



AL GROUP LIMITED 利駿集團(香港)有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號 : 8360



FIRST QUARTERLY REPORT 2019
第一季度報告

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

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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 directors (the “Directors”) of AL Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Group's business was established since 1999 under the name of AL Design, which is a well-established interior design and fit out solutions provider in Hong Kong. In November 2017, the Group acquired 60% interest of Ace Architectural and Interior Design Limited ("ACE"), which is also engaged in the provision of interior design and fit out solutions. In June 2018, the Group completed the acquisition of 49% interest of Primo, which is principally engaged in the provision of interior design and fit out solutions, focusing on luxury residential, office and commercial segments in Hong Kong. The Group believes that its success is firmly rooted in its extensive experience and portfolio in interior design and fit out works as well as project management. The Group's services can be broadly categorised as (i) design and fit out and (ii) design only. In addition, the Group also provides maintenance and aftersales services which could cater for its customers' different requirements.

Excluding projects relating to maintenance and aftersales service, during the three months ended 31 March 2019, our number of projects increased by approximately 15.4% over the same period in 2018. The total revenue increased by approximately 4.5% to approximately HK\$34.5 million, while the average revenue per project has decreased to approximately HK\$1.15 million from approximately HK\$1.27 million over the same period in 2018.

The tables below summarized the number of on-going and completed projects and revenue, by type of service and customer, and the average revenue per project during the three months ended 31 March 2019 respectively and their comparative figures:

In terms of Number of Projects*

| | For the three months ended 31 March | | |
|--------------------------------|-------------------------------------|------|--------|
| | 2019 | 2018 | Change |
| Design and fit out/Design only | | | |
| Office | 18 | 19 | (5.3%) |
| Commercial | 8 | 3 | 166.7% |
| Residential | 4 | 4 | – |
| Total | 30 | 26 | 15.4% |

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In terms of Revenue*

| In HK\$' million | For the three months ended 31 March | | |
|--------------------------------|-------------------------------------|-------------|-------------|
| | 2019 | 2018 | Change |
| Design and fit out/Design only | | | |
| Office | 10.4 | 29.7 | (65.0%) |
| Commercial | 23.0 | 0.7 | 3,185.7% |
| Residential | 1.1 | 2.6 | (57.7%) |
| Total | 34.5 | 33.0 | 4.5% |

Average Revenue per Project*

| In HK\$' million | For the three months ended 31 March | | |
|-----------------------------|-------------------------------------|------|--------|
| | 2019 | 2018 | Change |
| Revenue | 34.5 | 33.0 | 4.5% |
| Number of projects | 30 | 26 | 15.4% |
| Average revenue per project | 1.15 | 1.27 | (9.4%) |

* excluding those relating to maintenance and aftersales service

The Group continued to be awarded projects in 2019 by existing and new customers who valued the Group's reputation, proven track record and experience in the industry. The Group has a number of projects in the pipeline that were built up since 2016 which will come online and contribute to the total revenue in the later time of 2019 and beyond. As at the date of this report, our Group has secured a number of projects with total project sum of approximately HK\$85.9 million, for which no work has commenced prior to 31 March 2019.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Overview

| In HK\$' million | For the three months ended 31 March | |
|--|-------------------------------------|-------|
| | 2019 | 2018 |
| Revenue | 34.7 | 33.6 |
| Gross Profit ^(Note 1) | 5.3 | 8.4 |
| Gross Profit Margin | 15.3% | 25.2% |
| Adjusted EBITDA ^(Note 2) | (1.7) | 1.1 |
| (Loss)/Profit for the period attributable to owners of the Company | (2.9) | 4.3 |

Note 1: The Group's gross profit represents revenue less subcontracting and material costs.

Note 2: The Group's adjusted EBITDA represents earnings or losses before finance interest income and cost, other gains/losses, income tax, depreciation of property, plant and equipment and share of profit less loss of associate. While adjusted EBITDA is commonly used in the interior design industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's adjusted EBITDA may not be comparable to similarly-titled measures of other companies.

For the three months ended 31 March 2019, the Group's revenue increased when compared to the same period in 2018. The Group's revenue amounted to approximately HK\$34.7 million, representing a growth of approximately 3.3% from the same period in 2018.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's gross profit for the three months ended 31 March 2019 amounted to approximately HK\$5.3 million, representing a decrease of approximately 36.9% over the same period in 2018. Gross profit margin decreased from approximately 25.2% to approximately 15.3%, which was mainly due to keen competition in the market and the relatively larger projects in commercial sector continued to contribute revenue in 2019, while the projects incurred additional subcontracting costs and resulted in a lower profit margin. However, the relatively larger projects enhanced the Group's reputation, maintained a competitive advantage in the market and achieved our business growth.

