

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, 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 announcement.



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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (collectively, the “**Directors**” and each the “**Director**”) of Modern Living Investments Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) 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 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.*

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2019, together with the comparative unaudited figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

		Three months ended	
		31 March	
		2019	2018
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue	5	94,405	91,566
Other income		55	83
Employee benefits expenses	6	(87,339)	(85,556)
Cleaning material costs		(1,677)	(1,182)
Utilities expenses		(328)	(212)
Depreciation		(559)	(416)
Other operating expenses		(4,444)	(2,681)
Operating profit		113	1,602
Finance income/(costs), net		546	(301)
Profit before income tax		659	1,301
Income tax expense	7	(170)	(320)
Profit for the period		489	981
Other comprehensive loss:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of employee benefit obligations		(224)	(93)
Other comprehensive loss for the period, net of tax		(224)	(93)
Total comprehensive income for the period		265	888
Earnings per share			
Basic and diluted (HK cents per share)	8	0.06	0.12

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2019

	<i>Note</i>	Share Capital <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Contribution Reserves <i>HK\$'000</i>	Retained Earnings <i>HK\$'000</i>	Total Equity <i>HK\$'000</i>
Balance at 1 January 2018 (Audited)						
Reorganisation	(i)	<u>8,000</u>	<u>42,776</u>	<u>22,270</u>	<u>27,496</u>	<u>100,542</u>
Profit for the period		–	–	–	981	981
<i>Other comprehensive income:</i>						
Remeasurements of employee benefit obligations		<u>–</u>	<u>–</u>	<u>–</u>	<u>(93)</u>	<u>(93)</u>
Total comprehensive income for the period		<u>–</u>	<u>–</u>	<u>–</u>	<u>888</u>	<u>888</u>
Balance at 31 March 2018 (Unaudited)	(i)	<u><u>8,000</u></u>	<u><u>42,776</u></u>	<u><u>22,270</u></u>	<u><u>28,384</u></u>	<u><u>101,430</u></u>
Balance at 1 January 2019 (Audited)						
		<u>8,000</u>	<u>42,776</u>	<u>22,270</u>	<u>38,743</u>	<u>111,789</u>
Profit for the period		–	–	–	489	489
<i>Other comprehensive loss:</i>						
Remeasurements of employee benefit obligations		<u>–</u>	<u>–</u>	<u>–</u>	<u>(224)</u>	<u>(224)</u>
Total comprehensive loss for the period		<u>–</u>	<u>–</u>	<u>–</u>	<u>265</u>	<u>265</u>
Balance at 31 March 2019 (Unaudited)		<u><u>8,000</u></u>	<u><u>42,776</u></u>	<u><u>22,270</u></u>	<u><u>39,008</u></u>	<u><u>112,054</u></u>

Notes:

- (i) The 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.
- (ii) On 10 July 2017, the 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 Siu Wen, Ms. Lok Sau Lin, Mr. Yun Kwok King and Mr. Ho King Tung, respectively, pursuant to an agreement entered into between Modern Living Investments Limited (as purchaser), Ms. Tam Mo Kit, Mr. Sung Alfred Lee Ming, Mr. Ho Chu Ming, Mr. Tang Kong Fuk, Ms. Yeung Siu Wen, Mr. Ho Tik Wai, Mr. Yiu Ping Keung, Ms. Lok Sau Lin, Mr. Yun Kwok King and Mr. Ho King Tung (collectively as vendors), R5A Group Limited and the Company dated 10 July 2017, as consideration for the acquisition by Modern Living Investments Limited of the entire issued share capital of Modern Living Property Management Limited and such allotment and issuance of shares were completed on the same date.

On 9 November 2017, the Company allotted and issued a total of 599,997,900 shares credited as fully paid at par to the then shareholders by way of capitalisation of HK\$5,999,979 standing to the credit of the share premium account of the Company (“**Capitalisation**”).

On 10 November 2017, the Company issued a total of 200,000,000 shares of HK\$0.01 each at a price of HK\$0.30 per share for a total consideration of HK\$60,000,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2019

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 were 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 in Hong Kong is at 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 engages in the provision of property management services to public housing estates and Home Ownership Scheme (“**HOS**”) estates, the Civil Engineering and Development Department (“**CEDD**”) and the Urban Renewal Authority (“**URA**”) 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.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 31 March 2019 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 financial statements have been prepared under historical cost convention, except that investment in an insurance contract is stated at its cash surrender value.

