

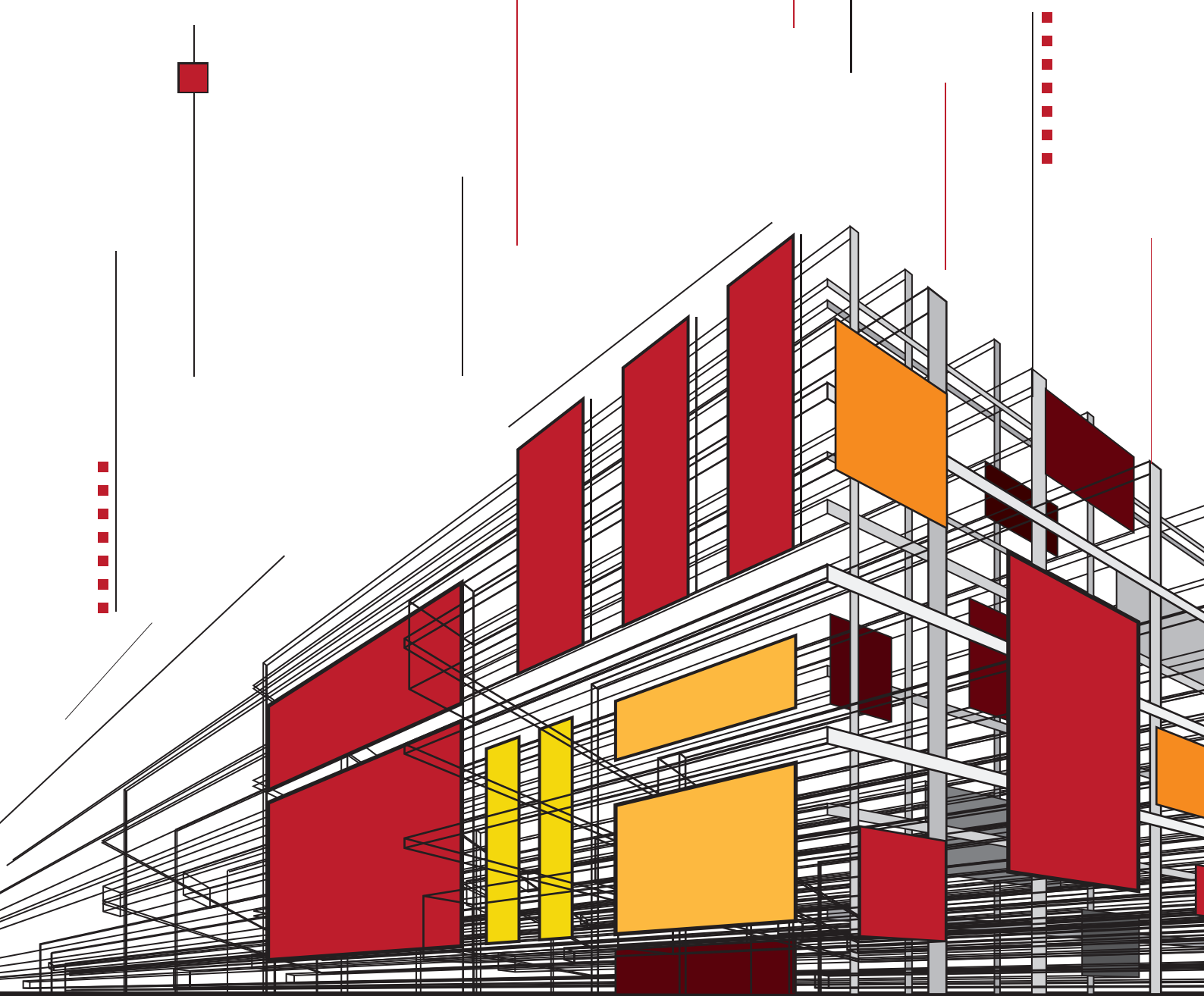
# CHINA ALL NATION INTERNATIONAL HOLDINGS GROUP LIMITED

(formerly known as KSL Holdings Limited)  
(incorporated in the Cayman Islands with limited liability)

