中國三三傳媒集團有限公司
CHINA 33 MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8087)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

The board (the "**Board**") of directors (the "**Directors**") of China 33 Media Group Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2018 (the "**Year**"), together with comparative figures for the corresponding period in 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**2018** *RMB'000*	2017 *RMB'000*
Revenue	*3*	**68,639**	107,546
Cost of sales		**(65,743)**	(88,672)
Gross profit		**2,896**	18,874
Other income	*5*	**600**	491
Other gains and losses, net	*6*	**(6,083)**	(7,433)
Selling and distribution expenses		**(5,309)**	(13,421)
Administrative expenses		**(23,999)**	(35,888)
Share of results of a joint venture		**(145)**	(258)
Finance cost	*8*	**–**	(413)
Loss before taxation	*7*	**(32,040)**	(38,048)
Taxation	*9*	**(43)**	(133)
Loss for the year		**(32,083)**	(38,181)
Other comprehensive income/(loss), net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**20,706**	(33,009)
Total comprehensive loss for the year		**(11,377)**	(71,190)
Loss for the year attributable to:			
– Owners of the Company		**(28,867)**	(36,034)
– Non-controlling interests		**(3,216)**	(2,147)
		(32,083)	(38,181)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(8,161)**	(69,043)
Non-controlling interests		**(3,216)**	(2,147)
		(11,377)	(71,190)
		RMB cents	RMB cents
Loss per share	*11*		
Basic and diluted		**(0.50)**	(0.63)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
Non-current assets			
Property, plant and equipment		**14,323**	19,776
Interest in a joint venture		**204**	349
Prepayments and deposits	*12*	**2,620**	4,794
Prepayment for film and entertainment business	*13*	**97,222**	194,341
		114,369	219,260
Current assets			
Film rights	*13*	**112,442**	84,324
Trade and bills receivables	*12*	**63,461**	43,224
Prepayments, deposits and other receivables	*12*	**51,848**	55,255
Prepayment for film and entertainment business	*13*	**96,967**	64,068
Held for trading investments		**–**	11,109
Financial assets at fair value through profit or loss		**4,022**	–
Pledged bank deposits		**2,858**	2,682
Restricted cash		**47,020**	22,734
Cash and cash equivalents		**30,750**	18,473
		409,368	301,869
Current liabilities			
Trade payables	*14*	**15,419**	14,318
Other payables and accruals	*14*	**75,637**	56,446
Contract liabilities		**737**	–
Tax payable		**203**	77
		91,996	70,841
Net current assets		**317,372**	231,028
Net assets		**431,741**	450,288
Capital and reserves			
Share capital	*15*	**36,721**	36,721
Reserves		**403,195**	418,233
Equity attributable to owners of the Company		**439,916**	454,954
Non-controlling interests		**(8,175)**	(4,666)
Total equity		**431,741**	450,288

NOTES

Year ended 31 December 2018

1. GENERAL

China 33 Media Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Suite 2001, Tower 1, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The consolidated financial statements are presented in Renminbi ("RMB") which is different from the functional currency of the Company, Hong Kong dollars ("HK$"), as the directors of the Company consider that RMB is the most appropriate presentation currency in view of the convenience of the consolidated financial statements users.

The Company is an investment holding company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (collectively referred to as the "Group") has applied the following new and amendments to IFRSs issued by International Accounting standards Board ("IASB") for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014 – 2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to IFRSs and an interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The above new IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Impact on the consolidated financial statements

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	**31 December 2017** *RMB'000*	**IFRS 9** *RMB'000*	**IFRS 15** *RMB'000*	**1 January 2018** *RMB'000*
Current assets				
Trade and bills receivables	43,224	(1,698)	–	41,526
Prepayments, deposits and other receivables	55,255	(5,472)	–	49,783
Financial assets at fair value through profit or loss	–	11,109	–	11,109
Held-for-trading investments	11,109	(11,109)	–	–
Current liabilities				
Other payables and accruals	56,446	–	(23,962)	32,484
Contract liabilities	–	–	23,962	23,962
Net current assets	231,028	(7,170)	–	223,858
Net assets	450,288	(7,170)	–	443,118
Capital and reserves				
Reserves	454,954	(6,877)	–	448,077
Non-controlling interests	(4,666)	(293)	–	(4,959)
Total equity	450,288	(7,170)	–	443,118

IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments, Amendments to IFRS 9 Prepayment Features with Negative Compensation and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, and 2) expected credit losses ("ECL") for financial assets.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of IFRS 9 are disclosed in note to consolidated financial statement.