The Group's operating expenses for the three months ended 31 March 2019 were approximately HK\$7.5 million when compared to approximately HK\$7.8 million for the same period in 2018. The decrease in operating expenses was mainly due to reduction of administrative expenses.

For the three months ended 31 March 2019, the Group's adjusted EBITDA amounted to approximately HK\$-1.7 million as compared to approximately HK\$1.1 million for the same period in 2018, mainly driven by the decline in the overall gross profit margin for the Group's business. The Group recorded a loss attributable to owners of the Company of approximately HK\$2.9 million for the three months ended 31 March 2019 when compared to a profit attributable to owners of the Company of approximately HK\$4.3 million for the same period in 2018. Besides the effect of decline in the overall gross profit margin mentioned above, such change from profit to loss was mainly attributable to decrease in gain on change in fair value of financial assets at fair value through profit or loss for the three months ended 31 March 2019 when compared to the same period in 2018 and increase in finance cost due to the issuance of the promissory note by the Group in June 2018.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Liquidity, Financial Resources and Capital Structure

The Group practiced prudent financial management and maintained a strong and sound financial position during the three months ended 31 March 2019. As of 31 March 2019, the Group had cash and cash equivalents of approximately HK\$15.0 million (31 December 2018: approximately HK\$20.7 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 1.8 times as at 31 March 2019 (31 December 2018: 1.8 times).

As at 31 March 2019, the Group had total liabilities of approximately HK\$104.6 million (31 December 2018: approximately HK\$105.3 million) which mainly comprise of trade and other payables, contract liabilities, and borrowings amounting to approximately HK\$58.6 million (31 December 2018: approximately HK\$59.9 million) and promissory note payable of approximately HK\$46.0 million (31 December 2018: \$45.4 million).

As at 31 March 2019, the gearing ratio, expressed as a percentage of non-current debt over net assets was approximately 70.8% (31 December 2018: 66.9%).

The shares of the Company were listed on the GEM Board of the Stock Exchange on 12 July 2016. As at 31 March 2019, the Company's total number of issued shares was 595,000,000 (31 December 2018: 595,000,000) at HK\$0.01 each. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital requirements mainly through a combination of our cash flows generated from operations, borrowings and proceeds from share offer.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2019 (31 December 2018: Nil).

Interim Dividend

The board of the Directors of the Company (the "Board") does not declare any interim dividend for the three months ended 31 March 2019 (2018: Nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

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

| | Notes | For the three months ended 31 March | |
|---|-------|-------------------------------------|---------------------------------|
| | | 2019 HK\$'000 (Unaudited) | 2018 HK\$'000 (Unaudited) |
| Revenue | 3 | 34,671 | 33,579 |
| Other income | 4 | 176 | 76 |
| Other gains, net | 5 | 209 | 4,473 |
| Subcontracting and materials costs | | (29,377) | (25,133) |
| Operating expenses | | (7,518) | (7,807) |
| Operating (loss)/profit | | (1,839) | 5,188 |
| Finance income | | 4 | 44 |
| Finance cost | | (803) | – |
| Share of loss of associates | | (257) | – |
| (Loss)/profit before income tax | | (2,895) | 5,232 |
| Income tax expense | 6 | (3) | (887) |
| (Loss)/profit for the period | | (2,898) | 4,345 |
| (Loss)/profit for the period attributable to: | | | |
| Owners of the Company | | (2,905) | 4,254 |
| Non-controlling interests | | 7 | 91 |
| (Loss)/profit for the period | | (2,898) | 4,345 |
| Other comprehensive expense | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Loss on change in fair value of financial assets at fair value through other comprehensive income | | (23) | (140) |
| Other comprehensive expense for the period, net of tax | | (23) | (140) |
| Total comprehensive (expense)/income for the period, net of tax | | (2,921) | 4,205 |
| Total comprehensive (expense)/income for the period attributable to: | | | |
| Owners of the Company | | (2,928) | 4,114 |
| Non-controlling interests | | 7 | 91 |
| | | (2,921) | 4,205 |
| (Loss)/earnings per share | 7 | HK Cents | HK Cents |
| Basic | | (0.49) | 0.89 |
| Diluted | | N/A | N/A |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital HK\$'000 (unaudited) | Share premium HK\$'000 (unaudited) | Other reserve HK\$'000 (unaudited) | Available-for-sale financial assets revaluation reserve HK\$'000 (unaudited) | Investment revaluation HK\$'000 (unaudited) | Retained profits/ (accumulated losses) HK\$'000 (unaudited) | Total HK\$'000 (unaudited) | Non-controlling interest HK\$'000 (unaudited) | Total HK\$'000 (unaudited) |
|---|--|--|--|--|---|---|----------------------------------|---|----------------------------------|
| At 1 January 2018, as originally presented | 4,800 | 65,337 | 5,922 | 421 | - | 12,164 | 88,644 | (253) | 88,391 |
| Effect of application for HKFRS 9 | - | - | - | (421) | 421 | - | - | - | - |
| At 1 January 2018, as restated | 4,800 | 65,337 | 5,922 | - | 421 | 12,164 | 88,644 | (253) | 88,391 |
| Profit for the period | - | - | - | - | - | 4,254 | 4,254 | 91 | 4,345 |
| Other comprehensive expense for the period | - | - | - | - | (140) | - | (140) | - | (140) |
| Total comprehensive (expense)/ income for the period, net of tax | - | - | - | - | (140) | 4,254 | 4,114 | 91 | 4,205 |
| At 31 March 2018 | 4,800 | 65,337 | 5,922 | - | 281 | 16,418 | 92,758 | (162) | 92,596 |
| At 1 January 2019 | 5,950 | 82,012 | 5,922 | - | 54 | (22,994) | 70,944 | (3,080) | 67,864 |
| (Loss)/profit for the period | - | - | - | - | - | (2,905) | (2,905) | 7 | (2,898) |
| Other comprehensive expense for the period | - | - | - | - | (23) | - | (23) | - | (23) |
| Total comprehensive expense for the period, net of tax | - | - | - | - | (23) | (2,905) | (2,928) | 7 | (2,921) |
| At 31 March 2019 | 5,950 | 82,012 | 5,922 | - | 31 | (25,899) | 68,016 | (3,073) | 64,943 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. General Information

