



ALTUS.

Altus Holdings Limited

incorporated in the Cayman Islands with limited liability
Stock Code : 8149

FY2020 THIRD QUARTERLY REPORT

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.

This report, for which the directors (the “Directors”) of Altus Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHTS

- The Company and its subsidiaries (collectively referred to as the “**Group**”) recorded an unaudited revenue of approximately HK\$46.2 million for the nine months ended 31 December 2019 (“**YTD Dec 2019**”), representing a decrease of approximately 21.0% when compared with approximately HK\$58.5 million for the nine months ended 31 December 2018 (“**YTD Dec 2018**”).
- The Group recorded an underlying net profit of approximately HK\$4.7 million in YTD Dec 2019 compared with an underlying net profit of approximately HK\$10.3 million in YTD Dec 2018^(Note). The Group recorded a reported net profit of approximately HK\$4.7 million in YTD Dec 2019 compared with a reported net profit of approximately HK\$19.3 million in YTD Dec 2018.

Based on the unaudited financial information of the Group for YTD Dec 2019 and YTD Dec 2018, the decrease in the underlying profitability in YTD Dec 2019 was principally due to the decrease in revenue from corporate finance services.

- The underlying basic and diluted earnings per share in YTD Dec 2019 were HK0.50 cent and HK0.49 cent respectively while the underlying basic and diluted earnings per share in YTD Dec 2018 were both HK1.21 cents^(Note). The reported basic and diluted earnings per share in YTD Dec 2019 were HK0.50 cent and HK0.49 cent respectively while the reported basic and diluted earnings per share in YTD Dec 2018 were both HK2.34 cents.
- The Directors do not recommend the payment of any interim dividend for 3Q FY2020.

Note: Underlying net profit excluded the net effect of fair value changes in the valuation of investment properties.

UNAUDITED CONDENSED CONSOLIDATED RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 December 2019 (“**3Q FY2020**”) and YTD Dec 2019, together with the comparative unaudited figures for the three months ended 31 December 2018 (“**3Q FY2019**”) and YTD Dec 2018, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT FOR YTD DEC 2018 AND YTD DEC 2019

		3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
	<i>Notes</i>				
Revenue	3	15,538	20,671	46,229	58,541
Other income	5	46	34	5,164	124
Net increase in fair value of investment properties		–	–	–	9,000
Changes in fair value of derivative financial liabilities		46	(38)	52	17
Property expenses		(3,593)	(2,961)	(11,886)	(8,369)
Administrative and operating expenses		(8,815)	(8,971)	(28,153)	(32,043)
Share of results of associates		(26)	–	23	19
Finance costs	6	(1,171)	(1,361)	(3,569)	(4,194)
Profit before tax		2,025	7,374	7,860	23,095
Income tax expense	7	(836)	(1,318)	(3,203)	(3,755)
Profit for the period	8	1,189	6,056	4,657	19,340
Profit for the period attributable to:					
Owners of the Company		1,025	5,797	3,972	18,705
Non-controlling interests		164	259	685	635
		1,189	6,056	4,657	19,340

	<i>Notes</i>	3Q FY2020 (Unaudited) HK cent	3Q FY2019 (Unaudited) HK cent	YTD Dec 2019 (Unaudited) HK cent	YTD Dec 2018 (Unaudited) HK cent
Earnings per share based on profit attributable to owners of the Company (reported earnings per share)					
- Basic	<i>10a</i>	0.13	0.72	0.50	2.34
- Diluted	<i>10a</i>	0.13	0.72	0.49	2.34
Earnings per share excluding the net effect of fair value changes in investment properties net of deferred tax (underlying earnings per share)					
- Basic	<i>10b</i>	0.13	0.72	0.50	1.21
- Diluted	<i>10b</i>	0.13	0.72	0.49	1.21

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YTD DEC 2018 AND YTD DEC 2019

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Profit for the period	1,189	6,056	4,657	19,340
Other comprehensive (expense) income for the period				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Change in fair value of available-for- sale investments	–	–	–	(120)
Exchange differences arising on translation of foreign operations	(4,355)	11,696	4,487	(13,636)
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	(322)	–	(36)	–
Share of translation reserve of associates	–	(1)	–	(1)
Other comprehensive (expense) income for the period	(4,677)	11,695	4,451	(13,757)
Total comprehensive (expense) income for the period	(3,488)	17,751	9,108	5,583
Total comprehensive (expense) income for the period attributable to:				
Owners of the Company	(3,502)	17,122	8,084	5,331
Non-controlling interests	14	629	1,024	252
	(3,488)	17,751	9,108	5,583