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other item subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

(a) Classification and measurement

	Held for trading investment *RMB'000*	**Financial assets at fair value through profit or loss ("FVTPL")** *RMB'000*
Closing balance at 31 December 2017 – IAS 39	11,109	–
Effect arising from initial application of IFRS 9:		
Reclassification		
From held for trading to FVTPL *(note)*	(11,109)	11,109
Opening balance at 1 January 2018	–	11,109

(a) Classification and measurement (Continued)

Note:

From held for trading to FVTPL

The Group has reassessed its investments in equity instruments classified as held for trading under IAS 39 as if the Group has purchased these investments at the date of initial application. Based on the facts and circumstances as at the date of initial application, RMB11,109,000 of the Group's investments were held for trading and continued to be measured at FVTPL.

There was no impact on the amounts recognized in relation to these assets from the application of IFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at the date of initial application have not been impacted by the initial application of IFRS 9.

(b) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under IAS 39, ECL for other financial assets at amortised cost, including bills receivables, deposits and other receivables and bank balances, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition which are based on internal credit rating and past due analysis.

Other financial assets measured of amortised cost

ECL for other financial assets at amortised cost, including bank balances, restricted cash and pledged bank deposits are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. No impairment allowance was recognised at 1 January 2018.

The following tables summarized the impact, net of tax, of transition IFRS 9 on the opening balance of accumulated losses and non-controlling interest as 1 January 2018 as follow:

	Accumulated losses *RMB'000*	**Non-controlling interest** *RMB'000*
As at 31 December 2017	(253,650)	(4,666)
Increase in expected credit loss ("ECLs") in		
– Trade and bills receivables	(1,405)	(293)
– Deposits and other receivables	(5,472)	–
As at 1 January 2018	(260,527)	(4,959)

All loss allowances, trade and bills receivables, deposit and other receivables as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

	Deposit and other receivables *RMB'000*	**Trade and bills receivables** *RMB'000*
At 31 December 2017 – IAS39	–	26,465
Amounts re-measured through opening accumulated losses	5,472	1,698
At 1 January 2018 – IFRS9	5,472	28,163

IFRS 15 Revenue from Contracts with Customers and the related amendments

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared with IAS 18 Revenue and IAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue mainly from following major sources which arise from contracts with customers.

- Printed media advertising income
- Outdoor advertising income
- Film and entertainment investment income
- Prepaid card income

Information about the Group's performance obligations and the accounting policies resulting from application of IFRS 15 are disclosed in note to the audited consolidated financial statement.

Except for the reclassification of the contract liabilities from receipt in advance of RMB23,962,000 at initial application, IFRS 15 was generally adopted without restating any other comparative information. There is no impact of transition to IFRS 15 on retained earnings at 1 January 2018.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[2]
IFRIC – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a Business[4]
Amendments to IFRS 10 and IAS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments IAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
5 Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to IFRSs and interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 16 "Leases"

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows, whereas under the IFRS 16 model, the lease payments will be spilt into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB4,480,000 as disclosed in note 16. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognize the cumulative effect of initial application to opening retained earnings without restating comparative information.

3. REVENUE

	2018	2017
	RMB'000	*RMB'000*
An analysis of the Group's revenue for the year is as follows:		
Printed media advertising income	**15,952**	41,212
Outdoor advertising income	**10,107**	6,963
Film and entertainment investment income	**33,079**	55,757
Prepaid card income	**9,501**	3,614
Total	**68,639**	107,546

All revenue contracts are for period of one year or less, as permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contacts is not disclosed.