Stock Code: 8170

**2018/19**

Third Quarterly Report



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

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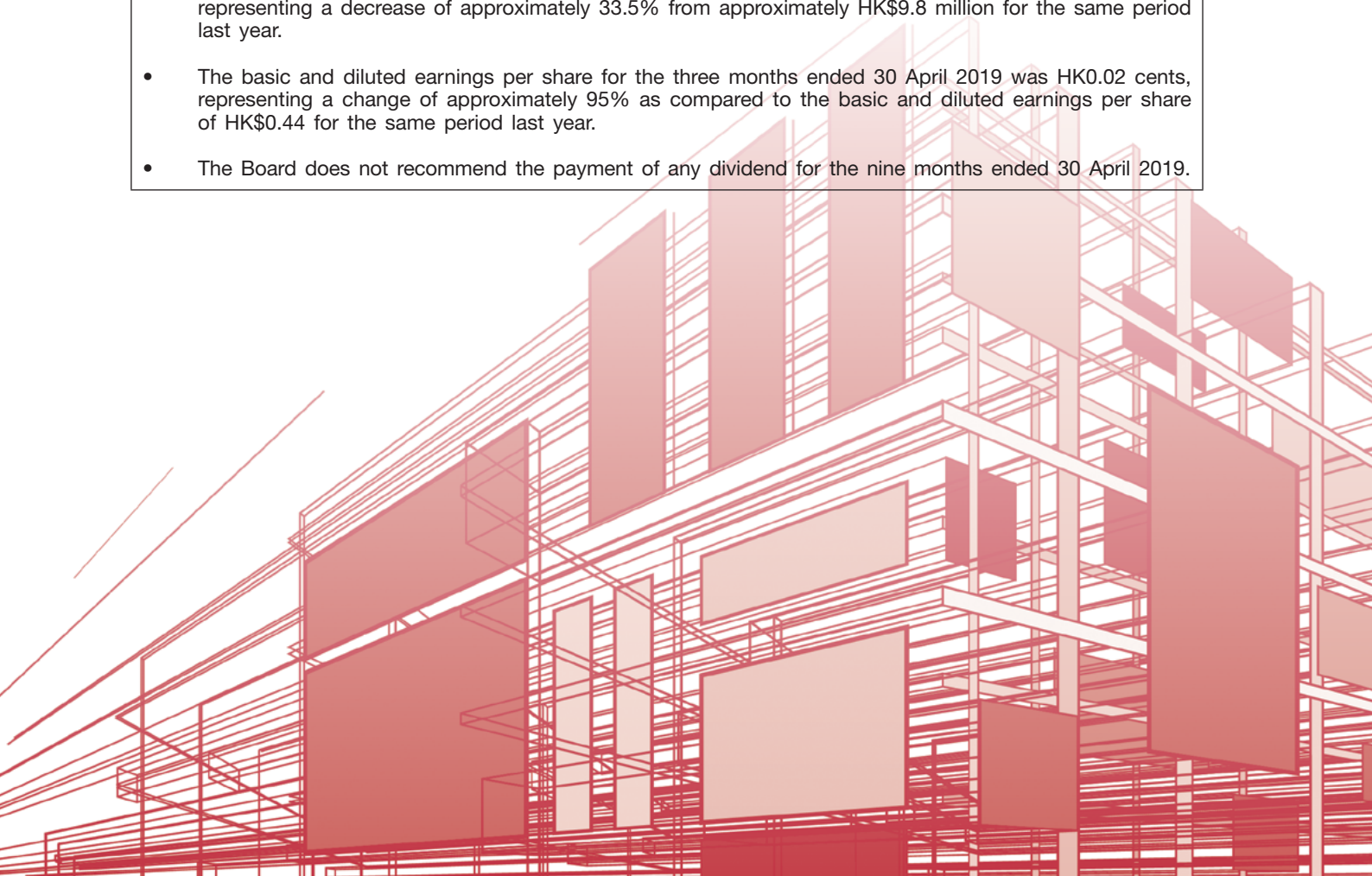
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This report, for which the directors (the “Director(s)”) of China All Nation International Holdings Group Limited (the “Company”, together with its subsidiaries, collectively the “Group”) collectively and individually accept full responsibility, includes 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.

### FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS AND THE NINE MONTHS ENDED 30 APRIL 2019

- The Group's revenue was approximately HK\$30.3 million for the three months ended 30 April 2019, representing an increase of approximately 155.8% when compared with the same period last year of approximately HK\$11.8 million.
- The Group's revenue amounted to approximately HK\$42.3 million for the nine months ended 30 April 2019, representing an increase of approximately 28.8% or approximately HK\$9.4 million as compared to the nine months ended 30 April 2018.
- The gross profit of the Group amounted to approximately HK\$6.8 million for the three months ended 30 April 2019, representing an increase of approximately 797.2% or approximately HK\$6.1 million when compared with the same period last year of approximately HK\$0.7 million.
- The gross profit of the Group amounted to approximately HK\$8.9 million for the nine months ended 30 April 2019, representing an increase of approximately 113.2% or approximately HK\$4.7 million as compared to the nine months ended 30 April 2018.
- For the three months ended 30 April 2019, the Group's business has successfully turnaround to operating profit of approximately HK\$2.6 million from operating loss of approximately HK\$3.0 million for the same period last year.
- For the nine months ended 30 April 2019, operating loss of the Group materially decreased by approximately 50.7% to approximately HK\$4.7 million from approximately HK\$9.5 million for the same period last year.
- The business of the Group turnaround and recorded a profit of approximately HK\$1.3 million for the three months ended 30 April 2019 from a loss of approximately HK\$3.0 million for the same period last year.
- The loss for the nine months ended 30 April 2019 also narrowed down to approximately HK\$6.5 million, representing a decrease of approximately 33.5% from approximately HK\$9.8 million for the same period last year.
- The basic and diluted earnings per share for the three months ended 30 April 2019 was HK0.02 cents, representing a change of approximately 95% as compared to the basic and diluted earnings per share of HK\$0.44 for the same period last year.
- The Board does not recommend the payment of any dividend for the nine months ended 30 April 2019.



