



FINET GROUP LIMITED

財華社集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8317)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

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 Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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*This announcement, for which the directors (the “**Directors**”) of Finet Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on GEM (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 in this announcement misleading.*

RESULTS HIGHLIGHTS

- The Group reported a turnover of approximately HK\$15,401,000 for the nine months ended 31 December 2020, representing a decrease of approximately 24.7% from approximately HK\$20,465,000 for the same period in 2019.
- The Group's unaudited consolidated loss attributable to owners of the Company for the nine months ended 31 December 2020 was approximately HK\$4,352,000 (nine months ended 31 December 2019: approximately HK\$11,702,000).
- The Board does not recommend the payment of dividend for the nine months ended 31 December 2020.

The board of Directors (the “Board”) is pleased to present the unaudited results of the Group for the three months and nine months ended 31 December 2020, together with the comparative unaudited figures for the corresponding period in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2020

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	3	5,582	5,195	15,401	20,465
Cost of sales		<u>(407)</u>	<u>(172)</u>	<u>(893)</u>	<u>(1,473)</u>
Gross profit		5,175	5,023	14,508	18,992
Other income and other losses	3	1,757	2,228	6,589	2,417
Selling and marketing expenses		(19)	(26)	(152)	(558)
General and administrative expenses		(7,433)	(7,264)	(24,812)	(32,232)
Finance costs	5	<u>(126)</u>	<u>(62)</u>	<u>(307)</u>	<u>(352)</u>
Loss before income tax		(646)	(101)	(4,174)	(11,733)
Income tax expense	6	<u>(44)</u>	<u>(118)</u>	<u>(119)</u>	<u>(151)</u>
Loss for the period		<u>(690)</u>	<u>(219)</u>	<u>(4,293)</u>	<u>(11,884)</u>
Loss for the period attributable to:					
Owners of the Company		(278)	(803)	(4,352)	(11,702)
Non-controlling interests		<u>(412)</u>	<u>584</u>	<u>59</u>	<u>(182)</u>
		<u>(690)</u>	<u>(219)</u>	<u>(4,293)</u>	<u>(11,884)</u>
Loss per share for loss attributable to the owners of the Company during the period					
— Basic and diluted (in HK cents)	8	<u>(0.04)</u>	<u>(0.12)</u>	<u>(0.65)</u>	<u>(1.76)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

For the three months and nine months ended 31 December 2020

	For the three months ended 31 December		For the nine months ended 31 December	
	2020	2019	2020	2019
	<i>Notes</i> HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period	<u>(690)</u>	<u>(219)</u>	<u>(4,293)</u>	<u>(11,884)</u>
Other comprehensive income				
Currency translation differences	<u>(3,104)</u>	<u>—</u>	<u>(3,955)</u>	<u>(51)</u>
Other comprehensive income for the period	<u>(3,104)</u>	<u>—</u>	<u>(3,955)</u>	<u>(51)</u>
Total comprehensive expense for the period	<u>(3,794)</u>	<u>(219)</u>	<u>(8,248)</u>	<u>(11,935)</u>
Total comprehensive expense for the period, attributable to:				
Owners of the Company	<u>(3,382)</u>	<u>(803)</u>	<u>(8,307)</u>	<u>(11,753)</u>
Non-controlling interests	<u>(412)</u>	<u>584</u>	<u>59</u>	<u>(182)</u>
	<u>(3,794)</u>	<u>(219)</u>	<u>(8,248)</u>	<u>(11,935)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of Finet Group Limited (the “Company”) is investment holding. The Company and its subsidiaries (together the “Group”) are principally engaged in (i) the development, production and provision of financial information, advertising and investor relationship service and technology solutions to corporate and retail clients in Hong Kong and People’s Republic of China (the “PRC”); (ii) the securities business that specializes in the provision of online securities trading; (iii) money lending business; and (iv) property investments.

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 24 June 2002. On 16 June 2011, the Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business is situated at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

The Company’s immediate and ultimate holding company is Maxx Capital International Limited incorporated in the British Virgin Islands (“BVI”) with limited liability and Pablos International Limited incorporated in the BVI with limited liability, respectively. The ultimate controlling party is Ms. LO Yuk Yee, who controls Pablos International Limited and is also the Chairman and executive Director of the Company.

The Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 7 January 2005.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the board of directors on 10 February 2021.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the GEM Listing Rules.

The principal accounting policies and methods of computation used in the preparation of these accounts are consistent with those adopted in the preparation of the annual report of the Company for the year ended 31 March 2020.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual report, and should be read in conjunction with the Group’s annual report for the year ended 31 March 2020.

In the current reporting period, the Group has applied, for the first time, certain new standards, amendments to standards and interpretations issued by the HKICPA that are mandatorily effective for the current reporting period. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior year.

The Group has not yet applied new or revised HKFRSs that have been issued but not yet effective, and will apply such standards when they become effective. The Group anticipates that the application of such new standards and amendments to existing standards have no material impact on the results and the financial position of the Group.

3. REVENUE AND OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents total invoiced value of goods supplied and services rendered. Revenue and other income and gains recognised during the period are as follows:

	Unaudited			
	For the three months ended 31 December		For the nine months ended 31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue				
Service income from provision of financial information services	72	69	243	168
Advertising, investor relationship and branding promotion and communication services income	4,999	4,442	13,365	18,735
Brokerage commission and service income from securities business	131	1	717	2
Rental income	380	683	1,076	1,560
	<u>5,582</u>	<u>5,195</u>	<u>15,401</u>	<u>20,465</u>
Other income and other losses				
Fair value change on financial assets at fair value through profit or loss	60	143	1,086	(890)
Incomes from sharing of administrative expenses	613	358	3,274	1,573
Government subsidies	1,074	—	2,208	—
Interest income	4	1	6	5
Sundry income	6	1,726	15	1,729
	<u>1,757</u>	<u>2,228</u>	<u>6,589</u>	<u>2,417</u>
Total income	<u><u>7,339</u></u>	<u><u>7,423</u></u>	<u><u>21,990</u></u>	<u><u>22,882</u></u>

4. MOVEMENT OF RESERVES

For the nine months ended 31 December 2020 (Unaudited)

	Attributable to owners of the Company										
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Employee compensation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non-controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
As at 1 April 2019	6,665	320,095	4,870	—	1,776	(1,702)	9,989	(264,810)	76,883	(8,541)	68,342
Loss for the period	—	—	—	—	—	—	—	(11,884)	(11,884)	(182)	(12,066)
Other comprehensive expense											
Currency translation differences	—	—	—	—	—	(51)	—	—	(51)	—	(51)
Total comprehensive (expense)/income	—	—	—	—	—	(51)	—	(11,884)	(11,935)	(182)	(12,117)
Employee compensation reserve	—	—	—	998	—	—	—	—	998	—	998
As at 31 December 2019	6,665	320,095	4,870	998	1,776	(1,753)	9,989	(276,694)	65,946	(8,723)	57,223

	Attributable to owners of the Company										
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Employee compensation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non-controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
As at 1 April 2020	6,665	320,095	4,870	360	3,757	3,014	9,989	(285,103)	63,647	(7,536)	56,111
Loss for the period	—	—	—	—	—	—	—	(4,352)	(4,352)	59	(4,293)
Other comprehensive expense											
Currency translation differences	—	—	—	—	—	(3,955)	—	—	(3,955)	—	(3,955)
Total comprehensive (expense)/income	—	—	—	—	—	(3,955)	—	(4,352)	(8,307)	59	(8,248)
Employee compensation reserve	—	—	—	(270)	—	—	—	—	(270)	—	(270)
As at 31 December 2020	6,665	320,095	4,870	90	3,757	(941)	9,989	(289,455)	55,070	(7,477)	47,593

5. FINANCE COSTS

	Unaudited			
	For the three months ended 31 December		For the nine months ended 31 December	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest expenses				
— bank borrowings	115	62	275	324
— lease liabilities	11	—	32	28
	<u>126</u>	<u>62</u>	<u>307</u>	<u>352</u>

6. INCOME TAX EXPENSE

Hong Kong profits tax of approximately HK\$11,000 has been made for the nine months ended 31 December 2020 (2019: HK\$99,000) from the assessable profit arising in or derived from Hong Kong for the previous year.

The PRC income tax of approximately HK\$108,000 during the nine months ended 31 December 2020 (2019: HK\$83,000) was mainly attributable to the net rental income from the investment properties of the Company in the PRC.

7. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2020 (2019: Nil).

8. LOSS PER SHARE

(i) Basic

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the three months and nine months ended 31 December 2020 of approximately HK\$278,000 and HK\$4,352,000 respectively (three months and nine months ended 31 December 2019: approximately HK\$803,000 and HK\$11,702,000 respectively) and on the weighted average number of 666,538,774 ordinary shares in issue during the three months and nine months ended 31 December 2020 (three months and nine months ended 31 December 2019: weighted average number of 666,538,774 ordinary shares in issue).

(ii) Diluted

The computation of diluted loss per share for the three months and the nine months ended 31 December 2020 and 2019 did not assume the exercise of the Company's outstanding share options during those periods since they are anti-dilutive, as their exercise would result in a decrease in loss per share.

9. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following related party transactions during the period:

	Unaudited			
	For the three months ended 31 December		For the nine months ended 31 December	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Incomes from sharing of administrative expenses received from International Links Limited (<i>note i</i>)	8	124	506	394
Incomes from sharing of administrative expenses received from Maxx Capital Finance Limited (<i>note i</i>)	305	234	903	1,179
Income from sharing of administrative expenses received from Top 100 Hong Kong Listed Companies Research Centre (<i>note i</i>)	—	—	965	—
Rental received/receivable from International Links Limited (<i>note i</i>)	180	720	540	720
Rental received/receivable from Maxx Capital Finance Limited (<i>note i</i>)	120	—	360	—
Rental deduction for prior year from Cyber Feel Limited (<i>note i</i>)	—	991	—	991
Rental expenses paid to Cyber Feel Limited (<i>note i</i>)	<u>1,014</u>	<u>1,010</u>	<u>3,042</u>	<u>2,991</u>

Note:

- (i) International Links Limited, Maxx Capital Finance Limited, Top 100 Hong Kong Limited Companies Research Centre, and Cyber Feel Limited are beneficially owned by Ms. LO, the chairman and the executive director of the Company.

10. COMPARATIVE FIGURES

Certain comparative figures have been re-classified in order to conform with the presentation of current period.

MANAGEMENT DISCUSSION AND ANALYSIS

We are an integrated platform hosting news media, public relationship and social networking services for listed companies and investors. We have 5 operation units, Finet.hk, FinTV.hk, Finet.com.cn, FinTV APP and Finet Finance Pro APP which are formed by 3 websites and 2 mobile applications. Our primary focus of our operations is in Financial PR and branding for listed companies. Through an array of new media facilities we controlled our operating costs and improved our operation efficiency. Through the distribution of high quality contents we have obtained a general recognition of our services in the market. We operate the following business segments:

Financial Information, Advertising and Investor Relationship Service Business

The income from the advertising and investor relationship service business recorded substantial growth over past few years. The decrease in current period is due to the impact of COVID-19 which lead to fewer event hosting activities and decreased the relevant revenue. Service income from provision of financial information service remained at a relatively low level during this financial period as this revenue stream has scaled down in recently years.

Property Investment Business

The investment properties in the PRC continued to provide income to the Group. The decrease in revenue during the period is due to tenants have requested for and we have granted rental reduction for a few months during the period of COVID-19 pandemic as well as moderate reduction at contract renewal.

Securities Business

Due to the keen competition within the market, the Group's securities business is still a challenging task in this period. Revenue during the period is mainly arising from services rendered for securities transaction.

Money Lending Business

No loan interest income from the money lending business was generated during the nine months ended 31 December 2020 (2019: Nil).

Financial Review

The Group reported a turnover of approximately HK\$15,401,000 for the nine months ended 31 December 2020, representing a decrease of approximately 24.7% from approximately HK\$20,465,000 for the same period in 2019.

During the nine months ended 31 December 2020, the Group recorded cost of sales amounting to approximately HK\$893,000, representing a decrease of 39.4% from approximately HK\$1,473,000 for the same period in 2019.

Other income and other losses of the Group for the nine months ended 31 December 2020 was a gain of approximately HK\$6,589,000 (nine months ended 31 December 2019: HK\$2,417,000). The increase was mainly attributable to (i) the increase of fair value gain/loss on financial assets at fair value through profit or loss of HK\$1,976,000, (ii) government subsidies of approximately HK\$2,208,000, mainly from the Employment Support Scheme in Hong Kong, and (iii) increase in income from sharing of administrative expenses of HK\$1,701,000.