4. SEGMENT INFORMATION

The Group determines its operating segments and measurement of segment profits based on the internal reports to the executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment. The Group's reportable and operating segments are as follows:

(a) printed media advertising: sale of advertising spaces in magazines distributed in certain train services in the PRC;

(b) outdoor advertising: sale of advertising spaces on the billboards and LEDs installed at certain train stations and revenue from promotion campaigns conducted in train stations;

(c) film and entertainment investment: investment for profit sharing on box office of movies and concerts and distribution income of film rights and television drama; and

(d) prepaid card: transaction fees earned from participating service providers for the use of the prepaid cards by cardholders and other card related fees upon the provision of services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2018

	Printed media advertising *RMB'000*	**Outdoor advertising** *RMB'000*	**Film and entertainment investment** *RMB'000*	**Prepaid card** *RMB'000*	**Consolidated** *RMB'000*
Revenue – external customers	**15,952**	**10,107**	**33,079**	**9,501**	**68,639**
Timing of revenue recognition					
At a point in time	**–**	**–**	**32,158**	**9,501**	**41,659**
Over time	**15,952**	**10,107**	**921**	**–**	**26,980**
	15,952	**10,107**	**33,079**	**9,501**	**68,639**
Segment profit/(loss)	**1,598**	**1,769**	**(3,161)**	**(11,991)**	**(11,785)**
Bank interest income					**153**
Unallocated other income, other gains and losses, net					**(4,641)**
Share of results of a joint venture					**(145)**
Corporate and other unallocated expenses					**(15,622)**
Loss before taxation					**(32,040)**

For the year ended 31 December 2017

	Printed media advertising *RMB'000*	Outdoor advertising *RMB'000*	Film and entertainment investment *RMB'000*	Prepaid card *RMB'000*	Consolidated *RMB'000*
Revenue – external customers	41,212	6,963	55,757	3,614	107,546
Segment profit/(loss)	20,391	885	1,840	(16,205)	6,911
Bank interest income					188
Unallocated other income, other gains and losses, net					(9,369)
Share of results of a joint venture					(258)
Share-based payment expenses					(4,807)
Corporate and other unallocated expenses					(30,713)
Loss before taxation					(38,048)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit/(losses) earned or loss incurred by each segment without allocation of bank interest income, certain other income and other gains and losses, net, fair value changes of held for trading investments/financial assets at fair value through profit or loss, loss on disposal of property, plant and equipment, share of results of a joint venture and corporate and other unallocated expenses. Corporate and other unallocated expenses included selling and distribution expenses, administrative expenses, share-based payment expenses and other operating expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 31 December 2018

	Printed media advertising *RMB'000*	Outdoor advertising *RMB'000*	Film and entertainment investment *RMB'000*	Prepaid card *RMB'000*	Consolidated *RMB'000*
Segment assets	1,753	10,972	397,171	3,127	413,023
Interest in a joint venture					204
Financial assets at fair value through profit or loss					4,022
Amount due from a former subsidiary					105
Corporate and other unallocated assets					25,755
Pledged bank deposits					2,858
Restricted cash					47,020
Cash and cash equivalents					30,750
Consolidated assets					523,737
Segment liabilities	5,537	3,165	166	49,933	58,801
Corporate and other unallocated liabilities					33,195
Consolidated liabilities					91,996

At 31 December 2017

	Printed media advertising *RMB'000*	Outdoor advertising *RMB'000*	Film and entertainment investment *RMB'000*	Prepaid card *RMB'000*	Consolidated *RMB'000*
Segment assets	7,856	9,606	410,810	2,174	430,446
Interest in a joint venture					349
Held for trading investments					11,109
Amount due from a former subsidiary					100
Corporate and other unallocated assets					35,236
Pledged bank deposits					2,682
Restricted cash					22,734
Cash and cash equivalents					18,473
Consolidated assets					521,129
Segment liabilities	9,759	3,554	21,437	18,782	53,532
Corporate and other unallocated liabilities					17,309
Consolidated liabilities					70,841

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than property, plant and equipment, held for trading investments/financial assets at fair value through profit or loss, amount due from a former subsidiary, interests in a joint venture, certain prepayments, deposits and other receivables, pledged bank deposits, restricted cash and cash and cash equivalents; and

- all liabilities are allocated to operating and reportable segments other than certain other payables, and tax payable.

