

The logo for i-CONTROL, featuring a stylized lowercase 'i' followed by 'CONTROL' in a bold, sans-serif font. The 'i' is blue, and 'CONTROL' is dark blue. The background of the entire page is a complex, abstract design with blue and white geometric shapes, including hexagons and circles, overlaid with a network of white lines and dots, suggesting a digital or technological theme. There are also inset images: a city skyline at night, a modern office interior with a desk and chair, and a bright office space with large windows.

**i-CONTROL**

**i-Control Holdings Limited**  
**超智能控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 8355

**2018**  

---

**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.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “**Directors**”) of i-Control 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 and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material 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.*

## **CONTENTS**

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Notes to the Condensed Consolidated Financial Statements	5
Management Discussion and Analysis	10
Other Information	12

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2018 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2017 as follows:

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

For the nine months ended 31 December 2018

	<i>Notes</i>	Three months ended 31 December		Nine months ended 31 December	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	3	50,517	42,723	132,684	104,463
Cost of inventories sold		(28,227)	(25,454)	(78,805)	(62,358)
Staff cost		(7,491)	(7,868)	(23,893)	(21,398)
Depreciation		(810)	(814)	(2,441)	(2,442)
Other income and gain, net	3	145	58	367	299
Other operating expenses		(1,412)	(2,125)	(5,260)	(5,232)
Finance costs		(280)	(221)	(831)	(650)
Profit before taxation		12,442	6,299	21,821	12,682
Income tax expenses	5	(1,861)	(1,181)	(3,767)	(2,386)
Profit for the period		10,581	5,118	18,054	10,296
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translating foreign operations		(1)	2	(14)	(16)
Total comprehensive income for the period		10,580	5,120	18,040	10,280
Earnings per share					
Basic and diluted	8	HK1.06 cents	HK0.51 cents	HK1.80 cents	HK1.03 cents

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months ended 31 December 2018

	Attributable to the owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2017 (audited)	10,000	65,344	10,817	(122)	42,112	128,151
Profit and total comprehensive income for the period	-	-	-	(16)	10,296	10,280
2017 final dividend paid	-	(10,000)	-	-	-	(10,000)
At 31 December 2017 (unaudited)	10,000	55,344	10,817	(138)	52,408	128,431
At 1 April 2018 (audited)	<b>10,000</b>	<b>55,344</b>	<b>10,817</b>	<b>148</b>	<b>59,021</b>	<b>135,330</b>
Profit and total comprehensive income for the period	-	-	-	(14)	18,054	18,040
2018 final dividend paid	-	(8,000)	-	-	-	(8,000)
At 31 December 2018 (unaudited)	<b>10,000</b>	<b>47,344</b>	<b>10,817</b>	<b>134</b>	<b>77,075</b>	<b>145,370</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2018

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 21 August 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The registered office of the Company is Estera Trust (Cayman) Limited, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is at Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The Company is engaged in investment holding while its principal subsidiaries are principally engaged in provision of multimedia audio-visual solutions and related system integration services.

The Directors consider that the Company's immediate and ultimate holding company is Phoenix Time Holdings Limited, which is incorporated in the British Virgin Islands (the "BVI").

The Company's financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency. Other than the subsidiaries established in the Peoples' Republic of China (the "PRC") and Singapore whose functional currency is Renminbi and Singapore dollars respectively, the functional currency of the Company and other subsidiaries is HK\$.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Company's unaudited condensed consolidated financial statements for the nine months ended 31 December 2018 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual financial statements for the year ended 31 March 2018, except for the adoption of the new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for annual period beginning on 1 April 2018. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impacts on the condensed consolidated financial statements and does not result in substantial changes to the Group's accounting policies.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 31 December 2018

**3. REVENUE AND OTHER INCOME AND GAIN, NET**

Revenue represents the amounts received and receivable for services rendered in the normal course of business, net of discounts and sales related taxes and maintenance services income. Analysis of the Group's revenue and other income and gain, net is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Revenue</b>				
Services income				
Solutions for audiovisual, conferencing, presentation and multimedia control systems, including installation services	<b>47,873</b>	38,997	<b>122,603</b>	94,060
Audiovisual system maintenance services	<b>2,644</b>	3,726	<b>10,081</b>	10,403
	<b>50,517</b>	42,723	<b>132,684</b>	104,463
<b>Other income and gain, net</b>				
Bank interest income	<b>15</b>	1	<b>19</b>	8
Exchange gain (loss)	<b>19</b>	(71)	<b>(35)</b>	(104)
Gross rental income from investment properties	<b>111</b>	128	<b>383</b>	394
Sundry income	<b>-</b>	-	<b>-</b>	1
	<b>145</b>	58	<b>367</b>	299