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YTD DEC 2019

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium (note (i)) HK\$'000	Treasury Share HK\$'000	Other reserve (note (ii)) HK\$'000	Investment revaluation reserve HK\$'000	Shareholder contribution (note (iii)) HK\$'000	Share awards reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2019 (audited)	8,000	71,288	-	98,812	627	10,790	319	(16,727)	277,574	450,683	12,256	463,039
Profit for the period	-	-	-	-	-	-	-	-	3,972	3,972	685	4,657
Other comprehensive (expense) income for the period:												
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(36)	-	-	-	-	(36)	-	(36)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	4,148	-	4,148	339	4,487
	-	-	-	-	(36)	-	-	4,148	-	4,112	339	4,451
Total comprehensive (expense) income for the period	-	-	-	-	(36)	-	-	4,148	3,972	8,084	1,024	9,108
Contribution from shareholder (note (iii))	-	-	-	-	-	397	-	-	-	397	-	397
Shares bought back for cancellation	-	-	(378)	-	-	-	-	-	-	(378)	-	(378)
Acquisition of addition interest in a subsidiary	-	-	-	(11)	-	-	-	-	-	(11)	(2,594)	(2,605)
Disposal of partial interest in a subsidiary without losing control	-	-	-	(9)	-	-	-	-	-	(9)	3,311	3,302
Share base payments	-	-	-	-	-	-	532	-	-	532	-	532
Dividend paid to non-controlling shareholders (note 9)	-	-	-	-	-	-	-	-	-	-	(103)	(103)
Dividend paid (note 9)	-	-	-	-	-	-	-	(3,360)	-	(3,360)	-	(3,360)
At 31 December 2019 (unaudited)	8,000	71,288	(378)	98,792	591	11,187	851	(12,579)	278,186	455,938	13,594	469,932

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YTD DEC 2018

	Attributable to owners of the Company										
	Share capital HK\$ '000	Share premium (note (i)) HK\$ '000	Other reserve (note (ii)) HK\$ '000	Investment revaluation reserve HK\$ '000	Shareholder contribution (note (iii)) HK\$ '000	Share awards reserve HK\$ '000	Exchange reserve HK\$ '000	Retained profits HK\$ '000	Total HK\$ '000	Non-controlling interests HK\$ '000	Total HK\$ '000
At 1 April 2018 (audited)	8,000	71,288	98,812	241	9,008	-	(1,092)	251,428	437,685	14,323	452,008
Profit for the period	-	-	-	-	-	-	-	18,705	18,705	635	19,340
Other comprehensive expense for the period:											
Change in fair value of available-for-sale investments	-	-	-	(120)	-	-	-	-	(120)	-	(120)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(13,253)	-	(13,253)	(383)	(13,636)
Share of translation reserves of associates	-	-	-	-	-	-	(1)	-	(1)	-	(1)
	-	-	-	(120)	-	-	(13,254)	-	(13,374)	(383)	(13,757)
Total comprehensive (expense) income for the period	-	-	-	(120)	-	-	(13,254)	18,705	5,331	252	5,583
Contribution from shareholder (note (iii))	-	-	-	-	1,337	-	-	-	1,337	-	1,337
Acquisition of addition interest in a subsidiary	-	-	-	-	-	-	-	-	-	(1,220)	(1,220)
Vesting of employee share awards	-	-	-	-	-	197	-	-	197	-	197
Dividend paid (note 9)	-	-	-	-	-	-	-	(3,600)	(3,600)	(231)	(3,831)
At 31 December 2018 (unaudited)	8,000	71,288	98,812	121	10,345	197	(14,346)	266,533	440,950	13,124	454,074

Notes:

- (i) Share premium represents the difference between the shareholders' contribution and the issued capital and it is distributable.

- (ii) Other reserve mainly includes (i) the difference between the nominal value of the issued share capital of the Company and its subsidiaries and the net assets value of the subsidiaries of the Group, upon completion of the group reorganisation on 26 September 2016; and (ii) the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received arising from changes in the ownership interests of the Group in existing subsidiaries that do not result in the loss of control and they are accounted for as equity transactions.

- (iii) Amounts represent the employee benefits borne by the ultimate holding company, Kinley-Hecico Holdings Limited ("KHHL").

1. GENERAL

The Company was incorporated as an exempted company with limited liability on 11 November 2015 in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange on 17 October 2016 (the “**Listing Date**”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at 21 Wing Wo Street, Central, Hong Kong.

The Company is engaged in investment holding and its major operating subsidiaries are mainly engaged in the provision of corporate finance services and property investment. Its subsidiaries invest in Japan properties by entering into Japanese tokumei kumiai arrangements (“**TK Agreements**”) as a tokumei kumiai investor with Japanese limited liability companies known as tokumei kumiai operators, which are the property holding companies.