Other segment information

For the year ended 31 December 2018

	Printed media advertising *RMB'000*	**Outdoor advertising** *RMB'000*	**Film and entertainment investment** *RMB'000*	**Prepaid card** *RMB'000*	**Consolidated** *RMB'000*
Amounts included in the measure of segment results or segment assets					
Allowance for expect credit losses on trade and bills receivables	**95**	**150**	**2,049**	**–**	**2,294**
Reversal of allowance for expect credit losses on trade and bills receivables	**(1,273)**	**–**	**(48)**	**–**	**(1,321)**
Allowance for expect credit losses on deposits and other receivables	**–**	**–**	**270**	**–**	**270**
Advertising agency fee expense	**12,514**	**8,188**	**–**	**–**	**20,702**

For the year ended 31 December 2017

	Printed media advertising *RMB'000*	Outdoor advertising *RMB'000*	Film and entertainment investment *RMB'000*	Prepaid card *RMB'000*	Consolidated *RMB'000*
Amounts included in the measure of segment results or segment assets					
Impairment loss on trade and bills receivables	2,095	–	–	–	2,095
Reversal of impairment loss on trade and bills receivables	(3,256)	(836)	–	–	(4,092)
Imputed interest income on non-current deposits	–	241	–	–	241
Advertising agency fee expense	12,541	7,155	–	–	19,696

Geographical information

Information about the Group's revenue from external customers presented based on the locations of customers, and information about the Group's non-current assets presented based on the geographical location of the assets and the business carried out by a joint venture are summarised below.

	Revenue from external customers		**Non-current assets**	
	2018	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong	**34,144**	41,194	**3,060**	3,628
Overseas	**8,436**	18,178	**–**	–
The PRC	**26,059**	48,174	**111,309**	215,632
	68,639	107,546	**114,369**	219,260

Note: Non-current assets excluded financial assets.

Information about major customers

For the year ended 31 December 2018, revenue generated from two (2017: two) customers of the Group from film and entertainment investment amounting to approximately RMB32,158,000 (2017: RMB51,936,000) has accounted for over 10% of the Group's total revenue.

Revenue from major customers, amounted to 10% or more of the Group's revenue are set out below:

	2018	2017
	RMB'000	*RMB'000*
Customer A	**23,722**	33,758
Customer B	**8,436**	18,178
	32,158	51,936

5. OTHER INCOME

	2018	2017
	RMB'000	*RMB'000*
Bank interest income	**153**	188
Imputed interest income on non-current deposits	**–**	241
Government grants *(Note)*	**60**	30
Others	**387**	32
	600	491

Note: There are no unfulfilled conditions or contingencies relating to the government grants.

6. OTHER GAINS AND LOSSES, NET

	2018 *RMB'000*	2017 *RMB'000*
Impairment loss on trade and bills receivables	**–**	2,095
Reversal of impairment loss on trade and bills receivables	**–**	(4,092)
Allowance for expect credit losses on refundable deposits for termination of film investment	**270**	–
Allowance for expect credit losses on trade and bills receivable	**2,294**	–
Reversal of allowance for expect credit losses on trade and bills receivable	**(1,321)**	–
Loss on disposal of property, plant and equipment	**296**	364
Net exchange loss/(gain)	**50**	(17)
Fair value change of financial assets at fair value through profit or loss/held for trading investments	**4,660**	9,231
Others	**(166)**	(148)
	6,083	7,433