## THIRD QUARTERLY RESULTS

The board (the “Board”) of Directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 April 2019, together with the unaudited comparative figures for the corresponding periods in 2018, as follows:

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

For the three months and nine months ended 30 April 2019

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	30,271	11,833	42,276	32,834
Cost of sales	4	(23,443)	(11,072)	(33,375)	(28,660)
Gross profit		6,828	761	8,901	4,174
Other income		603	91	768	2,042
Fair value changes on financial assets at fair value through profit or loss		—	(1,520)	—	(1,440)
Gain on disposal of subsidiaries		—	3,123	73	3,026
Administrative and other operating expenses		(4,797)	(5,446)	(14,430)	(17,314)
Operating profit/(loss)		2,634	(2,991)	(4,688)	(9,512)
Non-operating expenses	6	(441)	—	(741)	—
Profit/(loss) before income tax		2,193	(2,991)	(5,429)	(9,512)
Income tax expenses	5	(903)	—	(1,054)	(244)
Profit/(loss) for the period		1,290	(2,991)	(6,483)	(9,756)
Other comprehensive income for the period, net of tax Item that may be reclassified subsequently to profit or loss: Exchange differences arising during the period		12	—	405	—
Total comprehensive income/ (expense) for the period		1,302	(2,991)	(6,078)	(9,756)
Profit/(loss) for the period attributable to:					
Owners of the Company		86	1,829	(9,586)	(7,940)
Non-controlling interests		1,204	(4,820)	3,103	(1,816)
		1,290	(2,991)	(6,483)	(9,756)
Total comprehensive income/ (expense) for the period attributable to:					
Owners of the Company		98	1,829	(9,181)	(7,940)
Non-controlling interests		1,204	(4,820)	3,103	(1,816)
		1,302	(2,991)	(6,078)	(9,756)
		HK cents	HK cents	HK cents	HK cents
Basic and diluted earnings/(loss) per share	8	0.02	0.44	(2.33)	(1.93)

Details of dividends are disclosed in Note 7 to the unaudited condensed and consolidated financial statements.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2019

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Balance at 1 August 2017 (audited)	4,112	24,394	67,356	95,862	(180)	95,682
Loss and total comprehensive expense for the period	—	—	(7,940)	(7,940)	(1,816)	(9,756)
Balance at 30 April 2018 (unaudited)	<u>4,112</u>	<u>24,394</u>	<u>59,416</u>	<u>87,922</u>	<u>(1,996)</u>	<u>85,926</u>
Balance at 1 August 2018 (audited)	4,112	24,394	52,705	81,211	(4,202)	77,009
Profit/(loss) for the period	—	—	(9,586)	(9,586)	3,103	(6,483)
Other comprehensive income						
Exchange differences arising on translation of financial statements of foreign operations	—	—	405	405	—	405
Disposal of subsidiaries	—	—	—	—	32	32
Balance at 30 April 2019 (unaudited)	<u>4,112</u>	<u>24,394</u>	<u>43,524</u>	<u>72,030</u>	<u>(1,067)</u>	<u>70,963</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 30 April 2019

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 17 July 2014. The registered office of the Company is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The headquarters and principal place of business in Hong Kong is located at Unit 1902, 19/F., Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong. The Company's issued ordinary shares of HK\$0.01 each have been listed and traded on GEM since 5 December 2014.

The principal activity of the Company is investment holding. The Group's principal activities are the provision of civil engineering consulting, contracting, interior design services and decoration works in Hong Kong, including but not limited to geotechnical engineering works, and property sub-leasing business in the People's Republic of China (the "PRC").

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 July 2018 except for the adoption of the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not yet adopted any new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and revised HKFRSs on the Group's results and financial position.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"). Other than those subsidiaries established in the PRC whose functional currency is Renminbi ("RMB"), the functional currency of the Company and its remaining subsidiaries are HK\$. The reason for selecting HK\$ as its presentation currency is that the Company is a public company listed on GEM, where most of the investors are located in Hong Kong.

The unaudited condensed consolidated financial statements for the three months and nine months ended 30 April 2019 have not been audited or reviewed by the Company's independent auditors, but have been reviewed by the Company's audit committee.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 30 April 2019

### 3. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents revenue derived from provision of engineering consulting, contracting, interior design services and decoration works, and property sub-leasing in the ordinary course of business.