The ultimate holding company is KHHL, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is ultimately controlled by two parties, Ms. Chan Kit Lai, Cecilia (“**Ms. Chan**”) and Landmark Trust Switzerland SA (the “**Trustee**”), which the beneficiaries of the trust are Mr. Arnold Ip Tin Chee (“**Mr. Ip**”) and Ms. Lam Ip Tin Wai Chyvette (“**Ms. Ip**”).

The condensed consolidated financial statements of the Group for YTD Dec 2019 (the “**Unaudited Condensed Consolidated Financial Statements**”) are unaudited, but have been reviewed by the Audit Committee of the Company. The Unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 12 February 2020.

The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollars (“**HKS**”) which is same as the functional currency of the Company. Other than those subsidiaries incorporated in Japan, whose functional currency is Japanese Yen (“**JPY**”), the functional currency of the Company and other subsidiaries is HKS.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the Unaudited Condensed Consolidated Financial Statements include applicable disclosure required by the GEM Listing Rules. The Unaudited Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial information for the year ended 31 March 2019 (the “2019 Financial Information”). The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the same accounting policies adopted by the Group in the 2019 Financial Information except for the adoption of new or revised HKFRSs issued by the HKICPA, which are effective for the financial year of the Group beginning on 1 April 2019.

The Group has not adopted ahead of the effective date any new and revised HKFRSs that have been issued by the HKICPA.

The Unaudited Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair values.

(i) Adoption of new and amendments to HKFRSs

Adoption of new and amendments to HKFRSs effective on 1 April 2019

In YTD Dec 2019, the Group has applied, for the first time, the following new and amendments to HKFRSs, which include HKFRS, HKAS, amendments and interpretations (“Int(s)”), issued by the HKICPA.

HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to Annual Improvements Project	<i>Annual Improvements 2015-2017 Cycle</i>

The application of the above new or amendments to HKFRS in YTD Dec 2019 has had no material effect on the amounts reported in these Unaudited Condensed Consolidated Financial Statements and/or on the disclosures set out in these Unaudited Condensed Consolidated Financial Statements.

3. REVENUE

Revenue represents revenue arising from provision of services and leasing of investment properties during the periods.

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Disaggregated by the major services line:				
Revenue from contracts with customers				
Corporate finance services income	6,321	11,604	17,855	31,158
Revenue from other source				
Rental income from investment properties <i>(Note)</i>	9,217	9,067	28,374	27,383
	15,538	20,671	46,229	58,541

All the revenue generated during YTD Dec 2019 and YTD Dec 2018 respectively are recognised over time.

Note: An analysis of net rental income of the Group is as follows:

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Gross rental income from investment properties	9,217	9,067	28,374	27,383
Direct operating expenses incurred for investment properties that generated rental income during the periods (included in property expenses)	(3,593)	(2,961)	(11,886)	(8,369)
Net rental income	5,624	6,106	16,488	19,014

Transaction price allocated to the remaining performance obligations

In accordance with HKFRS 15 Revenue from Contracts with Customers, the information about the allocation of transaction price to the remaining performance obligations is disclosed as follow. As at 31 December 2019, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) is approximately HK\$8.4 million. The amount represents revenue expected to be recognised in the future from various mandates. The Group will recognise this revenue as the service is completed. As evaluated by the management, revenue of approximately HK\$7.5 million and approximately HK\$0.9 million are expected to be recognised within 1 year and after 1 year respectively.

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker (the “CODM”), being the Directors, for the purpose of resource allocation and assessment of segment performance focuses on type of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the reportable and operating segments of the Group are as follows:

- (i) Corporate finance services – provision of corporate finance services including sponsorship, financial advisory and compliance advisory services; and
- (ii) Property investment – leasing of investment properties for residential and commercial use.

The following is an analysis of revenue and results of the Group by reportable and operating segment.

	3Q FY2020			3Q FY2019		
	Corporate finance services (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Corporate finance services (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
REVENUE						
External revenue and segment revenue	6,321	9,217	15,538	11,604	9,067	20,671
RESULT						
Segment profit <i>(Note)</i>	2,588	4,288	6,876	7,575	4,882	12,457
Other income and expenses, net			(4,379)			(4,504)
Share of results of associates			(26)			–
Finance costs			(446)			(579)
Profit before tax			2,025			7,374

4. SEGMENT INFORMATION (CONTINUED)

	YTD Dec 2019			YTD Dec 2018		
	Corporate finance services	Property investment	Total	Corporate finance services	Property investment	Total
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE						
External revenue and segment revenue	17,855	28,374	46,229	31,158	27,383	58,541
RESULT						
Segment profit <i>(Note)</i>	8,458	15,475	23,933	18,191	24,438	42,629
Other income and expenses, net			(14,734)			(17,806)
Share of results of associates			23			19
Finance costs			(1,362)			(1,747)
Profit before tax			7,860			23,095

Note: No change in fair value of investment properties has been included in the segment profit of the property investment segment during YTD Dec 2019 (YTD Dec 2018: HK\$9.0 million).