**4. SEGMENT INFORMATION**

The Directors consider that there is only one operating and reportable business segment for the Group, being the provision of video conferencing and multimedia audiovisual solutions, and maintenance services. This operating segment is reported in a manner consistent with the information reported to the Board, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2018

**Geographical information**

The Group's operations are located in Hong Kong (place of domicile), the PRC and Singapore. The Group's customers are mainly located in Hong Kong, the PRC, Macau and Singapore.

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

	Revenue from external customers			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Hong Kong (place of domicile)	<b>48,653</b>	38,675	<b>128,710</b>	94,455
The PRC (other than Hong Kong and Macau)	<b>1,327</b>	3,956	<b>3,041</b>	9,645
Macau	<b>481</b>	92	<b>802</b>	363
Singapore	<b>-</b>	-	<b>75</b>	-
	<b>50,461</b>	42,723	<b>132,628</b>	104,463

**5. INCOME TAX EXPENSES**

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Current tax:				
– Hong Kong Profits Tax	<b>1,861</b>	1,086	<b>3,627</b>	1,929
– PRC Enterprise Income Tax	<b>-</b>	95	<b>108</b>	427
Deferred taxation	<b>-</b>	-	<b>32</b>	30
<b>Total income tax expenses for the period</b>	<b>1,861</b>	1,181	<b>3,767</b>	2,386

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the Period.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 31 December 2018

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, PRC Enterprise Income Tax is calculated at 25% (2017: 25%) of the estimated assessable profits for the Period.

Singapore Corporate Tax is calculated at the rate of 17% (2017: 17%) on the estimated assessable profits for the Period. No provision for Singapore Corporate Tax has been made in the condensed consolidated financial statements as the Singapore subsidiary was in a loss-making position for the Period and the nine months ended 31 December 2017.

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.

**6. RELATED PARTY TRANSACTIONS**

During the Period, the Group had the following transactions with related parties:

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Service income from a related company	-	-	542	-

*Notes:*

- (i) The related company is controlled and beneficially owned by a close family member of Mr. Zhong Naixiong, a director of the Company.
- (ii) The service income was made on a mutually agreed basis.
- (iii) There was no outstanding balance with the related company as at 31 December 2018.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2018

**7. DIVIDEND**

The Board has resolved not to declare any interim dividend for the nine months ended 31 December 2018 (2017: nil).

The payment of a final dividend of HK0.8 cents per share amounted to HK\$8,000,000 for the year ended 31 March 2018 (2017: HK1.0 cents per share amounted to HK\$10,000,000) has been resolved and declared at the annual general meeting of the Company held on 8 August 2018. The date of payment was 12 September 2018.

**8. EARNINGS PER SHARE**

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Earnings</b>				
Earnings for the purpose of basic and diluted earnings per share	<b>10,581</b>	5,118	<b>18,054</b>	10,296
	Three months ended 31 December		Nine months ended 31 December	
	2018 '000	2017 '000	2018 '000	2017 '000
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>1,000,000</b>	1,000,000	<b>1,000,000</b>	1,000,000

The dilutive earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the three months and nine months ended 31 December 2018 and 2017.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group maintained its market position as one of the leading service providers of video conferencing and multimedia audiovisual solutions, mainly in Hong Kong, and other geographical locations, such as the PRC, Macau and Singapore. The Group's services can be divided into two lines, namely the provision of (i) solutions for audiovisual, conferencing, presentation and multimedia control systems, including installation services; and (ii) audiovisual system maintenance services.

The Group continued to maintain and strengthen its position as one of the leading services providers of video conferencing and multimedia audiovisual solutions in Hong Kong and continued to expand its market share in the video conferencing and multimedia audiovisual solutions industry in the PRC.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue increased by 27.0% from approximately HK\$104,463,000 for the nine months ended 31 December 2017 to approximately HK\$132,684,000 for the Period.

Revenue generated from solutions for audiovisual, conferencing, presentation and multimedia control systems, including installation services increased by 30.3% from approximately HK\$94,060,000 for the nine months ended 31 December 2017 to approximately HK\$122,603,000 for the Period due to completion of several sizable projects.