The following is an analysis of the Group's revenue and results by reportable and operating segments recognised during the three months and nine months ended 30 April 2019 and 2018:

	Three months ended 30 April			
	2019 HK\$'000 (Unaudited) <i>Segment revenue</i>	2019 HK\$'000 (Unaudited) <i>Segment profit</i>	2018 HK\$'000 (Unaudited) <i>Segment revenue</i>	2018 HK\$'000 (Unaudited) <i>Segment profit/(loss)</i>
Engineering consulting	—	—	—	(637)
Contracting	464	129	6,778	417
Interior design and decoration	19,968	4,221	5,055	(2,009)
Gross rental income from property sub-leasing	9,839	1,081	—	—
Others	—	—	—	(13)
	<u>30,271</u>	<u>5,431</u>	<u>11,833</u>	<u>(2,242)</u>

	Nine months ended 30 April			
	2019 HK\$'000 (Unaudited) <i>Segment revenue</i>	2019 HK\$'000 (Unaudited) <i>Segment profit/(loss)</i>	2018 HK\$'000 (Unaudited) <i>Segment revenue</i>	2018 HK\$'000 (Unaudited) <i>Segment loss</i>
Engineering consulting	—	—	989	(1,155)
Contracting	5,815	(1,148)	9,449	(1,626)
Interior design and decoration	22,381	3,397	22,247	(863)
Gross rental income from property sub-leasing	14,080	1,685	—	—
Others	—	—	149	(334)
	<u>42,276</u>	<u>3,934</u>	<u>32,834</u>	<u>(3,978)</u>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 30 April 2019

### 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The management of the Company has determined the operating segments based on the reports reviewed by the Directors, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

Engineering consulting:	Provision of developing cost-effective engineering designs and obtaining necessary approvals in respect of the engineering designs developed by the Group from the relevant government authorities or their appointed consultants in Hong Kong.
Contracting:	Provision of undertaking general building works as contractor in Hong Kong.
Interior design and decoration:	Provision of interior design services and decoration works in Hong Kong and the PRC.
Property sub-leasing:	The sub-leasing of properties in the PRC.
Others:	Provision of financial public relation services in Hong Kong.

### 4. COST OF SALES

	Three months ended 30 April		Nine months ended 30 April	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Staff costs	197	176	197	1,300
Subcontracting charges	13,523	9,485	19,888	21,562
Direct materials	1,078	1,251	1,305	5,291
Gross rental expense from property sub-leasing	8,609	—	11,925	—
Others	36	160	60	507
	<u>23,443</u>	<u>11,072</u>	<u>33,375</u>	<u>28,660</u>



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 30 April 2019

### 5. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 April		30 April	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong profits tax	—	—	—	244
PRC enterprise income tax	903	—	1,054	—
	<u>903</u>	<u>—</u>	<u>1,054</u>	<u>244</u>

Hong Kong profits tax is calculated at 16.5% (Nine months ended 30 April 2018: 16.5%) of the estimated assessable profits of the Group for the period as stated above.

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 subsidiaries are 25% from 1 January 2008 onwards.

No deferred tax assets and liabilities have been provided in the financial statements as there is no material temporary difference arising between tax bases of assets and liabilities and their carrying amounts as at the reporting dates.

### 6. NON-OPERATING EXPENSES

Non-operating expenses relate to expenses of the Group not incurred in the ordinary and usual course of business of the Group which include professional fees incurred by the Group in attending to the queries of the Stock Exchange on maintaining the listing status of the Company.

### 7. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 April 2019 (Nine months ended 30 April 2018: Nil).

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 30 April 2019

### 8. EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings/(loss) per share for the three months and nine months ended 30 April 2019 and 2018 are based on the following:

	Three months ended 30 April		Nine months ended 30 April	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Profit/(loss):</b>				
Profit/(loss) for the period attributable to owners of the Company	<u>86</u>	<u>1,829</u>	<u>(9,586)</u>	<u>(7,940)</u>
	'000	'000	'000	'000
<b>Number of shares:</b>				
Weighted average number of ordinary shares	<u>411,200</u>	<u>411,200</u>	<u>411,200</u>	<u>411,200</u>

No diluted earnings/(loss) per share was presented as there were no potential ordinary shares in issue during the periods.

### BUSINESS REVIEW AND OUTLOOK

#### Business review

The Group is principally engaged in the provision of civil engineering consulting, contracting, project management and interior design and decoration services as well as office sub-leasing.

After the changes in the Company's single largest shareholder and members of the Board in year 2018, the Board completed its review of the Group's business operation in early 2019. At the board meeting held in February 2019, the Board approved the business development direction that notwithstanding the aforesaid changes, the Group shall continue its original business of provision of civil engineering consulting, contracting and project management ("**Original Business**"). But since it will take time for the Group to revitalize the Original Business, the Board also resolved to develop the sub-leasing as well as the interior design and decoration businesses in order to have stable source of revenue.