General and administrative expenses of the Group for the nine months ended 31 December 2020 was approximately HK\$24,812,000 (nine months ended 31 December 2019: HK\$32,232,000), which represented a decrease of approximately 23.0% when compared to the same period of 2019. The decrease was mainly due to the decrease in staff costs and professional fee.

Finance costs for the nine months ended 31 December 2020 was approximately HK\$307,000 (nine months ended 31 December 2019: HK\$352,000), which represented interest expenses on bank borrowings and lease liabilities. Finance costs for the nine months ended 31 December 2020 included approximately HK\$275,000 of interest expenses on bank borrowings and approximately HK\$32,000 of interest expenses on lease liabilities.

The Group's unaudited consolidated loss attributable to the owners of the Company for the nine months ended 31 December 2020 was approximately HK\$4,352,000 (nine months ended 31 December 2019: loss of HK\$11,702,000).

Prospect

We will continue to allocate our resources to strengthen our leading position in providing financial news services. With our competitive edge and strength arising from our integrated multiple platforms in our three vertical websites and two mobile App (Finet.hk, FinTV.hk, Finet.com.cn, FinTV APP, Finet Finance Pro APP), we can achieve a further improvement in our market share in the media industry in China and Hong Kong, and further strengthen our Digital marketing business development.

We will continue to strengthen our sales and marketing team to boost and diversify the Group revenue. Moreover, FinTV is expected to provide strong support to our investor relationship business (“IR business”). IR business is expected to become our profitable stream of the Group in the coming years. IR business will both cover the listed companies and pre-IPO assignments. The services that we have been providing include the followings: (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; (5) news distribution for the listed companies and pre-IPO assignments.

Our outstanding FinTV production team will continue to support the growth and expansion of our IR business.

The Group continues to host the TOP 100 HK awards Ceremony events that created a strong foundation for us to develop the event management business and to achieve lots of reputation and recognition in China included Hong Kong.

Meanwhile, Finet Securities Limited (“Finet Securities”), our securities arm, continue to expand our services including discretionary portfolio management, investment advisory and management of private funds. Finet Securities is expected to generate satisfactory management fee and performance fee income from fund management business in near future.

The board of Directors (the “Board”) acknowledges that the performances of the equity investments may mainly be affected by worldwide economy and the degree of volatility in the PRC and Hong Kong stock markets, and susceptible to other external factors that may affect its value. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performances of the equity investments and the changes of market condition.

Exposure to Fluctuation in Exchange Rates

The Group holds investment properties in Renminbi. The Group is therefore exposed to currency risks, as the value of the assets will fluctuate due to change in exchange rates. The risk of currency exposure is considered to be insignificant by the Directors and specific hedges may be taken out if necessary in the future.

Contingent Liabilities

At 31 December 2020, the Group had no significant contingent liabilities (At 31 March 2020: Nil).

Employee Information

At 31 December 2020, the Group had 84 (At 31 March 2020: 84) full-time employees in Hong Kong and the PRC.

The total staff costs (including Directors' remuneration) excluding the effects of fair value provision for share options for the nine months ended 31 December 2020 was approximately HK\$15,746,000 (2019: HK\$18,967,000). Other benefits provided by the Group to the employees include contribution to the mandatory provident fund under the Mandatory Provident Fund Schemes Ordinance and medical coverage.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2020, the interests and short positions of the Directors and the chief executive of the Company 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 Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company and its associated corporations

Name of Director	Name of Group member/associated corporations	Number of shares and capacity in which the shares were held		Total number of shares	% of shares in issue (Note 2)
		Beneficial owner	Interest of controlled corporation		
Executive Directors:					
Ms. LO Yuk Yee ("Ms. LO")	The Company	43,458,058 (L)	391,597,678 (L)	—	65.27%
Ms. LO	Maxx Capital International Limited ("Maxx Capital") (Note 1)	—	2 shares of US\$1 each	2 shares of US\$1 each	100%
Ms. LO	Pablos International Limited ("Pablos") (Note 1)	1,000 shares of US\$1 each	—	1,000 shares of US\$1 each	100%

(L) denotes long positions

Notes:

- 343,997,678 ordinary shares of HK\$0.01 each were held by Maxx Capital which was wholly-owned by Pablos, and Pablos was wholly owned by Ms. LO. Accordingly, Ms. LO were deemed by virtue of the SFO to be interested in 435,055,736 ordinary shares of HK\$0.01 each.
- As at 31 December 2020, the Company had 666,538,774 ordinary shares of HK\$0.01 each in issue.

