

**Modern Living Investments Holdings Limited**  
**雅居投資控股有限公司**

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

**(Stock Code: 8426)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE  
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of Modern Living Investments Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 announcement 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 announcement misleading.*

## SUMMARY

Our revenue amounted to approximately HK\$265.3 million for the nine months ended 30 September 2017, which represented an increase of approximately 3.5% as compared to that of the same period in 2016.

Our employee benefit expenses amounted to approximately HK\$238.4 million for the nine months ended 30 September 2017, which represented an increase of approximately 9.1% as compared to that of the same period in 2016.

Our subcontracting cleaning and cleaning material costs amounted to approximately HK\$3.7 million for the nine months ended 30 September 2017, which represented a decrease of approximately 78.0% as compared to that of the same period in 2016. The substantial decrease was mainly attributable to the cease of all subcontracting arrangement for the estates under our management in September 2016.

We recorded net loss of approximately HK\$3.7 million for the nine months ended 30 September 2017. Excluding the listing expenses of approximately HK\$14.2 million, we would have recorded a net profit of approximately HK\$10.5 million for the period, which represented an increase of approximately 46.3% as compared to that of the same period in 2016.

### THIRD QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2017, together with the comparative unaudited figures for the corresponding period in 2016 as follows:

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

*For the three months and nine months ended 30 September 2017*

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	4	91,360	86,776	265,329	256,384
Other income		85	243	248	391
Other gains/(losses), net		–	–	14	(225)
Employee benefit expenses	5	(78,995)	(75,689)	(238,415)	(218,483)
Subcontracting cleaning and cleaning material costs		(1,195)	(2,968)	(3,661)	(16,783)
Utilities expenses		(662)	(712)	(1,379)	(1,668)
Depreciation		(416)	(473)	(1,398)	(1,377)
Other operating expenses		(2,408)	(4,230)	(6,799)	(8,525)
Listing expenses		(14,151)	–	(14,151)	–
Operating (loss)/profit		(6,382)	2,947	(212)	9,714
Finance income		–	–	1	3
Finance costs		(515)	(221)	(1,386)	(1,179)
Finance costs, net		(515)	(221)	(1,385)	(1,176)
(Loss)/profit before income tax		(6,897)	2,726	(1,597)	8,538
Income tax expense	6	(1,192)	(445)	(2,107)	(1,396)
(Loss)/profit for the period		(8,089)	2,281	(3,704)	7,142

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of employee benefit obligations	<u>(120)</u>	<u>171</u>	<u>(361)</u>	<u>1,134</u>
Other comprehensive income for the period, net of tax	<u>(120)</u>	<u>171</u>	<u>(361)</u>	<u>1,134</u>
<b>Total comprehensive (loss)/income for the period</b>	<u><b>(8,209)</b></u>	<u><b>2,452</b></u>	<u><b>(4,065)</b></u>	<u><b>8,276</b></u>
<b>(Loss)/earnings per share</b>				
Basic and diluted	7 <u><b>HK\$(1.3) cents</b></u>	<u>HK\$0.4 cents</u>	<u><b>HK\$(0.6) cents</b></u>	<u>HK\$1.2 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the nine months ended 30 September 2017*

	<i>Note</i>	<b>Capital</b> <i>HK\$'000</i>	<b>Reserves</b> <i>HK\$'000</i>	<b>Retained earnings</b> <i>HK\$'000</i>	<b>Total equity</b> <i>HK\$'000</i>
<b>Balance at 1 January 2016</b>					
<b>(Audited)</b>	<i>(i)</i>	21,460	810	24,724	46,994
Profit for the period		–	–	7,142	7,142
<i>Other comprehensive income:</i>					
Remeasurements of employee benefit obligations		–	–	1,134	1,134
Total comprehensive income for the period		–	–	8,276	8,276
<b>Balance at 30 September 2016</b>					
<b>(Unaudited)</b>	<i>(i)</i>	21,460	810	33,000	55,270
<b>Balance at 1 January 2017</b>					
<b>(Audited)</b>	<i>(i)</i>	21,460	810	39,330	61,600
Reorganisation	<i>(ii) &amp; (iii)</i>	(21,460)	21,460	–	–
		–	22,270	39,330	61,600
Loss for the period		–	–	(3,704)	(3,704)
<i>Other comprehensive income:</i>					
Remeasurements of employee benefit obligations		–	–	(361)	(361)
Total comprehensive loss for the period		–	–	(4,065)	(4,065)
<b>Balance at 30 September 2017</b>					
<b>(Unaudited)</b>		–	22,270	35,265	57,535

