

THIRD  
QUARTERLY  
REPORT  
2019

THINK  
**MORE,**  
FOR YOUR ASSETS



**FINELAND REAL ESTATE SERVICES  
GROUP LIMITED**

**方圓房地產服務集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8376

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

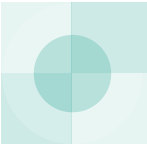
**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the director (collectively the "Directors" and individually a "Director") of Fineland Real Estate Services Group Limited ("the Company", together with its subsidiaries, 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.*

*This report will be available on the Company's website [www.finelandassets.com](http://www.finelandassets.com) and will remain on the "Latest Company Announcements" page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting.*



## HIGHLIGHTS

- The Group recorded revenue of approximately RMB198.9 million for the nine months ended 30 September 2019 (the nine months ended 30 September 2018: approximately RMB144.6 million).
- Profit attributable to owners of the Company for the nine months ended 30 September 2019 amounted to approximately RMB16.2 million (the nine months ended 30 September 2018: approximately RMB11.7 million).
- The Directors do not recommend the payment of any dividend for the nine months ended 30 September 2019.

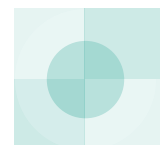
## THIRD QUARTERLY RESULTS

The Board of Directors of the Company (the “**Board**”) hereby reports the unaudited condensed consolidated financial results of the Company and its subsidiaries for the nine months ended 30 September 2019 (the “**Period**”) with the unaudited comparative figures for the nine months ended 30 September 2018.

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

For the nine months ended 30 September 2019

		Nine months ended 30 September	
	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>198,924</b>	144,645
Other income and gains		<b>2,059</b>	3,361
Employee benefit expenses		<b>(81,701)</b>	(73,562)
Advertising, promotion and other commission expenses		<b>(77,623)</b>	(44,374)
Operating lease charges in respect of office and shop premises		<b>–</b>	(9,363)
Operating lease charges in respect of short term leases		<b>(2,537)</b>	–
Depreciation of property, plant and equipment		<b>(1,464)</b>	(1,006)
Depreciation of right-of-use assets		<b>(3,787)</b>	–
Expected credit loss on financial assets		<b>(51)</b>	–
Other operating expenses		<b>(10,400)</b>	(3,315)
Finance costs		<b>(500)</b>	–
<b>Profit before income tax</b>		<b>22,920</b>	16,386
Income tax	4	<b>(6,834)</b>	(4,736)
<b>Profit for the period</b>		<b>16,086</b>	11,650
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations:		<b>(345)</b>	(2,250)
<b>Total comprehensive income for the period</b>		<b>15,741</b>	9,400
<b>Profit attributable to:</b>			
Owners of the Company		<b>16,238</b>	11,650
Non-controlling interests		<b>(152)</b>	–
		<b>16,086</b>	11,650
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>15,893</b>	9,400
Non-controlling interests		<b>(152)</b>	–
<b>Total comprehensive income for the period</b>		<b>15,741</b>	9,400
		<b>RMB cents</b>	<b>RMB cents</b>
<b>Earnings per share</b>			
— Basic and diluted	6	<b>4.06</b>	2.91



## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Equity attributable to owners of the Company <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
As at 1 January 2019	3,403	51,677	5,987	6,782	(2,678)	41,115	106,286	(1)	106,285
Profit for the period	-	-	-	-	-	16,238	16,238	(152)	16,086
Exchange differences on translation of foreign operations	-	-	-	-	(345)	-	(345)	-	(345)
Total comprehensive income for the period	-	-	-	-	(345)	16,238	15,893	(152)	15,741
Capital injected by non-controlling interest	-	-	-	-	-	-	-	294	294
As at 30 September 2019	3,403	51,677	5,987	6,782	(3,023)	57,353	122,179	141	122,320
As at 1 January 2018	3,403	51,677	5,987	6,009	512	11,771	79,359	-	79,359
Profit for the period	-	-	-	-	-	11,650	11,650	-	11,650
Exchange differences on translation of foreign operations	-	-	-	-	(2,250)	-	(2,250)	-	(2,250)
Total comprehensive income for the period	-	-	-	-	(2,250)	11,650	9,400	-	9,400
As at 30 September 2018	3,403	51,677	5,987	6,009	(1,738)	23,421	88,759	-	88,759

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

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

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

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

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

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

The accounting policies and basis of preparation used in preparation of the unaudited condensed consolidated results are consistent with those used in the Group's annual financial statements for the year ended 31 December 2018 (the "2018 Financial Statements") except for the changes in accounting policies resulting from the adoption of new and amended HKFRSs which are relevant to the Group and effective in this period as detailed in note 2 to the 2018 Financial Statements.