The accounting policies of the operating segments are the same as the accounting policies of the Group. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments, certain other income, share of results of associates and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Revenue from major services

An analysis of the revenue of the Group by each category is as follows:

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Sponsorship services	3,710	9,484	9,808	23,520
Financial advisory services	1,119	1,133	3,941	4,776
Compliance advisory services	1,414	909	3,654	2,437
Others corporate finance services	78	78	452	425
	6,321	11,604	17,855	31,158
Rental income	9,217	9,067	28,374	27,383
	15,538	20,671	46,229	58,541

5. OTHER INCOME

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Bank interest income	–	–	6	13
Claims payment from insurance company	40	–	2,563	–
Dividend income from financial assets at fair value through other comprehensive income/available-for-sale investments	6	34	103	111
Reversal of impairment loss of trade receivables	–	–	2,492	–
	46	34	5,164	124

6. FINANCE COSTS

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Interests on bank borrowings	1,169	1,361	3,562	4,194
Lease liability	2	–	7	–
	1,171	1,361	3,569	4,194

7. INCOME TAX EXPENSE

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Current tax:				
Hong Kong profits tax	(4)	409	229	813
Japanese corporate income tax	58	(15)	73	71
Japanese withholding tax	308	491	1,518	1,561
	362	885	1,820	2,445
Deferred taxation	474	433	1,383	1,310
	836	1,318	3,203	3,755

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For YTD Dec 2019 and YTD Dec 2018, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other entities of the Group in Hong Kong which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Japan corporate income tax law, Japanese corporate income tax is calculated at 33.59% of the estimated assessable profits for YTD Dec 2019 (YTD Dec 2018: 33.8%). However, with regard to the TK Agreements, the applicable Japanese withholding tax rate of those Japanese subsidiaries was 20.42% for YTD Dec 2019 and YTD Dec 2018.

Japanese withholding tax was calculated at 20.42% of the distributed income from Japanese subsidiaries for YTD Dec 2019 and YTD Dec 2018.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

8. PROFIT FOR THE PERIOD

	3Q FY2020 (Unaudited) HK\$'000	3Q FY2019 (Unaudited) HK\$'000	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Profit for the period has been arrived at after charging:				
– Salaries, bonus and other benefits	3,691	3,445	10,458	10,989
– Contributions to retirement benefits scheme	124	124	352	346
Total staff costs, excluding directors' emoluments	3,815	3,569	10,810	11,335
Directors' emoluments	1,748	1,869	7,121	6,498
Auditors' remuneration	175	238	588	713
Depreciation of property, plant and equipment	299	327	916	994
Depreciation of right of use assets	62	–	184	–
Share based payments				
– Option Shares (as defined below)	132	445	397	1,337
– 2018 Share Awards and 2019 Share Awards (as defined below)	226	124	532	197
Expenses related to the proposed transfer of listing of the Company to the Main Board of the Stock Exchange	120	28	323	1,819
Net exchange (gain)/loss	(26)	(254)	(123)	369

9. DIVIDENDS

	YTD Dec 2019 (Unaudited) HK\$'000	YTD Dec 2018 (Unaudited) HK\$'000
Dividends recognised as distribution to non-controlling interests during the periods by:		
<u>Smart Tact Property Investment Limited ("Smart Tact")</u>		
2018 interim, paid – JPY818 per share (equivalent to HK\$58 per share)	–	65
<u>I Corporation</u>		
2019 interim, paid – JPY9,057 per share (equivalent to HK\$654 per share)	10	–
2018 interim, paid – JPY22,885 per share (equivalent to HK\$1,618 per share)	–	22
<u>EXE Rise Shimodori Investor Limited ("EXE")</u>		
2019 interim, paid – JPY44,047 per share (equivalent to HK\$3,180 per share)	32	–
2018 interim, paid – JPY43,784 per share (equivalent to HK\$3,096 per share)	–	31
<u>Residence Motoki Investment Limited ("Residence")</u>		
2019 interim, paid – JPY500 per share (equivalent to HK\$36 per share)	46	–
<u>Lynton Gate Limited ("Lynton")</u>		
2019 interim, paid – JPY219,972 per share (equivalent to HK\$15,882 per share)	15	–
2018 interim, paid – JPY1,601,561 per share (equivalent to HK\$113,230 per share)	–	113
	103	231

The Directors do not recommend the payment of any interim dividend for 3Q FY2020 (3Q FY2019: nil).

