contributing 10% or more of the Group's total revenue are as follows:

	For the three months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Customer A ¹	—	39,150
Customer B ²	1,393	—
Customer C ²	549	—

¹ Revenue from distribution of household products.

² Revenue from distribution of garment products.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

4. LOSS BEFORE TAX

Loss before taxation is stated after charging the following:

(a) Staff costs (including Directors' remuneration)

	For the three months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Salaries, wages and other benefits	3,195	2,799
Contributions to defined contribution retirement plans	40	38
	3,235	2,837

(b) Other items

	For the three months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Auditor's remuneration	208	362
Cost of inventories	1,603	44,049
Operating lease charges	94	32
Exchange loss, net	9	172
Depreciation on property, plant and equipment	33	38
Depreciation on an investment property	6	9
Write-off of items of property, plant and equipment	—	17

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

4. LOSS BEFORE TAX (Continued)

(c) Finance costs

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on loan from a shareholder	191	46
Interest on bank borrowings	19	—
	210	46

5. INCOME TAX

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax credit in the PRC	—	(53)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No Hong Kong Profits Tax has been provided for in the condensed consolidated statement of comprehensive income as the Group has no assessable profits for both periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC group entities is 25% for both periods.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

6. DIVIDEND

The Directors do not declare any dividend for the three months ended 31 March 2019 (2018: Nil).

7. (LOSS)/EARNING PER SHARE

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$3,581,000 (2018: a profit of HK\$17,000) and the weighted average of 740,000,000 shares issued for the three months ended 31 March 2019 (2018: 740,000,000 shares).

No diluted loss per share is presented as there are no potential dilutive shares during the period from 1 January 2019 to 31 March 2019 and the corresponding period in 2018.

8. MOVEMENT OF RESERVE

Movement of reserves for the Group during the period is set out below:

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	PRC statutory reserve HK\$'000	Capital reserve HK\$'000	Merger reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2018 (unaudited)	7,400	45,342	—	3,718	(383)	648	(41,039)	15,686
Other comprehensive income	—	—	—	—	—	411	—	411
Profit for the period	—	—	—	—	—	—	17	17
At 31 March 2018 (unaudited)	7,400	45,342	—	3,718	(383)	1,059	(41,022)	16,114
At 1 January 2019 (audited)	7,400	45,342	531	3,718	(383)	85	(61,158)	(4,465)
Other comprehensive expense	—	—	—	—	—	(6)	—	(6)
Loss for the period	—	—	—	—	—	—	(3,581)	(3,581)
At 31 March 2019 (unaudited)	7,400	45,342	531	3,718	(383)	79	(64,739)	(8,052)

BUSINESS REVIEW

The Group is principally engaged in distribution of apparel products and household products, including the provision of distribution and supply chain management services specialising in trading of garment and household products.

To establish a competitive position in the marketplace and ensure the sustainability of business, the management has identified a viable competitive strategy through analyzing the business environment of the Group, and the strengths, weaknesses, opportunities and risks that exist for the Group. Among others, creating a sustainable business and differentiating itself from its competitors are the key points. As such, the Group helps customers to identify suitable suppliers and quality garment, household and textile products, and offers an one stop procurement solution which successfully differentiates itself from other generic procurement service providers.

Furthermore, customers with limited internal purchasing resources or those who lacks the market intelligence to find reliable suppliers can also benefit from the Group's distribution business as a single point of contact to manage the entire procurement process by (i) accessing the Group's network of manufacturers and wholesaler; (ii) having effective liaison with suppliers in the garment and textile industry; (iii) identifying suitable suppliers within the Group's network of manufacturers and/or wholesalers to meet the tailored requirements of the customers; (iv) relying on the customized procurement plan prepared and the logistics services provided by the Group and the execution of the customized procurement process; and (v) using the optional services provided by the Group or sub-contractors sourced by the Group (including but not limited to packaging service and furniture installation service). The Group believes that such business relationships will create a win-win result and will be beneficial to the growth and prosperity of each stakeholder.

During the period under review, the management has exerted great effort to streamline and optimize the process of the Group's distribution business, currently it can be divided into five key stages, which are: (i) understanding the tailored requirements of customers; (ii) organizing a customised procurement plan for customers; (iii) identifying suitable suppliers within the Group's network of manufacturers and/or wholesalers to meet the tailored requirement of the customers; (iv) maintaining effective liaison between the customers and those suitable suppliers identified; and (v) executing the customised procurement process.

MANAGEMENT DISCUSSION AND ANALYSIS

The product mix under the Group's distribution business consists of consumer garments such as innerwear, casual wear and baby and children wear and household related textile products like curtain, bed covers, table cloth, linens and other household products. At present, PRC and Hong Kong markets are the primary focus of the Group's distribution business.