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executive of the Company nor their respective associates had any interests or 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 SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITION IN THE SHARES OF THE COMPANY

As at 31 December 2020, so far as the Directors are aware, persons other than Directors or chief executives of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Long Positions in the Shares and Underlying Shares of the Company

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of existing shareholding (Note 2)
Substantial shareholders			
Pablos (Note 1)	Interest of Controlled Corporation	343,997,678 (L)	51.61%
Maxx Capital (Note 1)	Beneficial Owner	343,997,678 (L)	51.61%
Broadgain International Limited	Beneficial Owner	43,800,000 (L)	6.57%
WANG Yuan	Beneficial Owner	39,000,000 (L)	5.85%

(L) denotes long positions

Notes:

- 343,997,678 ordinary shares of HK\$0.01 each were held by Maxx Capital, which was wholly-owned by Pablos and Pablos was wholly-owned by Ms. LO, a director of the Company. Ms. LO is a director of each of Maxx Capital and Pablos.
- As at 31 December 2020, the Company had 666,538,774 ordinary Shares held HK\$0.01 each in issue.

MOVEMENT OF OPTIONS

Details of movements of the share options granted under the share option scheme adopted on 4 September 2014 for the nine months ended 31 December 2020 are as follows:

Name of grantee	Date of grant	Exercise price	Balance as at 1 April 2020	Number of share options			Balance as at 31 December 2020
				Granted during the period	Re-classified	Cancelled during the period	
Executive Directors:							
Ms. Lo	17 April 2019	HK\$0.49	660,000	—	—	(660,000)	—
Mr. Lee Yu Chung (resigned as Director on 13 August 2020)	17 April 2019	HK\$0.49	2,000,000	—	(2,000,000)	—	—
Employee	17 April 2019	HK\$0.49	6,500,000	—	2,000,000	(8,500,000)	—
	1 December 2020 (Note 1)	HK\$0.64	—	21,000,000	—	—	21,000,000
Total			<u>9,160,000</u>	<u>21,000,000</u>	<u>—</u>	<u>(9,160,000)</u>	<u>21,000,000</u>

Note:

- For share options granted on 1 December 2020

Validity period: From 1 December 2020 (“Date of grant”) to 3 September 2024 (both days inclusive)

Vesting period: 2 years after 1 December 2020 100%

OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS

Save as disclosed above, the Directors are not aware of other person who, as at 31 December 2020, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the nine months ended 31 December 2020.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules. The audit committee of the Company comprises three members who are independent non-executive directors, namely, Mr. WONG Wai Kin, Mr. SIU Siu Ling, Robert and Mr. LEUNG Chi Hung with Mr. WONG Wai Kin as the chairman thereof.

The principal duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control procedures of the Group.

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2020 have been reviewed by the audit committee of the Company.

DIRECTORS' INTEREST IN CONTRACTS

Except for the transactions stated in Note 9 to the unaudited condensed consolidated financial statements, no contracts of significance in relation to the Group's business to which the Group was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the nine months ended 31 December 2020 or at any time during such period (2019: Nil).

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the nine months ended 31 December 2020. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the nine months ended 31 December 2020.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the nine months ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 15 to the GEM Listing Rules during the nine months ended 31 December 2020, except for the following deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be the same individual. Ms. Lo Yuk Yee is the chairman of our Board and she has been managing the Group’s business and supervising the overall operations of the Group since 2011. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Ms. Lo is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider separating the roles of the chairman of the Board and the chief executive officer at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

By Order of the Board

LO Yuk Yee

Chairman and Executive Director

Hong Kong, 10 February 2021

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee and Mr. Lin Dongming; the non-executive Director is Chan Kwok Chiu and the independent non-executive Directors are Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the day of its posting and on the website of the Company at www.finet.hk.