10. EARNINGS PER SHARE

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

(a) Number of shares

	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>Note</i>)	799,728	800,000	799,926	800,000
Effect of dilutive potential ordinary shares:				
2018 and 2019 Share Awards				
(as defined below)	5,571	564	5,571	564
Weighted average number of ordinary shares for the purpose of diluted earnings per share	805,299	800,564	805,497	800,564

Note: During YTD Dec 2019, the Company repurchased 1,340,000 ordinary shares from the Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately HK\$0.4 million. All the repurchased shares had not been cancelled as at 31 December 2019 and recorded as treasury share in the condensed consolidated statement of changes in equity.

(b) Reported earnings

	3Q FY2020	3Q FY2019	YTD Dec 2019	YTD Dec 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	1,025	5,797	3,972	18,705

10. EARNINGS PER SHARE (CONTINUED)

(c) Underlying earnings

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profits attributable to the owners of the Company which excluded the net effect of changes in the valuation of investment properties. A reconciliation of profits is as follow:

	3Q FY2020 (Unaudited) <i>HK\$'000</i>	3Q FY2019 (Unaudited) <i>HK\$'000</i>	YTD Dec 2019 (Unaudited) <i>HK\$'000</i>	YTD Dec 2018 (Unaudited) <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share (Profit attributable to the owners of the Company)	1,025	5,797	3,972	18,705
Increase in fair value of investment properties	–	–	–	(9,000)
Earnings for the purpose of basic and diluted earnings per share (Underlying profit attributable to the owners of the Company)	1,025	5,797	3,972	9,705

11. SHARE AWARDS

On 25 June 2018, the Company entered into the deeds of grant (the “**Deeds**”) with two employees of the Group, pursuant to which the Company granted award of a total of 4,800,000 new shares (the “**2018 Granted Shares**”) of the Company, credited as fully paid, as an incentive bonus to such employees of the Group (the “**2018 Share Awards**”). One of the employees is an executive director of a wholly-owned subsidiary of the Group, and is a connected person at the subsidiary level. The other employee is an independent third party. Details of the 2018 Share Awards were set out in the circular of the Company dated 20 July 2018. At an extraordinary general meeting of the Company held on 8 August 2018, the Deeds were approved and a specific mandate to authorise the Directors to allot and issue up to an aggregate of 4,800,000 new shares of the Company in relation to the 2018 Share Awards was granted. During YTD Dec 2019, 2,240,000 of the 2018 Granted Shares had been vested.

On 3 July 2019, the Board had resolved to award conditionally an aggregate of 1,940,000 new shares (the “**2019 Granted Shares**”) of the Company (the “**2019 Share Awards**”) to nine grantees. One of the grantees, who was awarded with 750,000 new shares of the Company, is an executive director of a wholly-owned subsidiary of the Group (the “**Connected Grant**”). Other grantees, who were awarded with 1,190,000 new shares of the Company, are employees of the Group (the “**Selected Employees Grant**”) and are independent third parties. Details of the 2019 Share Awards were set out in the circular of the Company dated 22 July 2019. At an extraordinary general meeting of the Company held on 8 August 2019, the deed of grant of share awards in relation to the Connected Grant was approved and a specific mandate was granted to the Directors to allot and issue up to 750,000 new shares of the Company in relation to the Connected Grant. Another specific mandate was granted to the Directors to allot and issue up to 1,190,000 new shares of the Company in relation to the Selected Employees Grant. During YTD Dec 2019, 150,000 of the 2019 Granted Shares had been vested.

12. CAPITAL COMMITMENTS

	At 31 December 2019 (Unaudited) HK\$'000	At 31 December 2018 (Unaudited) HK\$'000
Capital expenditure in respect of construction of an investment property contracted but not provided for in the Unaudited Condensed Consolidated Financial Statements	–	692

MANAGEMENT DISCUSSION AND ANALYSIS

The Group focuses on corporate finance and property investment. In respect of corporate finance, the Group primarily offers sponsorship, financial advisory and compliance advisory services to its clients. For property investment, the Group invests in real estate in Japan and Hong Kong and derives rental income therefrom.

Business Review

For 3Q FY2020, the Group recorded an unaudited revenue of approximately HK\$15.5 million, representing a decrease of approximately 24.8% as compared to 3Q FY2019. Property investment activities contributed approximately 59.3% of the Group's revenue during 3Q FY2020, while the remaining portion of revenue was derived from corporate finance services.

Corporate finance

Revenue from corporate finance services for 3Q FY2020 decreased by approximately 45.5% as compared to 3Q FY2019. This was mainly attributable to the decrease in revenue generated from sponsorship engagements due to achievement of fewer billing milestones in 3Q FY2020 and fewer number of transactions in the pipeline. Revenue from sponsorship services decreased from approximately HK\$9.5 million in 3Q FY2019 to approximately HK\$3.7 million in 3Q FY2020. Revenue from financial advisory services also decreased albeit at a lesser extent. These were partially offset by an increase in revenue generated from the provision of compliance advisory services from approximately HK\$0.9 million in 3Q FY2019 to approximately HK\$1.4 million in 3Q FY2020.