*Notes:*

- (i) The share capital balance as at 1 January 2016, 30 September 2016 and 1 January 2017 represented the issued capital of its subsidiary, Modern Living Property Management Limited as at that date.
- (ii) Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 26 June 2017 with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, of which one Share was allotted and issued as fully paid to an initial nominee subscriber, Reid Services Limited at par. On 26 June 2017, the one Share held by the initial nominee subscriber was transferred to R5A Group Limited.
- (iii) On 10 July 2017, our Company allotted and issued 1,719 shares, 200 shares, 120 shares, 40 shares and 20 shares (all credited as fully paid) to R5A Group Limited, Ms. Yeung, Ms. Lok, Mr. Yun and Mr. K. T. Ho, respectively, pursuant to an agreement entered into between Modern Living Investments (as purchaser and as defined in the Prospectus), Ms. Tam, Mr. Sung, Mr. C. M. Ho, Mr. Tang, Ms. Yeung, Mr. T. W. Ho, Mr. Yiu, Ms. Lok, Mr. Yun and Mr. K. T. Ho (collectively as vendors), R5A Group Limited and our Company dated 10 July 2017, as consideration for the acquisition by Modern Living Investments of the entire issued share capital of Modern Living (as defined in the Prospectus) and such allotment and issuance of shares were completed on the same date.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2017*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands and registered as an exempted company with limited liability on 26 June 2017 and its shares are listed on GEM of the Stock Exchange on 10 November 2017 (the “**Listing Date**”). The address of the Company’s registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business is Units 1102–1103, 11th Floor, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong.

The Company is an investment holding company and its principal subsidiary is engaging in the provision of property management services to public housing estates in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Group.

Pursuant to the reorganisation of the Group (the “**Reorganisation**”) in connection with the listing of the shares of the Company (the “**Shares**”) on GEM, the Company became the holding company of the companies comprising the Group on 10 July 2017. Details of the Reorganisation are set out under the section headed “History, Development and Reorganisation” in the prospectus of the Company dated 31 October 2017 (the “**Prospectus**”).

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated results have been prepared under historical cost convention.

The principal accounting policies used in the unaudited condensed consolidated results for the nine months ended 30 September 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated results and/or disclosures set out in these condensed consolidated results. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

### 3. SEGMENT INFORMATION

The Group currently operates in one operating segment which is the provision of property management service in Hong Kong. The Group’s chief operating decision-maker assesses the performance and allocate resources based on the result for the period for the entire business comprehensively. Accordingly, the Group does not present business segment analysis.

#### 4. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Property management services	<u>91,360</u>	<u>86,776</u>	<u>265,329</u>	<u>256,384</u>

#### 5. EMPLOYEE BENEFIT EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Wages, salaries and other allowances (including directors' emoluments)	<u>75,336</u>	<u>72,209</u>	<u>227,363</u>	<u>209,331</u>
Pension costs — defined contribution plan	<u>3,212</u>	<u>3,171</u>	<u>9,710</u>	<u>8,453</u>
Accrual for unutilised annual leave	<u>373</u>	<u>228</u>	<u>1,109</u>	<u>524</u>
Accrual for long service payment	<u>74</u>	<u>81</u>	<u>233</u>	<u>175</u>
	<u><u>78,995</u></u>	<u><u>75,689</u></u>	<u><u>238,415</u></u>	<u><u>218,483</u></u>

#### 6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current income tax:				
Hong Kong Profit Tax	<u>1,196</u>	<u>449</u>	<u>2,071</u>	<u>1,408</u>
Deferred income tax relating to origination and reversal of temporary differences	<u>(4)</u>	<u>(4)</u>	<u>36</u>	<u>(12)</u>
	<u><u>1,192</u></u>	<u><u>445</u></u>	<u><u>2,107</u></u>	<u><u>1,396</u></u>

Hong Kong Profits tax is calculated at the rate of 16.5% on the estimated assessable profits for both periods.