AL Group Limited (the “Company”) was incorporated in the Cayman Islands on 1 February 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company has established a place of business in Hong Kong at Unit A, 35/F, EGL Tower, 83 Hung To Road, Kwun Tong, Hong Kong.

The Company is an investment holding company and, together with its subsidiaries (collectively referred to as the “Group”), are principally engaged in the provision of interior design and fit out solutions as well as overall project management in Hong Kong.

The shares of the Company (the “Share(s)”) were listed on the GEM of The Stock Exchange of Hong Kong Limited since 12 July 2016 (the “Listing Date”).

These unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), and all values are rounded to nearest thousand’s (“HK\$’000”) except when otherwise stated.

2. Basis of Preparation and Presentation

This condensed consolidated financial information for the three months ended 31 March 2019 has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and the requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap. 622 and the GEM Listing Rules. The condensed consolidated financial information does not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with HKFRS. The condensed consolidated financial information has been prepared on a historical cost basis, except for available-for-sale financial assets, financial assets and liabilities — measured at fair value.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. Revenue

The Group's revenue from its major services during the period is as follows:

| | For the three months ended 31 March | |
|-------------------------------------|--|------------------|
| | 2019 HK\$'000 | 2018 HK\$'000 |
| Design and fit out | 34,304 | 32,992 |
| Design | 200 | 42 |
| Maintenance and aftersales services | 167 | 545 |
| | 34,671 | 33,579 |

4. Other income

| | For the three months ended 31 March | |
|--|--|------------------|
| | 2019 HK\$'000 | 2018 HK\$'000 |
| Dividend income from equity investments at fair value through other comprehensive income | 41 | 36 |
| Sundry income | 135 | 40 |
| | 176 | 76 |

5. Other gains, net

| | For the three months ended 31 March | |
|--|--|------------------|
| | 2019 HK\$'000 | 2018 HK\$'000 |
| Gain/(loss) on change in fair value of financial assets at fair value through profit or loss | | |
| — Net unrealised gain on listed securities | 609 | 4,656 |
| — Net realised loss on disposal of listed securities | (405) | (183) |
| | 204 | 4,473 |
| Foreign exchange gains | 5 | — |
| | 209 | 4,473 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rate of taxation prevailing in the countries in which the Group operations.

| | For the three months ended 31 March | |
|--------------------|-------------------------------------|------------------|
| | 2019 HK\$'000 | 2018 HK\$'000 |
| Current income tax | 3 | 887 |

7. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

| | For the three months ended 31 March | |
|--|-------------------------------------|-------------|
| | 2019 | 2018 |
| (Loss)/profit for the period attributable to owners of the Company (in HK\$'000) | (2,905) | 4,254 |
| Weighted average number of ordinary shares | 595,000,000 | 480,000,000 |
| Basic (loss)/earnings per share (in HK cents) | (0.49) | 0.89 |

No diluted loss/earnings per share is presented for both of the three months ended 31 March 2019 and 31 March 2018 as there were no potential ordinary shares in issue during those periods.

SUPPLEMENTARY INFORMATION

Share Option Scheme

The Company has conditionally adopted the share option scheme (“Share Option Scheme”), which was approved by written resolutions passed by its sole Shareholder on 15 June 2016 and became unconditional on 12 July 2016. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

The Share Option Scheme is valid and effective for a period of 10 years from 12 July 2016, after which no further options will be granted or offered.