#### (b) Basis of measurement

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

#### (c) Functional and presentation currency

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



### 3. REVENUE

Disaggregation of revenue by each significant category and timing of revenue recognition are as follows:

	Nine months ended 30-Sep	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from customers recognised at a point in time:		
Real estate agency service income (including online property referral and agency service income*)	196,559	142,398
Property research and consultancy service income	1,245	1,589
Integrated services income	1,120	658
	<b>198,924</b>	144,645

\* Online property referral and agency service income amounted to approximately RMB104,058,000 (nine months ended 30 September 2018: RMB46,542,000).

### 4. INCOME TAX

The amounts of income tax in the unaudited consolidated statement of profit or loss and other comprehensive income represent:

	Nine months ended 30-Sep	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax — PRC Enterprise Income Tax ("EIT")	6,834	4,736

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

### 5. DIVIDEND

The Directors do not recommend the payment of a dividend for the nine months ended 30 September 2019 (2018: Nil).

## 6. EARNINGS PER SHARE

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

	Nine months ended 30-Sep	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit for the period attributable to the owners of the Company	<b>16,238</b>	11,650
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share	<b>400,000,000</b>	400,000,000

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding for the nine months ended 30 September 2018 and 2019.





## BUSINESS REVIEW AND OUTLOOK

The Group engages in provision of property intermediary services, including real estate agency services (which includes the online property referral and agency services), property research and consultancy services, and Integrated services, with a focus mainly in Guangzhou and also elsewhere in the Greater Bay Area. Since the successful listing on GEM of the Stock Exchange on 15 November 2017 by share offer, there has been no significant change in the business operations. On 3 October 2019, the Group submitted a formal application for a transfer of listing from GEM to the Main Board of the Stock Exchange.

For the nine months ended 30 September 2019, the Group recorded total revenue of approximately RMB198.9 million, representing an increase by approximately RMB54.3 million or approximately 37.5%, from RMB144.6 million for the nine months ended 30 September 2018. The increase is mainly due to the expansion of real estate agency services, in particular primary property real estate agency services and online property referral and agency services. After the entry into Qingyuan and Huizhou markets in 2017, Leizhou in Zhanjiang, Zhaoqing and Heyuan markets in 2018, the Group further entered into the Zhongshan and Zhuhai markets in 2019. The Group's services currently cover a majority of the cities in the Greater Bay Area. This increase in revenue was also driven by the growing popularity of the online property referral and agency services, as property developer customers became more familiar with this service offering and more projects utilised this platform

After a brief recovery of the property market in the first half of the year, regulators carried out measures to strengthen credit policies for house buyers and enterprises, which led to a decrease in transaction volume in many major cities, while the average price remained relatively stable. Cities in the Greater Bay Area had varying market results, with increases in both average price and transaction volume in Zhongshan, Zhuhai and Dongguan, and increases in average price and decreases in transaction volume in Guangzhou, Foshan and Huizhou.

## FINANCIAL REVIEW

### Revenue

Revenue for the nine months ended 30 September 2019 was approximately RMB198.9 million, representing an increase of approximately 37.5% compared to approximately RMB144.6 million for the nine months ended 30 September 2018. This increase was primarily attributable to the increase in revenue generated from real estate agency services of approximately RMB54.2 million of which revenue from online property referral and agency services increased from approximately RMB46.5 million for the nine months ended 30 September 2018 to approximately RMB104.1 million for the nine months ended 30 September 2019. This overall growth was in turn primarily driven by an increase in transaction volume.

### Employee benefit expenses

Employee benefit expenses increased by 11.1% to approximately RMB81.7 million for the nine months ended 30 September 2019 from approximately RMB73.6 million for the nine months ended 30 September 2018. This increase was mainly because more employees were hired for primary property agency services, where the number of total employees had increased from 716 as at 30 September 2018 to 764 as at 30 September 2019, resulting in an increase in salary and benefits to be paid by the Group.

### Advertising, promotion and other commission expenses

The Group recorded approximately RMB77.6 million for advertising, promotion and other commission expenses for the nine months ended 30 September 2019, representing a 74.9% increase compared to RMB44.4 million for the nine months ended 30 September 2018. This increase was primarily due to the increase in revenue from the online property referral and agency services, resulting in the increase in the commission that was split to real estate agents that brought in buyers, which was recorded under advertising, promotion and other commission expenses.

### Operating lease charges

The Group recorded operating lease charges in respect of office and shop premises of approximately RMB9.4 million for the nine months ended 30 September 2018. Due to the adoption of revised HKFRS 16, operating lease charges in respect of short-term leases was approximately RMB2.5 million for the nine months ended 30 September 2019, representing a decrease of approximately 72.9% when compared to operating lease charges in respect of office and shop premises for the nine months ended 30 September 2018.

### Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of approximately RMB3.8 million for the nine months ended 30 September 2019, compared to nil for the nine months ended 30 September 2018, which was due to the Group's adoption of HKFRS 16 with the date of initial application of 1 January 2019.