## 7. (LOSS)/EARNINGS PER SHARE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>(Loss)/earnings for the purpose of calculating basic earnings per share</b>				
(Loss)/profit for the period	<u>(8,089)</u>	<u>2,281</u>	<u>(3,704)</u>	<u>7,142</u>
Number of ordinary shares for the purpose of calculating basic earnings per share ('000)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

The number of ordinary shares for the purpose of calculating basic (loss)/earnings per share has been retrospectively adjusted for the effects of the Reorganisation which was completed on 10 July 2017 and the Capitalisation Issue (as defined in the Prospectus) which was completed on 9 November 2017. It does not take into account of issue of new shares pursuant to the Share Offer (as defined in the Prospectus) which took place after 30 September 2017.

No diluted (loss)/earnings per share was presented as there was no potential dilutive ordinary shares outstanding during the above respective periods.

## 8. DIVIDENDS

The Company does not recommend the payment of dividend for the nine months ended 30 September 2017 (nine months ended 30 September 2016: Nil).

## 9. EVENTS AFTER THE REPORTING DATE

- On 24 October 2017, the Company declared a special dividend amounting to HK\$10,000,000 to the then shareholders. Such dividend will be reflected in the Group's financial statements for the year ending 31 December 2017.
- On 24 October 2017, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of HK\$0.01 to HK\$20,000,000 by creation of an additional 1,962,000,000 shares of HK\$0.01 each.
- Pursuant to the resolutions of the shareholders passed on 24 October 2017, subject to the share premium account of the Company being credited as a result of the share offer, the directors of the Company are authorised to allot and issue a total of 599,997,900 shares credited as fully paid at par to the shareholders by way of capitalisation of HK\$5,999,979 standing to the credit of the share premium account of the Company. The proposed capitalisation issue has been completed on 9 November 2017.
- On 10 November 2017, the Company has issued a total of 200,000,000 additional ordinary share upon the Share Offer (as defined in the Prospectus) and the Company successfully listed on the GEM of the Stock Exchange. The amount of gross proceeds from the Share Offer was HK\$60 million and the net proceeds after deducting the estimated listing expenses amounted to approximately HK\$37.1 million.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group provides property management services to public housing estates in Hong Kong. During the nine months ended 30 September 2017, the Housing Authority was our single largest customer and contributed almost 100% of our total revenue. Our property management services include (i) estate management services (entailing general management, tenancy management, financial management, minor repair and maintenance as well as project management services), (ii) security services and (iii) cleaning services.

The Company has successfully listed its shares on GEM of the Stock Exchange on the Listing Date by ways of placing and public offer (the “**Share Offer**”), enhancing capital strength for its future plans. Going forward, the Directors and the management will continue to devote their best efforts to the future plans stated in the Prospectus. From time to time, the Directors will seek for business opportunities to increase the Group’s revenue and to control the Group’s overall costs to an acceptable and satisfactory level to increase shareholders’ returns.

### Financial Review

#### Revenue

Our revenue from the provision of property management services has increased by approximately HK\$8.9 million between the two periods ended 30 September 2016 and 2017 which was attributable to (i) additional service fee income from the two public estates under the Home Ownership Scheme (the “**HOS Estates**”) which we commenced our services in May and June 2017; (ii) upward adjustment on service fee for some of our existing contracts in accordance with the adjustment mechanism as stipulated in our contracts; and (iii) increase in our project management fees as we also provide project management service with independent external contractors to carry out repairs and maintenance on building works in the estates we manage.