The Directors wish to note that corporate finance service income is recognised when the underlying services have been provided and/or relevant significant acts have been completed in accordance with the terms of the service agreement; hence there may be fluctuations in the revenue from period to period depending on billing milestones achieved during that period.

Property investment

During 3Q FY2020, the Group's property investment portfolio consisted of 24 buildings in Japan and one commercial unit in Hong Kong ("Property(ies)") (3Q FY2019: 22 buildings and a piece of freehold land in Japan and one commercial unit in Hong Kong). The Property in Hong Kong was fully occupied during 3Q FY2020, while the occupancy rate for the property portfolio in Japan remained stable at approximately 94.1% (3Q FY2019: 96.0%).

Revenue from property investment increased by approximately 1.7% in 3Q FY2020, amounted to approximately HK\$9.2 million (3Q FY2019: approximately HK\$9.1 million), mainly due to the additions of two small properties to the Group's property portfolio in Japan over the period.

Net profit for the period

The Group recorded net profit of approximately HK\$1.2 million in 3Q FY2020 compared with approximately HK\$6.1 million in 3Q FY2019.

The decrease in net profit was principally attributable to the decrease in revenue from corporate finance services. The aforementioned was slightly offset by the decrease in (i) other administrative expenses from approximately HK\$9.0 million in 3Q FY2019 to approximately HK\$8.8 million in 3Q FY2020; and (ii) finance costs from approximately HK\$1.4 million in 3Q FY2019 to approximately HK\$1.2 million in 3Q FY2020.

OUTLOOK

Corporate finance

The Directors expect the Hong Kong stock market will continue to be volatile due to the ongoing social unrest in Hong Kong and recent outbreak of Covid-19 in China which is spreading globally. In particular, the progress of certain of the Group's ongoing projects have been disrupted due to travel restrictions and clients' operational arrangements in response to the epidemic. These uncertainties and volatility have also caused potential clients to take a more prudent and conservative approach both in seeking a listing in Hong Kong and in planning for any corporate exercise, and have resulted in a noticeable reduction in the Group's deal flows for sponsorship and financial advisory services and uncertainties in meeting milestones in ongoing projects. As a result, we expect our corporate finance advisory business will remain slow in the coming months. This is expected to continue to materially and adversely affect the Group's revenue and profitability during the remaining period of FY2020. The Company will continue to place its effort on marketing of its sponsorship and financial advisory services.

Property investment

The Group's rental performance in Japan is expected to be stable during the remaining period of FY2020. Meanwhile, the Directors believe that the ongoing social unrest in Hong Kong and recent outbreak of Covid-19 in China may have negative impact on the operations and valuation of our property in Hong Kong in the short to medium term. The Group intends to continue to expand and diversify its property investment portfolio albeit more cautiously in view of the slowing global economies.

Since the end of 2019, the spread of Covid-19, which is still ongoing, has caused disruptions to much economic activities in Hong Kong. We expect there will be adverse impact on the investment property market and rental levels in the coming months in Hong Kong. To the extent that this is also affecting the overall economic sentiment in Japan, there could also be an impact on the investment and market sentiment in Japan. The Directors expect that valuations of our property portfolio, especially that in Hong Kong, may be affected.

Overall

As many in Hong Kong and the Mainland, as well as abroad, are assessing the impact of, and adjusting to, the disruptions of business activities as a result of Covid-19 with no certainty of the extent of its impact nor when the situation may ease off, some global economies (including that of Hong Kong) will likely be affected and experience slowdowns in the short to medium term. The Group will continue to review its operations and closely monitor its cost and capital structures to ensure their effectiveness and efficiency so as to sustain itself through such tumultuous period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, interests and short positions in 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 Future Ordinance (“SFO”)) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Interest or short positions in the shares of the Company:

Name of Director	Capacity and nature of interests	Notes	Number of shares interested ^(Note 3)	Approximate percentage of the total issued share capital of the Company (%)
Mr. Ip	Beneficiary of a trust, beneficial owner and interest of spouse	1	559,700,000 (L)	70.0
Mr. Chang Sean Pey (“Mr. Chang”)	Beneficial owner	2	22,400,000 (L)	2.8
Ms. Leung Churk Yin Jeanny (“Ms. Leung”)	Beneficial owner	2	9,400,000 (L)	1.2

Notes:

- (1) KHHL is deemed to be interested in 557,200,000 shares of the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. Mr. Ip has beneficial interest in 1,250,000 shares of the Company and has interest of spouse in 1,250,000 shares of the Company by virtue of SFO.
- (2) Pursuant to the Option Deeds (as defined in the prospectus of the Company dated 30 September 2016) entered into between KHHL and each of Mr. Chang and Ms. Leung, KHHL granted call options to Mr. Chang and Ms. Leung, entitling them to purchase from KHHL up to 24,900,000 and 12,900,000 option shares (the “**Option Share(s)**”), representing approximately 3.1% and 1.6% of the issued share capital of the Company (without taking into account any shares of the Company which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme (as defined below)), at the exercise price of HK\$0.00004 per Option Share (subject to adjustment). As at 31 December 2019, all Option Shares had been vested and exercised.
- (3) The letter “L” denotes a long position in the shares of the Company.