As part of the measures to implement the aforesaid Board decision, the Company appointed the following as members of its Group's management team:

- (i) On 12 February 2019, the Company appointed Mr. So Chi Wai ("**Mr. So**") as the chief operating officer of the Group, Mr. So has over 30 years of experience in civil engineering industry and over 20 years of experience in geotechnical engineering field in Hong Kong. Mr. So is currently responsible for the internal design and decoration business of the Group in the PRC. He also assist the Group in its engineering consulting and contracting business.
- (ii) On 11 June 2019, the Company appointed Mr. Yeung Wing Yan ("**Mr. Yeung**") as the chief operating officer of the Group in respect of the Group's civil engineering and contracting business as well as the interior design and decoration business in Hong Kong. Mr. Yeung is currently a director of and an ultimate beneficial owner of 49% issued share capital in New Brio Engineering Limited ("**NBE**"), a company incorporated in Hong Kong with limited liability and a 51% indirectly owned subsidiary of the Company. Mr. Yeung has joined the Group for more than three years by serving as a director of NBE since mid 2016. Mr. Yeung has 10 years of experience in operating interior design and renovation as well as engineering businesses. His interior design works included office buildings, residential buildings and industrial and commercial shops and his works were widely spread throughout Hong Kong and the PRC. Mr. Yeung has been and will be actively participating in various tenders for engineering and other projects from governmental and private sectors.
- (iii) On 11 June 2019, the Company appointed Mr. Yue Lei ("**Mr. Yue**") as the chief operating officer of the Group in respect of its sub-leasing business. Mr. Yue obtained a bachelor's degree in international economics and trading from Heilongjiang Institute of Science and Technology in the PRC in 2007. Prior to his joining of the Group, Mr. Yue was the general manager and vice president of the strategic development centre of 深圳市盤古幫幫孵化科技有限公司 (for transliteration purpose only, Shenzhen Pangubang Bangfuhua Technology Company Limited). He has more than 11 years of experience in real estate industry in the PRC and was primarily responsible for business plan management, real estate (office property, apartment, commercial) projects development, commercial planning, leasing strategy planning and leasing team management.

Leveraging on the efforts of the Directors and its staff, the Group actively implemented the aforesaid Board decision and made a number of achievements in each of its business segments in the three months ended 30 April 2019, in which the Group's revenue increased by approximately 155.8% and turnaround to operating profit and recorded profit for the period attributable to owners of the Company when compared with the same period last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. *Sub-leasing business segment*

As disclosed in the Company's interim report for the six months ended 31 January 2019, in order to expand the Group's business to the PRC and to secure an additional stable source of revenue, the Group completed its acquisition of 100% equity interest in Shenzhen Zhongshengtuotou Assets Management Co., Ltd\* (深圳中深國投資產管理有限公司) (the "ZSGT"), a company established in the PRC with limited liability, on 8 November 2018.

The principal business of ZSGT is sub-leasing of office premises. Its business strategy is provision of grade A office premises at affordable price embedding co-use/sharing concept. Majority of the sub-leasing projects run by ZSGT are located at grade A office buildings of major cities in which ZSGT offers partitioned office premises with centralized medium to large scale conference rooms housing 20 to 180 participants, for the co-use of its sub-tenants. The Group's sub-leasing business segment has a strong growth potential in view of:

- (i) the vast in number of small-scale companies and the annual increase in the number of startup companies in recent years which has in turn led to increasing demand for small-sized offices in the PRC;
- (ii) the concept of "co-use/sharing offices" has become more popular and widely accepted in the PRC in recent years as it offers a more flexible and affordable way for entrepreneurs to startup and grow their businesses; and
- (iii) the co-use of conference rooms value-added service offered by ZSGT is well received by its customers and they can achieve cost-saving by renting smaller office premises which do not equip with conference rooms.

ZSGT also provides sub-leasing of non-partitioned commercial premises. ZSGT has identified the business opportunity that there are numerous asset management companies and insurance companies in the PRC which operate many branches/service centres throughout the PRC. In view of the disperse in location, huge number of branches/service centres involved and monthly formalities in arranging government tax invoices for rental payment in the PRC, which are very time consuming, ZSGT provides sub-leasing of non-partitioned commercial premises to asset management companies and insurance companies. These kind of customers can achieve cost-savings in terms of precious management time and overheads by leaving all the leasing and property management matters to ZSGT via sub-leasing of premises from ZSGT instead of renting premises by themselves from different and deal with numerous number of landlords directly.

ZSGT also operates one co-work space centre (i.e. an advanced form of business centre) at a grade A office building located at Nanshan district, Shenzhen's focal development area for hi-tech and innovative businesses, which offers:

- (i) rental of office space or dedicated desks;
- (ii) rental of private office room/booth;
- (iii) conference rooms; and
- (iv) auxiliary services (e.g. provision of registered office for business licence registration purpose, front-desk and guest reception, business-class printing, mail and packing handling as well as other secretarial services);

\* for identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

to customers and sub-tenants of ZSGT's other leased properties in which charges are calculated based on the membership plan subscribed, which is very flexible ranging from hourly usage plan to monthly usage plan, purchased by customers and/or actual usage.

The above strategies of ZSGT have proven to be effective in which:

- (i) the operation of ZSGT was only in Shenzhen in September 2018 but, it has expanded rapidly starting from January 2019 to Beijing, Shanghai and 13 provinces, namely Guangdong 廣東, Guangxi 廣西, Jiangxi 江西, Hubei 湖南, Hunan 湖北, Hainan 海南, Hebei 河北, Fujian 福建, Jilin 吉林, Shandong 山東, Sichuan 四川, Ningxia 寧夏 and Inner Mongolia 內蒙古;
- (ii) the floor area leased by ZSGT has increased substantially from 6,800 square meters in September 2018 to approximately 39,000 square meters as at 30 April 2019;
- (iii) in term of segment revenue, this business segment had a remarkable growth in the three months ended 30 April 2019 with an increase in approximately 80.0%, when compared with the prior three months ended 31 January 2019; and
- (iv) in term of segment profit, this business segment had a remarkable growth in the three months period ended 30 April 2019 with an increase in approximately 91.4%, when compared with the prior three months period ended 31 January 2019.