#### Employee benefit expenses

The significant increase was mainly attributable to (i) the salaries and wages paid to our additional cleaning staff due to the termination of our cleaning subcontractor’s service for the estates under our management in September 2016; and (ii) the salaries and wages paid to our additional staff employed for the two HOS Estates which we commenced to provide service in May and June 2017.

The staff level in each of the services remained stable for the two periods ended 30 September 2016 and 2017.

## **Subcontracting cleaning and cleaning material costs**

Subcontracting cleaning and cleaning materials costs for the nine months ended 30 September 2017 mainly represented cleaning material costs for our cleaning services. The subcontracting costs decreased for the nine months ended 30 September 2017 as compared to the corresponding period in 2016 because we ceased all subcontracting arrangement and have carried out all the cleaning services by ourselves since September 2016. We ceased the subcontracting arrangement because we gradually gained our management experience and hired our own staff in the market.

## **Other operating expenses**

Other operating expenses amounted to approximately HK\$8.5 million and HK\$6.8 million for the two periods ended 30 September 2016 and 2017, respectively. Insurance expense, office supplies expense, security charges for specialist guard company to escort money in transit, guarantee fee for performance bonds, entertainment, travelling expense, insurance expense and estate maintenance expense are the major cost component of other operating expenses.

The decrease in other operating expenses for the nine months period between 2016 and 2017 was mainly attributable to (i) less promotion and community activities conducted by some of the estates managed by us; (ii) our implementation of more stringent controls in photocopying, stationeries and uniform and laundry; (iii) a decrease in security charges to escort the cash from our estates to banks; and (iv) a decrease of guarantee fee and insurance expense.

## **Loss/(profit) for the period**

As disclosed in the Prospectus, the non-recurring reported listing expenses have a significant financial impact on our financial performance. Loss for the period for the nine months ended 30 September 2017 was approximately HK\$3.7 million as compared to profit for the period of approximately HK\$7.1 million for the nine months ended 30 September 2016. Such decrease in profitability was mainly due to the non-recurring listing expenses of approximately HK\$14.2 million as mentioned above. Excluding such listing expenses, profit for the period would amount to approximately HK\$10.5 million, that is an increment of approximately 46% for the same period ended in 2016, and such increase in profitability was principally attributable to the increase in revenue and the management's close monitoring over the company's day-to-day management and operating expenses.

## **Outlook**

The property market in the Hong Kong has been growing. It is envisaged that the growth of public housing property management services business will expand simultaneously with the development of public housing market in Hong Kong. The Directors are optimistic that the Group will continue to increase its market share after the listing of the Company's shares on GEM and believe that the said opportunities will benefit the Group's business.

## OTHER INFORMATION

### Disclosure of Interests

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

The Company's shares (the "Shares") were not listed on the GEM as at 30 September 2017. Immediately following the listing of the Shares on the GEM on the Listing Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

*Long position in the Shares*

<b>Name of Director</b>	<b>Capacity/nature of interest</b>	<b>Number of shares<sup>(1)</sup></b>	<b>Approximate percentage of interest in the Company</b>
Ms. Tam Mo Kit <sup>(2)</sup>	Interest in a controlled corporation	491,440,000 (L)	61.43%
Mr. Ng Fuk Wah <sup>(2)</sup>	Interest of spouse	491,440,000 (L)	61.43%

*Notes:*

1. The letter "L" denotes the person's long position in the Shares.
2. R5A Group Limited is the registered owner of 491,440,000 Shares, representing 61.43% of our issued share capital. R5A Group Limited is owned as to 55.23% by Ms. Tam Mo Kit, 16.28% by Mr. Sung Alfred Lee Ming, 13.96% by Mr. Ho Chu Ming, 12.79% by Mr. Tang Kong Fuk, 1.16% by Mr. Ho Tik Wai and 0.58% by Mr. Yiu Ping Keung. Therefore, Ms. Tam Mo Kit is deemed to be interested in all the Shares held by R5A Group Limited for the purposes of the SFO.
3. Mr. Ng Fuk Wah is the spouse of Ms. Tam Mo Kit. Under the SFO, Mr. Ng Fuk Wah is deemed to be interested in the same number of Shares in which Ms. Tam Mo Kit is interested.