7. LOSS BEFORE TAXATION

	2018 *RMB'000*	2017 *RMB'000*
Loss before taxation has been arrived at after charging:		
Auditors' remuneration	**717**	736
Depreciation of property, plant and equipment	**3,280**	3,458
Employee benefit expense (including directors' emoluments)		
Salaries, bonuses and other benefits	**11,129**	21,670
Contributions to retirement benefits schemes	**1,072**	2,043
Total employee benefit expenses	**12,201**	23,713
Advertising agency fees for printed media and outdoor advertising (included in cost of sales)	**20,702**	19,696
Minimum lease payments under operating leases on buildings	**3,187**	4,468

8. FINANCE COST

	2018 *RMB'000*	2017 *RMB'000*
Interest expense on short-term borrowings	**–**	413
	–	413

9. TAXATION

	2018	2017
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**43**	133

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit in Hong Kong for both years.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment.) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Group is subject to Hong Kong Profit Tax at a rate of 16.5% for the year ended 31 December 2017.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

10. DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2018 (2017: nil).

11. LOSS PER SHARE

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

	2018	2017
	RMB'000	*RMB'000*
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(28,867)**	(36,034)

	Number of shares	
	2018	2017
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,760,000**	5,760,000

The calculation of the diluted loss per share for both years did not assume the exercise of the Company's outstanding share options as the effect is anti-dilutive.

12. TRADE AND BILLS RECEIVABLES/PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Trade and bills receivables

	2018	2017
	RMB'000	*RMB'000*
Trade and bills receivables	**92,597**	69,689
Less: Allowance for expected credit losses	**(29,136)**	(26,465)
	63,461	43,224

The Group's credit terms with its customers generally range from 30 days to 180 days. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing. As at the end of the reporting period, an aged analysis of the trade receivables, net of allowance for expected credit losses/bad and doubtful debts, presented based on the respective dates on which revenue was recognised, and aged analysis of bills receivable presented based on the date of issuance of bills, are as follows:

	2018	2017
	RMB'000	*RMB'000*
Trade receivables:		
Within 90 days	**30,140**	12,052
91 – 180 days	**4,276**	30,577
181 – 365 days	**484**	325
Over 1 year	**28,561**	–
	63,461	42,954
Bills receivables:		
Within 90 days	**–**	270
	63,461	43,224

The movements in the allowance for bad and doubtful debts as at 31 December 2017 are as follows:

	2017 *RMB'000*
At the beginning of the year	28,462
Impairment losses recognised	2,095
Amounts written off as uncollectible	–
Impairment losses reversed	(4,092)
At the end of the year	26,465

Movement in lifetime ECL that has been recognised for trade and bills receivables in accordance with the simplified approach set out in IFRS 9 for the year ended 31 December 2018, are as follows:

	Total *RMB'000*
Balance as at 31 December 2017 under IAS 39	26,465
Adjustment upon application of IFRS 9	1,698
Adjusted balance as at 1 January 2018	28,163
Allowance for expected credit losses	2,294
Reversal of allowance for expected credit losses *(note)*	(1,321)
Balance as at 31 December 2018	29,136

Note: Reversal of allowance of ECL is due to the Group's recovery of receivable.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB35,029,000 (2017: RMB32,467,000), which are past due at the end of the reporting period for which the Group has not provided for impairment loss because they were either subsequently settled as at the date of issuance of these consolidated financial statements or there was continuous settlement by the respective customers. The Group does not hold any collateral over these balances.

The aged analysis of the trade receivables that are past due but not impaired:

	2017 *RMB'000*
Within 90 days	1,565
91 – 180 days	30,577
181 – 365 days	325
Over 1 year	–
	32,467

Prepayments, deposits and other receivables

	2018 *RMB'000*	2017 *RMB'000*
Current:		
Other receivables, deposits and prepayments	**6,217**	9,557
Amount due from a former subsidiary	**105**	100
Prepayments for agency fees for printed media and outdoor advertising	**2,647**	4,690
Prepayment for consultancy fee for film and entertainment business	**1,757**	1,668
Refundable deposits	**8,316**	9,226
Refundable deposits for termination of film investment	**32,806**	30,014
	51,848	55,255
Non-current:		
Other deposits and prepayments	**1,775**	1,680
Refundable deposits	**845**	2,878
Deposits paid for acquisition of property, plant and equipment	**–**	236
	2,620	4,794
	54,468	60,049