Revenue generated from audiovisual system maintenance services slightly decreased by 3.1% from approximately HK\$10,403,000 for the nine months ended 31 December 2017 to approximately HK\$10,081,000 for the Period.

#### **Gross operating margin and gross operating margin ratio**

Gross operating margin is calculated based on the revenue for the Period minus the cost of inventories sold for the Period. Gross operating margin ratio is calculated based on the gross operating margin for the Period divided by revenue for the Period multiplied by 100%.

Gross operating margin increased by 28.0% from approximately HK\$42,105,000 for the nine months ended 31 December 2017 to approximately HK\$53,879,000 for the Period mainly due to completion of several sizable projects.

Gross operating margin ratio remained stable at 40.6% for the Period (nine months ended 31 December 2017: 40.3%), primarily due to completion of a project with higher gross operating margin.

### **Staff cost**

Staff cost increased by 11.7% from approximately HK\$21,398,000 for the nine months ended 31 December 2017 to approximately HK\$23,893,000 for the Period, mainly caused by increase in sales commission in relation to the increase in revenue.

### **Other operating expenses**

Other operating expenses mainly comprise legal and professional fees, rental expenses, building management fee and other office expenses. Other operating expenses remained stable for the Period and the nine months ended 31 December 2017.

### **Income tax expenses**

Income tax expenses increased by 57.9% from approximately HK\$2,386,000 for the nine months ended 31 December 2017 to approximately HK\$3,767,000 for the Period, which was mainly due to an increase in taxable profit in Hong Kong.

### **Profit for the period**

Profit for the period increased by 75.3% from approximately HK\$10,296,000 for the nine months ended 31 December 2017 to approximately HK\$18,054,000 for the Period, which was mainly due to an increase in revenue.

## **OTHER INFORMATION**

### **PROSPECTS**

The Company's shares ("**Shares**") were listed on GEM on 27 May 2015 (the "**Listing**") which enhanced the Group's reputation, strengthened the Group's corporate governance and compliance management, as well as established a good foundation for its further expansion.

Going forward, the Group will continue to explore for business opportunities to further expand the Group's market share in the video conferencing and multimedia audiovisual solutions industry in Hong Kong and the PRC, in order to support the long-term development of the Group.

### **CHARGE ON THE GROUP'S ASSETS**

As at 31 December 2018, land and buildings and investment properties totalling approximately HK\$79,681,000 and HK\$10,603,000 (31 March 2018: HK\$81,488,000 and HK\$9,192,000) respectively were pledged to secure banking facilities granted to the Group. During the Period, the usage of a car park was changed from self-use to being rent out to an independent third party. Therefore, the net carrying value of the investment properties as at 31 December 2018 had increased.

### **CONTINGENT LIABILITIES**

The Group has no material contingent liabilities as at 31 December 2018 (31 March 2018: nil).

### **USE OF PROCEEDS**

The net proceeds from the Company's issue of 250,000,000 new Shares at the placing price of HK\$0.36 per share at the time of the Listing (the "**Placing**"), after deducting the underwriting fees and other expenses, amounted to approximately HK\$66.3 million. On 30 March 2017, the Board resolved to implement a partial reallocation and change in use of net proceeds from the Placing to enhance the effectiveness of the Group's business operations.

The following table sets forth the status of the use of proceeds from the Placing:

	Planned use of proceeds as stated in the Prospectus HK\$' million	Change in use of proceeds resolved on 30 March 2017 HK\$' million	Planned use of proceeds subsequent to the change HK\$' million	Actual use of proceeds from the date of Listing up to 31 December 2018 HK\$' million
To recruit experienced sales staff to expand the video conferencing and multimedia audiovisual solution business in Hong Kong	11.5	4.4	15.9	15.1
To acquire a new warehouse in Hong Kong	32.7	5.0	37.7	37.7
To set up new regional offices with showrooms in Beijing, Shanghai and Singapore	13.7	(11.4)	2.3	2.3
To carry out marketing and promotion activities on both traditional and new media platforms to improve public awareness of the Group and further strengthen its position in Hong Kong, the PRC and Singapore	2.4	–	2.4	2.4
To upgrade the computer system and other office facilities	–	2.0	2.0	0.2
For working capital and other general corporate purposes	6.0	–	6.0	6.0
<b>TOTAL</b>	<b>66.3</b>	<b>–</b>	<b>66.3</b>	<b>63.7</b>

The unused net proceeds from the Placing amounting to approximately HK\$2.6 million were deposited in licensed banks in Hong Kong.