*Long position in the ordinary shares of associated corporation*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of interest</b>
Ms. Tam Mo Kit	R5A Group Limited	Beneficial owner	950	55.23%
Mr. Sung Alfred Lee Ming	R5A Group Limited	Beneficial owner	280	16.28%
Mr. Ho Chu Ming	R5A Group Limited	Beneficial owner	240	13.96%
Mr. Tang Kong Fuk	R5A Group Limited	Beneficial owner	220	12.79%

Save as disclosed above and so far as is known to the Directors, immediate following the listing of the Shares on the GEM on the Listing Date, none of the Directors nor chief executives of the Company had or was deemed to have any other 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) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

**(b) Interests of substantial shareholders of the Company**

The Shares were not listed on the GEM as at 30 September 2017. Immediate following the listing of the Shares on the GEM on the Listing Date, so far as is known to the Directors, the following entities and individuals (not being Directors or chief executives of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision 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 pursuant to Section 336 of the SFO were as follows:

*Long positions in the Shares*

<b>Name of Shareholder</b>	<b>Nature of interest/ holding capacity</b>	<b>Number of shares<sup>(1)</sup></b>	<b>Approximate percentage of interest in the Company</b>
R5A Group Limited <sup>(2)</sup>	Beneficial owner	491,440,000 (L)	61.43%
Ms. Yeung Siu Wen	Beneficial owner	57,120,000 (L)	7.14%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. R5A Group Limited is the registered owner of 491,440,000 Shares, representing 61.43% of our issued share capital. R5A Group Limited is owned as to 55.23% by Ms. Tam Mo Kit, 16.28% by Mr. Sung Alfred Lee Ming, 13.96% by Mr. Ho Chu Ming, 12.79% by Mr. Tang Kong Fuk, 1.16% by Mr. Ho Tik Wai and 0.58% by Mr. Yiu Ping Keung.

Save as disclosed above and so far as is known to the Directors, immediate following the listing of the Shares on the GEM on the Listing Date, the Directors were not aware of any other persons (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange 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 pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was approved and conditionally adopted by the then shareholders of the Company by way of written resolutions on 24 October 2017. For the principal terms of the Share Option Scheme, please refer to “D. Share Option Scheme” in Appendix IV to the Prospectus.

No share options have been granted by the Company under the Share Option Scheme since its adoption.

## COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 30 September 2017.

## INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Ballas Capital Limited (“**Ballas**”) as the compliance adviser. Ballas, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 18 July 2017, none of the compliance adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.

## CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. Since the Listing Date, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix 15 of the GEM Listing Rules and there has been no deviation in relation thereto.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard Dealings**”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings since the listing of the Shares on the GEM on the Listing Date up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the listing of the Shares on the GEM on the Listing Date up to the date of this announcement.

### **AUDIT COMMITTEE**

The financial information in this announcement has not been audited by the auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Wong Siu Fai Albert (Chairman), Dr. Chan Man Wai and Mr. Ng Kee Fat Ronny, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the nine months ended 30 September 2017 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board  
**Modern Living Investments Holdings Limited**  
**Ho Chu Ming**  
*Chairman*

Hong Kong, 14 November 2017

*As at the date of this announcement, the Board comprises Mr. Ho Chu Ming (Chairman), Mr. Ng Fuk Wah (Chief Executive Officer), Mr. Sung Alfred Lee Ming (Chief Financial Officer) and Mr. Tang Kong Fuk as Executive Directors, Ms. Tam Mo Kit and Mr. Tam Kam Cheung Patrick as Non-executive Directors, and Dr. Chan Man Wai, Mr. Wong Siu Fai Albert and Mr. Ng Kee Fat Ronny as Independent Non-executive Directors.*

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