The Group is building an online platform which will allow the Group's sub-tenants and co-work space centre members to co-use all the conferencing facilities and office premises offered by the Group at different cities and provinces in the PRC when they travel across the country. In view of the high mobility of business travelers in the PRC, the Company believes that this innovative idea will be welcomed by the market.

### **2. Interior design and decoration business segment**

In the three months ended 30 April 2019 and leveraging on the Group's experience and expertise accumulated since the commencement of its interior design and decoration business segment in mid 2016, the Group expanded its interior design and decoration business from Hong Kong to the PRC by setting up an interior design and decoration team under ZSGT.

The premises offered by ZSGT to its sub-tenants are fully decorated in which sub-tenants can move-in immediately with their own furniture once they signed a sub-lease agreement with ZSGT. In order to allow ZSGT to partition and/or decorate premises for sub-leasing to customers at the soonest possible and in view of the increase in number of properties newly leased by ZSGT which create a strong demand for interior design and decoration works, ZSGT set up its own in-house interior design and decoration team for provision of such services to (i) its leased properties internally, (ii) those external sub-tenants who require additional design and decoration services; and (iii) other external customers which are not its sub-tenants. ZSGT is responsible for the overall design, purchasing and project management. Appropriate external workers/contractors are engaged to implement the design plans under ZSGT's supervision.

With the effort of the newly appointed senior management and the management team of the Group in sourcing new customers and promoting the Group's services, for the three months ended 30 April 2019, the Group successfully secured 6 contracts in Hong Kong and 4 contracts in the PRC. The revenue that the Group could recognize for the aforesaid period has increased by approximately 295.0% when compared with the same period last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Contracting business segment

In order to secure new contracts for the Original Business notwithstanding the overall sluggish condition in Hong Kong construction industry, the Group has adopted a more aggressive approach in seeking new contracts which including but not limited to relaxing payment terms of its contracts so as to increase its competitiveness.

For the three months ended 30 April 2019, the Group secured 2 new contracts. These together with the other existing contracts on hand have commenced work already but since the Group could only recognize revenue after receiving certification of work by quantitative surveyors, this business segment did not record any revenue in the period under review.

#### Outlook

The Board believes that the Group is back to the right track.

Looking forward, the Directors are optimistic on the development of the Original Business as the HKSAR Government has implemented different policies such as “Long Term Housing Strategies” and “Lantau Tomorrow” in the Chief Executive’s 2018 Policy Address on 10 October 2018, which will revitalise Hong Kong’s construction engineering industry. In developing the Group’s Original Business as well as interior design and decoration service, the Group adopts more aggressive measures including relaxation of its credit terms in order to source more new customers and obtain new projects though this may impact the financial position of the Group for the time being. At the same time, the Group prudently evaluates the potential costs and the engineering circumstances pertaining to different potential projects with a view to control the Group’s overall costs at an acceptable and satisfactory level.

The Group’s sub-leasing business embedding co-use/office-sharing concept as value-added service is well received by its customers which not only generates stable revenue to the Group, as most of the sub-tenants are required to sign medium to long term contracts, but also creates synergy to the Group’s interior design and decoration business.

As stated before, Board has resolved to focus the Group’s business on the aforesaid three business segments in its Board meeting held in February 2019 and the Company believes that these three business segments, namely, (i) the Original Business; (ii) interior design and decoration; and (iii) sub-leasing, are the three pillars supporting the revitalization of the Group’s business, improving its financial performance and contributing to the growth of the Group.

## FINANCIAL REVIEW

### Revenue

For the three months ended 30 April 2019, the Group’s revenue was approximately HK\$30.3 million, representing an increase of approximately 155.8% when compared with the same period last year of approximately HK\$11.8 million. The Group’s revenue for the nine months ended 30 April 2019 had also increased from approximately HK\$32.8 million for the nine months ended 30 April 2018 to approximately HK\$42.3 million, representing an increase of approximately 28.8%. Such increases were mainly due to the increase in the Group’s revenue derived from the sub-leasing as well as interior design services and decoration businesses.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the nine months ended 30 April 2019, the Group acquired 100% equity interest in ZSGT. ZSGT is initially principally engaged in property sub-leasing business then expanded to interior design and decoration in the PRC and as at 30 April 2019, it was managing a portfolio of 51 projects with a gross floor area of approximately 39,000 square meters. Since the acquisition, ZSGT has contributed approximately HK\$24.3 million to the Group's revenue for the interior design and decoration as well as the sub-leasing business segments.