Interests in associated corporations of the Company:

Name	Name of associated corporation	Capacity and nature of interest	Interests in shares ^(Note 1)	Approximate percentage shareholding (%)
Mr. Ip	KHHL ^(Note 2)	Beneficiary of a trust	204 (L)	80.0
	I Corporation ^(Note 3)	Interest of spouse	14 (L)	20.0
Ms. Leung	Residence	Beneficial owner	20 (L)	0.33
Mr. Chang	Residence	Beneficial owner	10 (L)	0.17

Notes:

- (1) The letter “L” denotes a long position in the shares of these associated corporations of the Company.
- (2) KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Mr. Ip is one of the beneficiaries. By virtue of the SFO, Mr. Ip is deemed to be interested in the shares of KHHL held by the Trustee.
- (3) Pursuant to the SFO, Mr. Ip, the spouse of Ms. Ho Shuk Yee, Samantha (“**Ms. Ho**”), is deemed to be interested in the shares of I Corporation held by Ms. Ho.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/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 Part XV of the SFO or the GEM Listing Rules.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed “Directors’ and chief executives’ interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” above and “Share Option Scheme” below, at no time during YTD Dec 2019 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND OTHER MEMBERS OF THE GROUP

As at 31 December 2019, substantial shareholders (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

(a) Interests or short positions in the shares of the Company

Name of shareholder	Capacity and nature of interest	Number of shares interested ^(Note 1)	Approximate percentage of the total issued share capital of the Company (%)
Flying Castle Limited ^(Note 2)	Beneficial owner	557,200,000 (L)	69.7
KHHL ^(Note 2)	Interest in a controlled corporation	557,200,000 (L)	69.7
The Trustee	Trustee	557,200,000 (L)	69.7
Ms. Chan ^(Note 2)	Founder of a discretionary trust	557,200,000 (L)	69.7
	Beneficial owner	1,250,000 (L)	0.2
Mr. Ip ^(Note 2)	Beneficiary of a trust	557,200,000 (L)	69.7
	Beneficial owner	1,250,000 (L)	0.2
	Interest of spouse	1,250,000 (L)	0.2
Ms. Ip ^(Note 2)	Beneficiary of a trust	557,200,000 (L)	69.7
	Beneficial owner	1,250,000 (L)	0.2
Ms. Ho ^(Note 3)	Interest of spouse	558,450,000 (L)	69.8
	Beneficial owner	1,250,000 (L)	0.2
Yuanta Asia Investment Limited	Beneficial owner	44,250,000 (L)	5.5

Notes:

- (1) The letter "L" denotes a long position in the shares of the Company.
- (2) KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. By virtue of SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in 1,250,000 shares of the Company held by Ms. Ho.

Pursuant to the Option Deeds entered into between KHHL and each of Mr. Chang and Ms. Leung, KHHL granted call options to Mr. Chang and Ms. Leung, entitling them to purchase from KHHL up to 24,900,000 and 12,900,000 Option Shares, representing approximately 3.1% and 1.6% of the issued share capital of the Company (without taking into account any shares which may be issued pursuant to the exercise of any options which may be granted under the share option scheme), at the exercise price of HK\$0.00004 per Option Share (subject to adjustment). As at 31 December 2019, all Option Shares had been vested and exercised.

- (3) Pursuant to the SFO, Ms. Ho, the spouse of Mr. Ip, is deemed to be interested in all the shares of the Company in which Mr. Ip is deemed to be interested.

(b) Interests or short positions in other members of the Group

Name of shareholder	Name of member of our Group	Capacity and nature of interest	Number of shares ^(Notes)	Percentage of shareholding (%)
Ms. Ho	I Corporation	Beneficial owner	14 (L)	20.0
Mr. Henry Shih	Smart Tact	Beneficial owner	922 (L)	10.0
	Residence	Beneficial owner	600 (L)	10.0
	Lynton	Beneficial owner	1 (L)	10.0
	EXE	Beneficial owner	12 (L)	10.0
Mr. Richard Lo	Residence	Interest in controlled corporations	600 (L)	10.0