(a) Application of new and amendments to HKFRSs

The principal accounting policies used in the unaudited condensed consolidated financial statements for the three months ended 31 March 2019 are the same as those followed in the preparation of the Group’s annual report for the year ended 31 December 2018, except for the following new and amendments to HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group:

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

Adoption of HKFRS 16

The Group has changed its accounting policies following the adoption of HKFRS 16 on 1 January 2019.

The Group leases office under non-cancellable operating leases expiring within 3 years. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- any restoration costs.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See Note 3 below for further details on the impact of the change in accounting policy.

(b) New standards and amendments to standards issued but not effective

A number of new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2019, and have not been early adopted by the Group in preparing the unaudited condensed consolidated financial statements. None of these is expected to have a significant effect on the unaudited condensed consolidated financial statements of the Group based on the preliminary assessment made by management.

3. CHANGES IN ACCOUNTING POLICY

As indicated in Note 2(a), the Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019. In accordance with the transitional provision under HKFRS 16, the Group has applied the simplified transition approach, and all right-of-use assets were measured at the amount of the lease liabilities on adoption (adjusted for any prepaid or accrued lease expenses). Comparative figures for the 2018 financial year have not been restated.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.13%.

	<i>HK\$’000</i>
Operating lease commitments disclosed as at 31 December 2018	566
Discounted using the Group’s weighted average incremental borrowing rate of 5.13%	<u>(26)</u>
Lease liabilities recognised as at 1 January 2019	<u><u>540</u></u>

All right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the unaudited condensed consolidated statement of financial position as at 31 December 2018. The impact on transition is summarised as below.

	1 January 2019
	<i>HK\$’000</i>
Rights-of-use assets	540
Lease liabilities	<u><u>540</u></u>

In applying HKFRS 16 for the first time, the Group has used the following practical expedient permitted by the standard:

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Upon adoption of HKFRS 16, principal elements of lease payments and related interest portion have been classified within financing activities.

4. SEGMENT INFORMATION

The Group currently operates in one operating segment which is the provision of property management services 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.

5. REVENUE

	Three months ended	
	31 March	
	2019	2018
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Property management services	<u><u>94,405</u></u>	<u><u>91,566</u></u>

6. EMPLOYEE BENEFITS EXPENSES

	Three months ended 31 March	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Wages, salaries and other allowances (including directors' emoluments)	83,675	81,999
Pension costs — defined contribution plan	3,524	3,351
Accrual for unutilised annual leave	90	130
Accrual for long service payment	50	76
	<u>87,339</u>	<u>85,556</u>

7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Current income tax:		
Hong Kong profits tax	200	283
Deferred income tax relating to origination and reversal of temporary differences	(30)	37
	<u>170</u>	<u>320</u>

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

8. EARNINGS PER SHARE

	Three months ended 31 March	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Earnings for the purpose of calculating basic earnings per share		
Profit for the period	<u>489</u>	<u>981</u>
Number of ordinary shares for the purpose of calculating basic earnings per share ('000)	<u>800,000</u>	<u>800,000</u>

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

9. DIVIDENDS

The Directors did not recommend the payment of dividends for the three months ended 31 March 2019 (three months ended 31 March 2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

As at 31 March 2019, the Group's existing property management portfolio comprises 26 public housing estates, 3 HOS estates awarded by the Hong Kong Housing Authority ("HA"), and 3 and 1 standalone service contracts awarded by the HA and the URA, respectively, under the management of the Group.

Financial Review

Revenue

The revenue from the provision of property management services has increased from approximately HK\$91.6 million for the period ended 31 March 2018 to approximately HK\$94.4 million for the period ended 31 March 2019. This increase was attributable to (i) the additional service fee income from the one HOS estates awarded by the HA and one new stand-alone security service contract awarded by the URA after the first quarter of 2018; and (ii) the upward adjustment on service fee for some of the Group's existing contracts in accordance with the adjustment mechanism as stipulated in those contracts.

Employee benefits expenses

The total employee benefits expenses amounted to approximately HK\$87.3 million and HK\$85.6 million for the periods ended 31 March 2019 and 2018, respectively. The increase was mainly attributable to (i) the salaries and wages for the additional staff employed for the two new contracts awarded by HA and URA after the first quarter of 2018; and (ii) the annual increase in salaries and wages.