### Other operating expenses

The Group recorded other operating expenses of approximately RMB10.4 million for the nine months ended 30 September 2019, representing an increase of 213.7% compared to approximately RMB3.3 million for the nine months ended 30 September 2018, which was mainly driven by the increases in professional fees relating to the Transfer of Listing and travelling expenses due to expansion of the Group's business.

### Net Profit Margin

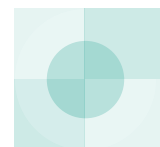
The net profit margin remained the same at approximately 8.1% for the nine months ended 30 September 2019 and for the nine months ended 30 September 2018.

### Profit for the Period

As a result of the factors discussed above, the Group recorded a profit for the Period of approximately RMB16.1 million, compared to approximately RMB11.7 million for the nine months ended 30 September 2018.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code for the nine months ended 30 September 2019.



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

As at 30 September 2019, the interests or short positions of the Directors and chief executives in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

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

Name	Nature of interest	Total number of shares held	Percentage of shareholding
Mr. FONG Ming ("Mr. Fong")	Interest in controlled corporation <sup>(1)</sup>	216,000,000	54%
Ms. TSE Lai Wa ("Ms. Tse")	Interest in controlled corporation <sup>(1)</sup>	216,000,000	54%
Ms. RONG Haiming ("Ms. Rong")	Interest in controlled corporation and a legal and beneficial owner <sup>(2)</sup>	24,500,000	6.125%
Mr. YI Ruofeng ("Mr. Yi")	Interest in controlled corporation <sup>(3)</sup>	9,000,000	2.25%

Notes:

- 216,000,000 Shares are registered in the name of Mansion Green, which is held 70% by Mr. Fong's holding companies (including Stand Smooth Group Limited ("Stand Smooth"), which is held as to 100% by Hero Dragon Management Limited ("Hero Dragon"), which is in turn held as to 100% by Fineland Group Holdings Company Limited ("Fineland Real Estate", formerly known as Fineland Real Estate Holdings Company Limited) and Widethrive Investments) and 30% by Aspiring Vision Holdings Limited ("Aspiring Vision"), which is wholly-owned by Ms. Tse.
- 24,000,000 shares are held by Metropolitan Dawn Holdings Limited ("Metropolitan Dawn"), which is wholly-owned by Ms. Rong. Ms. Rong purchased 500,000 Shares from the market in August 2019, after which Ms. Rong is interested in a total of 24,500,000 Shares, representing 6.125% of the entire issued share capital of the Company.
- Shares are held by Totoro Holding Limited, which is wholly-owned by Mr. Yi.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 September 2019, the following persons (other than Directors or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

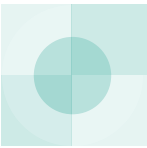
### Long Positions in Shares:

Name	Nature of Interest	Number of Shares held	Approximate percentage of shareholding
Ms. HE Kangkang (何康康) <sup>(1)</sup>	Interest of spouse	216,000,000	54%
Mr. ZHENG Muming (鄭木明) <sup>(2)</sup>	Interest of spouse	216,000,000	54%
Mr. WANG Haihui (王海暉) <sup>(3)</sup>	Interest of spouse	24,500,000	6%
Mansion Green <sup>(4)</sup>	Legal and beneficial owner	216,000,000	54%
Widethrive Investments <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Fineland Real Estate <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Hero Dragon <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Stand Smooth <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Aspiring Vision <sup>(4)</sup>	Interest in a controlled corporation	216,000,000	54%
Metropolitan Dawn <sup>(5)</sup>	Legal and beneficial owner	24,000,000	6%

Notes:

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

Save as disclosed above, as at 30 September 2019, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares and debentures which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



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

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the nine months ended 30 September 2019 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouses and children under 18 years of age) to acquire benefits by means of the acquisition of the Shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange or any other Stock Exchange, by private arrangement, or by way of grant offer, during the nine months ended 30 September 2019.

## **SHARE OPTION SCHEME**

The Company adopted a share option scheme (the "**Scheme**") on 23 October 2017. As at 30 September 2019, no option had been granted, agreed, exercised, cancelled or lapsed under the Scheme, and there was no share option outstanding.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Board has reviewed the Group's corporate governance practices and is satisfied that during the nine months ended 30 September 2019, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report of the GEM Listing Rules.

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

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 30 September 2019.

## **INTEREST OF THE COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, RaffAello Capital Limited (the "**Compliance Adviser**"), save for the compliance adviser agreement dated 3 April 2017 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2019 and up to the date of this report.

## REVIEW BY AUDIT COMMITTEE

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

The unaudited third quarterly results of the Group for the nine months ended 30 September 2019 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited third quarterly results comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the nine months ended 30 September 2019.

## DIVIDEND

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

## APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board  
**Mr. FONG Ming**  
Chairman

Hong Kong, 8 November 2019

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