FINANCIAL REVIEW

The revenue of the Group for the three months ended 31 March 2019 was approximately HK\$2.0 million, representing a decrease of 24.4 times from the same period last year. For the three months ended 31 March 2019, the Group's revenue contributed from household products, innerwear and clothing products (other than innerwear) were HK\$Nil, HK\$Nil and approximately HK\$2.0 million respectively (2018: approximately HK\$43.5 million, approximately HK\$0.2 million and approximately HK\$4.8 million). There was no sales order of household products of the distribution business in the period under review, mainly due to the uncertainty of the Company's listing status. This resulted in significant decrease in the Group's revenue.

Cost of sales of the Group for the three months ended 31 March 2019 was approximately HK\$1.6 million, representing a decrease of 27.5 times from approximately HK\$44.0 million for the three months ended 31 March 2018. The decrease in cost of sales was mainly due to the decrease in sales order during the period under review.

Other income of the Group for the three months ended 31 March 2019 was approximately HK\$3.4 million, representing an increase of 76.1 times from approximately HK\$45,000 for the three months ended 31 March 2018. The increase in other income was mainly due to the gain on disposal of an investment property of HK\$3.4 million (the "Disposal"). Further details of the Disposal have been disclosed in the announcement of the Company dated 11 December 2018.

The loss of the Group for the three months ended 31 March 2019 was approximately HK\$3.6 million as compared to the profit of approximately HK\$17,000 for the three months ended 31 March 2018. This decline in performance was mainly due to the significant drop in the Group's revenue as mentioned above and the increase in administrative expenses of the Group, mainly due to an increase in legal and professional fees.

LIQUIDITY AND FINANCIAL POSITION

The Group generally finances its operation through internally-generated cash flows, banking facility provided by a bank and loan from a shareholder during the period under review. The bank facility provided by a bank has been fully repaid during the period under review. As at 31 March 2019, cash and bank balances of the Group amounted to approximately HK\$6.1 million (as at 31 December 2018: HK\$5.0 million) excluding the pledged bank deposit with fixed term of 1 month amounted to HK\$Nil (as at 31 December 2018: HK\$10.1 million). A loan from a shareholder amounted to HK\$25 million (as at 31 December 2018: HK\$25 million) and related interest payable of HK\$286,000 (as at 31 December 2018: HK\$531,000) which is unsecured, repayable on demand and interest bearing at 3% per annum. The current ratios (current asset divided by current liabilities) of the Group were 0.84 times and 0.92 times as at 31 March 2019 and 31 December 2018 respectively.

CAPITAL MANAGEMENT

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors when managing capital on the basis of the gearing ratio. As at 31 March 2019, the gearing ratio was (313.2)% (31 December 2018: (665.2)%). This ratio is calculated as dividing total debt from time to time by total capital. Notwithstanding the above, the Directors closely monitor the liquidity of the Group. Taking into account of the following matters:

- (i) on 28 February 2019, the disposal of an investment property classified as held for sale was completed and the proceed of HK\$4,200,000 was received during the period under review;
- (ii) in addition to the amount due to Mr. Yun Liguu ("Mr. Yun") as at 31 March 2019 amounting to HK\$25,286,000 (including interest payable of HK\$286,000), there is loan facility amounting to RMB6,842,000 (equivalent to approximately HK\$7,986,000) not yet utilised by the Group;

MANAGEMENT DISCUSSION AND ANALYSIS

- (iii) on 4 March 2019, Mr. Yun and the Group entered into a loan agreement to make available to the Group a loan in the principal sum of RMB30,000,000 (equivalent to approximately HK\$35,016,000) for the future working capital requirements of the Group; and
- (iv) Mr. Yun has agreed in writing not to demand the Group to repay the amount due to him (including the amount of HK\$25,000,000 which was outstanding as at 31 March 2019 and any additional amount to be utilised by the Group subsequent to the end of the reporting period) until the Group is in a financial position to repay.

The Directors consider that after taking into account the internal resources and the above matters, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future taking into account the internal fundings along with the above measurements.

UPDATE ON THE LISTING STATUS

The Company has received a letter dated 16 March 2018 from the Stock Exchange (the “Decision Letter”), which serves as a notice pursuant to Rule 9.15 of the GEM Listing Rules, that the Stock Exchange has decided to commence the procedures to cancel the Company’s listing under Rule 9.14 of the GEM Listing Rules (the “Decision”) since the Stock Exchange is of the view that the Company has failed to maintain a sufficient level of operations or assets under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the shares of the Company (the “Shares”). On 26 March 2018, the Company has submitted a written request to the GEM Listing Committee for reviewing the Decision. On 3 July 2018, the GEM Listing Committee decided to uphold the Decision to suspend trading in the Shares and proceed with cancellation of the Company’s listing. On 11 July 2018, the Company has submitted a written request to the secretary of the GEM Listing (Review) Committee applying for a review of the decision of the GEM Listing Committee. On 21 November 2018, the GEM Listing (Review) Committee conducted a review hearing to review the decision of the GEM Listing (Review) Committee set out in its letter dated 3 July 2018 (the “GLC’s Decision”). On 7 December 2018, the Company received a letter from the GEM Listing (Review) Committee setting out its decision to uphold the GLC’s Decision to suspend trading in the Shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company’s listing under Rule 9.14 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by Rule 17.26 of the GEM Listing Rules at least 10 business days before the expiry of a period of six months from the date of the decision of the GEM Listing (Review) Committee (i.e. 23 May 2019). If the Company fails to submit a viable resumption proposal by the expiry of six-month period, the Stock Exchange will proceed with the cancellation of the Company's listing.