Cleaning material costs

The cleaning material costs increased from approximately HK\$1.2 million for the period ended 31 March 2018 to approximately HK\$1.7 million for the period ended 31 March 2019. This increase was mainly attributable to the charges of waste disposal for a new HOS estate management contract awarded to the Group.

Other operating expenses

The other operating expenses mainly comprised insurance expense, office supplies expense, security charges for specialist guard company to escort money in transit, guarantee fee for performance bonds, entertainment, travelling expense, and estate maintenance expense.

The other operating expenses amounted to approximately HK\$4.4 million and HK\$2.7 million for the periods ended 31 March 2019 and 2018, respectively. The increase in other operating expenses was mainly attributable to (i) increase in insurance expense and guarantee fees and (ii) increase in various compliance costs.

Profit for the period

The decrease in profit for the period from approximately HK\$1 million for the period ended 31 March 2018 to approximately HK\$0.5 million for the period ended 31 March 2019 was mainly attributable to the increase in insurance expense and cleaning material costs.

Outlook

The property market in 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 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 executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 March 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions in 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 (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in the shares

Name of Director	Capacity/nature of interest	Number of shares⁽¹⁾	Approximate percentage of interest in the Company
Ms. Tam Mo Kit ⁽²⁾	Interest in a controlled corporation	506,750,000 (L)	63.34%
Mr. Ng Fuk Wah ⁽³⁾	Interest of spouse	506,750,000 (L)	63.34%
Mr. Ho Chu Ming	Beneficial owner	600,000 (L)	0.08%

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 approximately 61.43% of the Company’s 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. Mr. Ng Fuk Wah is the beneficial owner of 15,310,000 Shares in the Company, representing approximately 1.91% of the issued share capital of the Company. As Ms. Tam Mo Kit is the spouse of Mr. Ng Fuk Wah, Ms. Tam Mo Kit is also deemed to be interested in the same number of Shares held by Mr. Ng Fuk Wah under the SFO.
3. Mr. Ng Fuk Wah is the beneficial owner of 15,310,000 Shares in the Company, representing approximately 1.91% of the issued share capital of the Company. 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

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of shares held	Percentage of interest
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, as at 31 March 2019, none of the Directors nor chief executive 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 of the GEM Listing Rules.

Please also refer to section headed “Events after the Review Period” for changes in interests of Directors and chief executive in the shares after 31 March 2019.

(b) Interests and short positions of substantial shareholders in the shares, underlying shares and debentures of the Company and its associated corporation

So far as the Directors are aware of, as at 31 March 2019, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, 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 of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long positions in the ordinary shares of the Company

Name of Shareholder	Nature of interest/ holding capacity	Number of shares ⁽¹⁾	Approximate percentage of interest in the Company
R5A Group Limited ⁽²⁾	Beneficial owner	491,440,000	61.43%
Ms. Yeung Siu Wen	Beneficial owner	57,120,000	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 the Company’s 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, as at 31 March 2019, the Directors were not aware of any other persons 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 or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules. The Share Option Scheme was adopted on 24 October 2017 (the “**Adoption**”). As of the date of this announcement, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

COMPETING INTERESTS

For the period ended 31 March 2019, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 24 October 2017 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Ballas Capital Limited (“**Ballas Capital**”) to be the compliance adviser. As at 31 March 2019, as notified by Ballas Capital, except for the compliance adviser agreement entered into between the Company and Ballas Capital dated 18 July 2017, neither Ballas Capital nor any of its directors or employees or associates, has or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities).

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. During the three months ended 31 March 2019 and up to the date of this announcement, the Company had complied with all the code provisions set out in the Corporate Governance Code as set out 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 on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the three months ended 31 March 2019 and up to the date of this announcement.

Pursuant to rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2019.

EVENTS AFTER THE REVIEW PERIOD

Saved as disclosed above, there are no material subsequent events undertaken by the Company or the Group after 31 March 2019 and up to the date of this announcement.

REVIEW BY 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 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 three months ended 31 March 2019 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 May 2019

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.

This announcement will remain on the “Latest Company Announcements” page of the GEM’s website at <http://www.hkgem.com> for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.modernliving.com.hk>.