## OTHER INFORMATION

The Directors will constantly evaluate the Group's business objectives and may change or modify the Group's plans against changing market conditions to attain sustainable business growth of the Group. In the event that the Directors consider it necessary to further change the use of net proceeds from the Placing, the Company will make an appropriate announcement in accordance with the relevant provisions of the GEM Listing Rules.

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

During the Period, none of the Company and its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **SHARE OPTION SCHEME**

The share option scheme of the Company (the "**Share Option Scheme**") was adopted under the written resolutions of the shareholders of the Company passed on 11 May 2015. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

There were no share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the Period and there were no outstanding share options under the Share Option Scheme as at 31 December 2018 and up to the date of this report.

### **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiries of all Directors, was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the Period.

## DISCLOSURE OF INTEREST

### (a) Interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or the associated corporations

As at 31 December 2018, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to Rule 5.46 of the GEM Listing Rules, were as follows:

Name	Capacity/Nature of interest	Number of Shares <i>(Note 1)</i>	Percentage of issued Shares
Mr. Zhong Naixiong	Interest of controlled corporation <i>(Note 2)</i>	600,000,000	60%
Dr. Wong King Keung	Beneficial owner	150,000,000	15%

*Notes:*

- (1) All interests stated are long positions.
- (2) These Shares are held by Phoenix Time Holdings Limited, which is 100% owned by Mr. Zhong Naixiong. Pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, Mr. Zhong Naixiong is deemed to have an interest in all Shares in which Phoenix Time Holdings Limited has, or deemed to have, an interest.

Save as disclosed above, as at 31 December 2018, none of the Directors and the chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to Rule 5.46 of the GEM Listing Rules.

## OTHER INFORMATION

**(b) Interests and short positions of the substantial shareholders in the shares and underlying shares**

As at 31 December 2018, so far as is known to the Directors and the chief executives of the Company, the following corporations or persons (other than the Directors or the chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

Name	Capacity/Nature of interest	Number of Shares <i>(Note 1)</i>	Percentage of issued Shares
Phoenix Time Holdings Limited	Beneficial owner	600,000,000	60%
Ms. Chen Minling <i>(Note 2)</i>	Interest of spouse	600,000,000	60%
Ms. Wong Lau Sau Yee Angeli <i>(Note 3)</i>	Interest of spouse	150,000,000	15%

*Notes:*

- (1) All interests stated are long positions.
- (2) Ms. Chen Minling is the spouse of Mr. Zhong Naixiong. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Chen Minling is deemed to have an interest in all Shares in which Mr. Zhong Naixiong has, or deemed to have, an interest.
- (3) Ms. Wong Lau Sau Yee Angeli is the spouse of Dr. Wong King Keung. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Wong Lau Sau Yee Angeli is deemed to have an interest in all Shares in which Dr. Wong King Keung has, or deemed to have, an interest.

Save as disclosed above, as at 31 December 2018, the Directors and the chief executives of the Company are not aware of any other person, not being a Director or a chief executive of the Company, who had, or was deemed or taken to have an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the Period was the Company, or its holding company, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and the chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

## INTERESTS IN COMPETING BUSINESS

As at 31 December 2018, none of the Directors, the controlling shareholder of the Company (as defined under the GEM Listing Rules) or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## CORPORATE GOVERNANCE PRACTICES

The Company maintains a high standard of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "**CG Code**"). To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the Period and up to the date of this report.

## REVIEW OF RESULTS

The Company has established an audit committee (the "**Audit Committee**") in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Fong Chi, Mr. Lum Pak Sum and Mr. Mong Cheuk Wai. Mr. Lum Pak Sum is the chairman of the Audit Committee.

The Audit Committee has reviewed with the Company's management the unaudited condensed consolidated results of the Group for the Period and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

## OTHER INFORMATION

### **SUFFICIENCY OF PUBLIC FLOAT**

From the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float as required by the GEM Listing Rules as at the date of this report.

### **EVENT AFTER REPORTING PERIOD**

The Board is not aware of any material event after the Period and up to the date of this report that requires disclosure.

By order of the Board

**Zhong Naixiong**

*Chairman*

Hong Kong, 31 January 2019

As at the date of this report, the executive Directors are Mr. Zhong Naixiong, Mr. Yau Wing Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Director is Dr. Wong King Keung; and the independent non-executive Directors are Mr. Fong Chi, Mr. Fung Chan Man Alex, Mr. Lum Pak Sum and Mr. Mong Cheuk Wai.