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 10 December 2018.

For details, please refer to the announcements of the Company dated 19 March 2018, 26 March 2018, 3 July 2018, 11 July 2018, 10 December 2018, 11 December 2018 and 8 March 2019.

OUTLOOK

Building on the establishment of the new operation team and participation of various international apparel fairs during the fifteen months ended 31 December 2018, the Group continues its effort in broadening its customer portfolio, developing its business strategies and aims to attract more sales order to increase revenue from the Group's distribution business.

Looking forward, the Group will continue its normal day-to-day operations and will continue to review its existing businesses from time to time and strive to improve its business operation and financial position. The Group will also keep on exercising stringent cost control, quality assurance, and expense control to minimize operating costs.

The Board will use its best endeavors to proactively seek for potential business and investment opportunities with an aim to broaden its source of income and optimise its business portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2019, the Group has 4 Directors and 9 employees. Total staff costs, including Directors' emoluments, amounted to approximately HK\$3.2 million for the three months ended 31 March 2019. The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. The Group provided discretionary bonus, medical insurance, and provident fund to its employees. The Company adopted a share option scheme on 3 November 2010, under which the Company can grant options to, among others, employees of the Group to subscribe for Shares with a view to rewarding them for their contributions to the Group and giving incentives to them for optimizing their future contributions to the Group.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 March 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to 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 positions in the Shares

Name	Capacity and nature of interest	Number of Shares	Percentage of the Company's issued share capital (Approximately)
Mr. Yun Liguo ^(Note)	Interest of controlled corporation	515,000,000	69.59%

Note: Handsome Global Investments Limited ("Handsome Global") is wholly-owned by Mr. Yun and Mr. Yun is therefore deemed to be interested in the Shares held by Handsome Global. Mr. Yun is a director of Handsome Global.

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executive of the Company or their respective associates had any other 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) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provision of the SFO), or to be recorded pursuant to 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.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 March 2019, so far as is known to the Directors, the following persons (not being the Directors or chief executive of the Company) had or were deemed to have, interests or short positions 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 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:

Long positions in the Shares

Name	Capacity and nature of interest	Number of Shares	Percentage of the Company's issued share capital (Approximately)
Handsome Global <i>(Note 1)</i>	Beneficial owner	515,000,000	69.59%
Tang Xiuxia <i>(Note 2)</i>	Interests of spouse	515,000,000	69.59%

Notes:

1. Handsome Global is wholly-owned by Mr. Yun, an executive Director.
2. Ms. Tang Xiuxia is the spouse of Mr. Yun. Therefore, Ms. Tang Xiuxia is deemed to be interested in the Shares which Mr. Yun is interested in.

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 31 March 2019, so far as is known to the Directors or chief executive of the Company, no persons (other than the Directors or chief executive of the Company) had interests or short positions 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 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.

CONTRACT OF SIGNIFICANCE

As at 31 March 2019, there was no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder (as defined under the GEM Listing Rules) or any of its subsidiaries.

COMPETING INTEREST

For the three months ended 31 March 2019, the Directors were not aware of any business or interest of the Directors nor the controlling shareholder of the Company (as defined under the GEM Listing Rules) nor any of their respective close associates (as defined under the GEM Listing Rules) that competed or might compete with the business of the Group and any other conflict of interest which any such person had or might have with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any one of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the three months ended 31 March 2019.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial controls, risk management and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Leung Ka Wo (chairman of the Audit Committee), Mr. Zhang Tianbao and Mr. Christopher Francisco.

MANAGEMENT DISCUSSION AND ANALYSIS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Company for the three months ended 31 March 2019 and is of the opinion that such statement have complied with applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosure have been made.

By order of the Board
Rui Feng Group Holdings Company Limited
Yun Ligu
Executive Director

Hong Kong, 10 May 2019

As at the date of this report, the Board comprises Mr. Yun Ligu as executive Director, and Mr. Leung Ka Wo, Mr. Zhang Tianbao and Mr. Christopher Francisco as independent non-executive Directors.

This report will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from its date of its posting and on the Company’s website at www.chinahanya.com.hk.