As at 31 March 2019, there was no option outstanding, granted, cancelled, exercised or lapsed.

SUPPLEMENTARY INFORMATION (CONTINUED)

Directors and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporation

As at 31 March 2019, the interests and short positions of directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (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 which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the ordinary shares and underlying shares of the Company

(i) Interests in the Company

Interests in ordinary shares

| Name of directors | Personal interests | Family interests | Corporate interests | Total interests in ordinary shares | Total interests in underlying shares | Aggregate interests | % of the Company's issued voting shares |
|------------------------------------|--------------------|------------------|---------------------|------------------------------------|--------------------------------------|---------------------|---|
| Mr. Yau Chung Ping ^{Note} | — | — | 144,004,000 | 144,004,000 | — | 144,004,000 | 24.2% |

Note:

The 144,004,000 shares are beneficially held by Legend Investments International Limited ("Legend Investments"), which is legally and beneficially owned as to 80% by Mr. Yau Chung Ping ("Mr. Yau"). Accordingly, Mr. Yau is deemed to be interested in 144,004,000 shares of the Company beneficially held by Legend Investments by virtue of the SFO. Mr. Yau is currently a director of Legend Investments.

SUPPLEMENTARY INFORMATION (CONTINUED)

(ii) Interests in the associated corporation

| Name of directors | Name of associated corporation | Capacity/Nature | No. of ordinary shares held | % of the issued voting shares of associated corporation |
|--------------------------|---|------------------------------------|------------------------------------|--|
| Mr. Yau Chung Ping | Legend Investments International Limited | Interest in controlled corporation | 80 | 80% |
| Mr. Wong Kang Man | Ace Architectural and Interior Design Limited | Interest in controlled corporation | 3,500 | 35% |

Save as disclosed above, as at 31 March 2019, none of the directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as 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 standards of dealing by directors as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules.

SUPPLEMENTARY INFORMATION (CONTINUED)

Substantial Shareholder's Interests and/or Short Position in Shares and Underlying Shares of the Company

As at 31 March 2019, the interest of the persons, other than directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long position in the ordinary shares and underlying shares of the Company

| Name of shareholders | Capacity | Number of ordinary shares held | % of the Company's issued voting shares |
|--|------------------------------------|---------------------------------------|--|
| Legend Investments International Limited | Beneficial owner | 144,004,000 | 24.2% |
| Mr. Yau Chung Ping | Interest in controlled corporation | 144,004,000 | 24.2% |
| Climb Up Limited | Beneficial owner | 115,000,000 | 19.3% |
| Mr. Wong Yu Ki Andy | Interest in controlled corporation | 115,000,000 | 19.3% |
| Mr. Lam Leslie | Interest in controlled corporation | 115,000,000 | 19.3% |

Save as disclosed above, as at 31 March 2019, the Company had not been notified by any persons (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Rights to Acquire Shares or Debentures

Other than the Share Option Scheme and as disclosed under the sections "Directors and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporation" above, at no time during the three months ended 31 March 2019 was the Company or any of its subsidiaries, or any of its fellow subsidiaries or any associated corporations, a party to any arrangement to enable the directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUPPLEMENTARY INFORMATION (CONTINUED)

Interests in Competing Businesses

During the three months ended 31 March 2019, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group, save for the followings:

Mr. Wong Kang Man (“Mr. Wong”), an executive Director of the Company, is a director of Ace Architectural and Interior Design Limited (“ACE”), which is a non-wholly owned subsidiary of the Group and ACE is principally engaged in the interior design business in Hong Kong. Despite of such company being engaged in the interior design business in Hong Kong, the Group has been operating independently of the business of such company, no competition is considered to exist during the three months ended 31 March 2019.

Code on Corporate Governance Practices

During the three months ended 31 March 2019, the Board considers that the Company has complied with all the corporate governance codes (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

Compliance of Code of Conduct for Directors’ Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by our Company during the three months ended 31 March 2019.

Purchase, Sale or Redemption of Listed Securities of the Company

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

SUPPLEMENTARY INFORMATION (CONTINUED)

Audit Committee

The Company established an audit committee on 15 June 2016 with written terms of reference (as adopted and amended on 31 December 2018) in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Mr. Tse Chi Shing (Chairman), Mr. Tse Wai Hei and Mr. Tam Chak Chi. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

The audit committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing and financial reporting matters. The audit committee has discussed and reviewed the unaudited financial information and the first quarterly report for the three months ended 31 March 2019.

As at the date of this report, the executive Directors are Mr. Yau Chung Ping, Mr. Lam Chung Ho, Alastair and Mr. Wong Kang Man; and the independent non-executive Directors are Mr. Tse Chi Shing, Mr. Tse Wai Hei and Mr. Tam Chak Chi.