### Cost of Sales

The Group's cost of sales increased from approximately HK\$28.7 million for the nine months ended 30 April 2018 to approximately HK\$33.4 million for the nine months ended 30 April 2019, representing an increase of approximately 16.5%. Such increase was in line with the increase in revenue of the Group.

### Gross Profit

For the three months ended 30 April 2019, gross profit of the Group amounted to approximately HK\$6.8 million, representing an increase of approximately 797.2% or approximately HK\$6.1 million when compared with the same period last year of approximately HK\$0.7 million.

The Group's gross profit had also increased to approximately HK\$8.9 million for the nine months ended 30 April 2019 from approximately HK\$4.2 million for the same period last year. This represents an increase of approximately 113.2%.

The aforesaid increases were mainly due to the increases in the Group's revenue and cost of sales as discussed above.

### Other Income

The Group's other income decreased by approximately HK\$1.3 million from approximately HK\$2.0 million for the nine months ended 30 April 2018 to approximately HK\$0.8 million for the nine months ended 30 April 2019, representing a decrease of approximately 62.4%. The substantial decrease in other income was because no loan interest income had been generated during the period (nine months ended 30 April 2018: HK\$1.6 million).

### Administrative and Other Operating Expenses

The Group's administrative and other operating expenses amounted to approximately HK\$17.3 million and HK\$14.4 million for the nine months ended 30 April 2018 and 2019, respectively, representing a decrease of approximately 16.7%. Such decrease was primarily due to the decrease in staff costs of approximately HK\$2.5 million which was resulted by tightened cost control measures implemented by the Group during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operating Profit/(Loss)

For the three months ended 30 April 2019, the Group's business has successfully turnaround to operating profit of approximately HK\$2.6 million from operating loss of approximately HK\$3.0 million for the same period last year.

For the nine months ended 30 April 2019, operating loss of the Group materially decreased by approximately 50.7% to approximately HK\$4.7 million from approximately HK\$9.5 million for the same period last year.

### Non-operating Expenses

Non-operating expenses relate to expenses of the Group not incurred in the ordinary and usual course of business of the Group. These include additional professional fees incurred by the Company in attending to the queries of the Stock Exchange on maintaining the listing status of the Company. For the three months and nine months ended 30 April 2019, the Group incurred non-operating expenses of approximately HK\$0.4 million and approximately HK\$0.7 million respectively (Three months ended 30 April 2018 and nine months ended 30 April 2018: Nil).

### Income Tax Expense

The Group's income tax expenses were approximately HK\$0.9 million and nil for the three months ended 30 April 2019 and 2018, respectively.

For the nine months ended 30 April 2018 and 2019, the Group's income tax expense amounted to approximately HK\$0.2 million and HK\$1.1 million, respectively, representing an increase of approximately 3.3 times, which was primarily due to the provision for enterprise income tax in the PRC in view of the profitability of the sub-leasing segment for the period.

### Profit/(Loss) for the Period

As a result of the aforesaid, the business of the Group turnaround and recorded a profit of approximately HK\$1.3 million for the three months ended 30 April 2019 from a loss of approximately HK\$3.0 million for the same period last year.

The loss for the nine months ended 30 April 2019 also narrowed down to approximately HK\$6.5 million, representing a decrease of approximately 33.5% from approximately HK\$9.8 million of the same period last year.

### Dividend

The Board does not recommend the payment of any dividend for the nine months ended 30 April 2019 (Nine months ended 30 April 2018: Nil).



### DISCLOSURE OF INTERESTS

#### A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 April 2019, the interests and short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be 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 of Directors	Capacity	Number of ordinary shares interested (Long position)	Approximate percentage of shareholding
Mr. Lin Ye (Note 1)	Beneficial owner	29,513,000	7.18%
	Interest in a controlled corporation	86,534,000	21.04%

Save as disclosed above and so far as is known to the Directors, as at 30 April 2019, none of the Directors and chief executive of the Company had any interests or short positions 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 under 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 provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Note:

- 86,534,000 Shares are held by Sonic Solutions Limited as a beneficial owner. The entire issued share capital of Sonic Solutions Limited is wholly-owned by Mr. Lin Ye. As such, Mr. Lin Ye is deemed to be interested in 86,534,000 Shares held by Sonic Solutions Limited.

## MANAGEMENT DISCUSSION AND ANALYSIS

### B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 April 2019, so far as was known to the Directors, the interests and short positions of the following persons (other than the Directors or chief executive of the Company) or entities which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were requested to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Names of Shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Sonic Solutions Limited (Note 2)	Beneficial owner	86,534,000	21.04%
Jing Shiqi (Note 3)	Interest in a controlled corporation	60,000,000	14.59%
Wealth Triumph Corporation (Note 3)	Beneficial owner	60,000,000	14.59%
Pan Guorong	Beneficial owner	30,000,000	7.30%
Liu Guo Ping	Beneficial owner	54,833,000	13.33%
Li Song	Beneficial owner	34,738,000	8.45%
Xia Yuqing	Beneficial owner	32,135,000	7.81%

Notes:

1. Interests in Shares stated above represent long positions.
2. The entire issued share capital of Sonic Solutions Limited is wholly-owned by Mr. Lin Ye, an executive director of the Company.
3. Jing Shiqi beneficially owns the entire issued share capital of Wealth Triumph Corporation which in turns hold 60,000,000 Shares. As such, Jing Shiqi is deemed, or taken to be, interested in all the Shares held by Wealth Triumph Corporation for the purposes of the SFO. Jing Shiqi is the sole director of Wealth Triumph Corporation.