Note: The letter "L" denotes a long position in the shares.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 31 December 2019, had or deemed to have, an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on public information available to the Company and to the best knowledge of the Directors as at the date of this report, the Company has maintained the public float as required under GEM Listing Rules during YTD Dec 2019.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

During YTD Dec 2019, the Company repurchased 1,340,000 ordinary shares on GEM of the Stock Exchange at an aggregate consideration of approximately HK\$0.4 million. The Directors are of the view that the share repurchase would be beneficial to the Company and its shareholders. Details of the share repurchase are as follows:

Month	Number of ordinary shares	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration <i>HK\$'000</i>
December 2019	<u>1,340,000</u>	0.295	0.270	<u>380</u>

All 1,340,000 ordinary shares repurchased had not yet been cancelled as at 31 December 2019. The aggregate consideration of approximately HK\$0.4 million was paid out from reserves of the Company. Subsequent to YTD Dec 2019, a further 690,000 ordinary shares were repurchased. As at the date of this report, all the 2,030,000 ordinary shares repurchased had been cancelled on delivery of the share certificates.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed shares of the Company during YTD Dec 2019.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2019, the Group had 29 staff (31 December 2018: 33). The remuneration policy of the Group takes into consideration the relevant Director or member of duties, responsibilities, experiences, skills, time commitment, performance of senior management of the Group and are made with reference to those paid by comparable companies. Its employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the profit of the Group as a whole and comparable market levels. Apart from salary payment, other staff benefits include share awards, provident fund contributions, medical insurance coverage, other allowances and benefits.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) by a shareholder resolution passed on 26 September 2016. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. During YTD Dec 2019 and up to the date of this report, no share option was granted by the Company and there was no share option outstanding under the Share Option Scheme as at 31 December 2019.

SHARE AWARDS

Details of the share awards of the Group are set out in note 11 to the condensed consolidated financial statements of the Group for YTD Dec 2019.

CORPORATE GOVERNANCE

Pursuant to Rules 17.22 and 17.24 of the GEM Listing Rules, the Company has complied with and does not have advances to any entity nor advances to affiliated companies. In addition, pursuant to Rule 17.23 of the GEM Listing Rules; the Company stated that (i) the major shareholders of the Company have not pledged any of their shares held; and (ii) an indirect wholly-owned subsidiary of the Company has entered into certain loan agreements with covenants relating to specific performance of the controlling shareholder as described below.

The Board has reviewed the corporate governance practices of the Group and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rule during YTD Dec 2019.

SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “**Required Standard of Dealings**”).

Having made specific enquiries of all the Directors, each of them has confirmed that they have complied with the Required Standard of Dealings during the period in YTD Dec 2019 and up to the date of this report. The Company has not been notified by the Directors of any incident of non-compliance during such period.

COMPETING INTERESTS

As at 31 December 2019, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 4 April 2019, an existing lender of the Group, Hang Seng Bank Limited, has pursuant to its periodic review, agreed to continue to make available a revolving loan facility in the same amount of HK\$47,650,000 to the Company's indirect wholly-owned subsidiary, Starich Resources Limited ("**Starich**"). The bank facilities letter (the "**Hang Seng Facility Letter**") was signed on 4 April 2019.

On 2 July 2019, the Group entered into a bank facility letter (the "**Dah Sing Facility Letter**") under which Dah Sing Bank Limited agreed to make available to Starich a revolving loan facility in the amount of HK\$60,000,000 for investment and working capital purposes.

Under the Hang Seng Facility Letter and the Dah Sing Facility Letter, the Company has undertaken that (i) Mr. Ip shall remain as chairman of the Board and maintain control over the management and business of the Company; and (ii) his beneficial interest in the Company, as required to be disclosed pursuant to the disclosure requirements under the GEM Listing Rules and the SFO, should be maintained at not less than 60%.

AUDIT COMMITTEE

The Audit Committee has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Chan Sun Kwong. The other members are Mr. Chao Tien Yo and Mr. Lee Shu Yin respectively. The primary duty of the Audit Committee

is to review and supervise the financial reporting process of the Company, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions. Pursuant to code provision C.3.3 of the CG Code, the Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 31 December 2019 and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

BOARD OF DIRECTORS

As at the date of this report, the Directors are:

Executive Directors:

Mr. Arnold Ip Tin Chee

Mr. Chang Sean Pey

Ms. Leung Churk Yin Jeanny

Independent Non-executive Directors:

Mr. Chao Tien Yo

Mr. Chan Sun Kwong

Mr. Lee Shu Yin

By order of the Board of
ALTUS HOLDINGS LIMITED
Arnold Ip Tin Chee
Chairman and Executive Director

Hong Kong, 12 February 2020

This report will remain on the "Latest Company Announcement" page of the GEM website at <http://www.hkgem.com> for at least seven days from the date of its publication and on the Company's website at <http://www.altus.com.hk>.