Save as disclosed above, as at 30 April 2019, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Disclosure of Interests" above, had notified the Company of an interest or short position in the Shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### PURCHASE, SALES OF REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 April 2019 and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### CHANGE OF COMPANY NAME

Pursuant to the special resolution passed by the Shareholders by way of poll at the extraordinary general meeting held on 21 January 2019, the name of the Company was changed from "KSL Holdings Limited" to "China All Nation International Holdings Group Limited 中國全民國際控股集團有限公司" (the "Change of Company Name").

Following the Change of Company Name, the stock short name of the Company for trading in the Shares on the Stock Exchange will be changed from "KSL HOLDINGS" to "ALL NATION INTL" in English and to "全民國際" in Chinese with effect from 9:00 a.m. on 20 March 2019. The stock code of the Company remains unchanged. In addition, the website of the Company has been changed from "www.kslholdings.com" to "www.allnationinternational.com" with effect from 20 March 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

For details, please refer to the announcement of the Company dated 3 December 2018, the circular of the Company dated 27 December 2018, the poll results announcement of the Company dated 21 January 2019 and the announcement of the Company dated 15 March 2019.

### CORPORATE GOVERNANCE CODE

During the nine months ended 30 April 2019 and up to the date of this report, save as disclosed in this report, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Relevant Period, there have been no chief executive in the Company. Mr. Lin Ye was appointed as the Chairman of the Board on 12 October 2018, and is responsible for the overall management and formulation of business strategy of the Group.

The Board does not have the intention to fill the position of the chief executive of the Company as at the date of this report and believes the absence of chief executive will not have any adverse effect to the Company, as decisions of the Company will be made collectively by the executive Directors. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of chief executive. Appointment will be made to fill the post to comply with code provision A.2.1 of the CG Code if necessary.

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors (the “Code of Conduct”) on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. 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 nine months ended 30 April 2019 and up to the date of this report.

### SHARE OPTION SCHEME

The Company adopted a share option scheme on 19 November 2014 (the “Scheme”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 April 2019.

### EVENT AFTER THE REPORTING PERIOD

The Company has received a letter dated 3 May 2019 from The Stock Exchange (the “Letter”), which serves as a notice to the Company that the Stock Exchange has decided to suspend trading in the shares of the Company under Rule 9.04(3) of the GEM Listing Rules as the Stock Exchange considers that the Company has failed to maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to warrant its continued listing under the Rule 17.26 of the GEM Listing Rules (the “Decision”).

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Letter, in view of the Decision, the Company is required to re-comply with Rule 17.26 of the GEM Listing Rules and it will have a remedial period of 12 months to re-comply with Rule 17.26 of the GEM Listing Rules. If the Company fails to do so by the expiry of the 12-month period (i.e. 2 May 2020), the Stock Exchange will proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules. Under Rule 4.06(1) of the GEM Listing Rules, the Company has the right to have the Decision referred to the GEM Listing Committee for review.

On 10 May 2019, the Company filed an application for a review by the GEM Listing Committee in relation to the Decision. Further announcement will be made by the Company on the development of this matter as and when appropriate.

For details, please refer to the announcements of the Company dated 3 May 2019 and 10 May 2019.

On 6 June 2019, the Board of the Company and its audit committee received a letter from HLB Hodgson Impey Cheng Limited ("**HLB Hodgson**") for its resignation as the auditors of the Company and its subsidiaries incorporated in Hong Kong with immediate effect. On 11 June 2019, Moore Stephens CPA Limited ("**Moore Stephens**") has been appointed as the auditors of the Group with effect from the same date to fill the casual vacancy following the resignation of HLB Hodgson and will hold office until the conclusion of the next annual general meeting of the Company.

For details, please refer to the announcements of the Company dated 6 June 2019 and 11 June 2019, respectively.

### AUDIT COMMITTEE

The Company established an audit committee ("**Audit Committee**") on 19 November 2014 with its written terms of reference in compliance with paragraphs C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance. The Audit Committee consists of three members, namely Ms. Kwong Ka Ki, Mr. Yu Hua Chang and Ms. Guo Liying, all being independent non-executive Directors. Ms. Kwong Ka Ki currently serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 April 2019.

By order of the Board  
China All Nation International Holdings Group Limited  
Lin Ye  
Chairman

Hong Kong, 12 June 2019

*As at the date of this report, the executive Directors are Mr. Lin Ye, Mr. Au Siu Chung, Mr. Long Jie, Mr. Yuan Shuang Shun and Ms. Xiao Yi Liao Ge; and the independent non-executive Directors are Ms. Kwong Ka Ki, Ms. Guo Liying and Mr. Yu Hua Chang.*