13. FILM RIGHTS/PREPAYMENT FOR FILM AND ENTERTAINMENT BUSINESS

Film rights

	2018 *RMB'000*	2017 *RMB'000*
COST		
At the beginning of the year	**84,324**	104,388
Additions	**29,862**	35,490
Recognised as an expense included in cost of sales	**(7,884)**	(48,421)
Effect of foreign currency exchange difference	**6,140**	(7,133)
At the end of the year	**112,442**	84,324

As at 31 December 2018 and 2017, management of the Group considered the expected future income of the film rights can recover the film costs. Accordingly, no impairment is recognised for the film rights.

Prepayment for film and entertainment business

	2018	2017
	RMB'000	*RMB'000*
Current	**96,967**	64,068
Non-current	**97,222**	194,341
	194,189	258,409

Amount represents prepayment for profit sharing rights in films and concerts. The amount for the relevant films or concerts that are expected to broadcast or take place after twelve months from the end of the reporting period is classified as non-current assets.

14. TRADE PAYABLES/OTHER PAYABLES AND ACCRUALS

Trade payables

The normal credit period on trade payables is generally ranged from 30 days to 180 days.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2018	2017
	RMB'000	*RMB'000*
Within 90 days	**7,681**	4,136
91 – 180 days	**100**	416
Over 180 days	**7,638**	9,766
	15,419	14,318

Other payables and accruals

	2018	2017
	RMB'000	*RMB'000*
Other payables	**46,513**	41,769
Accrued salaries and staff welfare	**488**	694
Other accruals	**26,388**	11,662
Other tax payable	**2,248**	2,321
	75,637	56,446

15. SHARE CAPITAL

	Number of shares	Share capital *US$'000*	Shown in the consolidated financial statements as *RMB'000*
Ordinary shares of US$0.001 each			
Authorised:			
At 1 January 2017, 31 December 2017 and 31 December 2018	40,000,000,000	40,000	N/A
Issued and fully paid:			
At 1 January 2017, 31 December 2017 and 31 December 2018	5,760,000,000	5,760	36,721

16. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented properties which fall due as follows:

	2018 ***RMB'000***	2017 *RMB'000*
Within one year	**2,368**	3,090
In the second to fifth year inclusive	**2,112**	1,459
	4,480	4,549

Leases are negotiated for terms of one to two years (2017: one to two years).

17. COMMITMENTS

In addition to the operating lease commitments detailed in note 16 above, the Group had the following commitments at the end of the reporting period:

	2018 ***RMB'000***	2017 *RMB'000*
Contracted, but not provided for:		
Agency fees for printed media and outdoor advertising	**12,000**	6,166
Production costs for film and entertainment investment	**17,037**	33,587
	29,037	39,753

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue for the Year amounted to approximately RMB68,639,000, representing a decrease of approximately RMB38,907,000 or 36.2% as compared to that of last year of approximately RMB107,546,000. The Group recorded a total comprehensive expense attributable to owners of the Company for the Year of approximately RMB8,161,000, representing a decrease of approximately 88.2% as compared to that of last year of approximately RMB69,043,000.

REVENUE BY SEGMENT

Analysis of revenue by segment is as follows:

	2018	2017		**2018**	2017
	RMB'000	*RMB'000*	**Change (%)**	**% of total revenue**	
Printed media advertising	**15,952**	41,212	(61.3)	**23.2**	38.3
Outdoor advertising	**10,107**	6,963	45.2	**14.7**	6.5
Film and entertainment investment	**33,079**	55,757	(40.7)	**48.2**	51.8
Prepaid card	**9,501**	3,614	162.9	**13.9**	3.4
	68,639	107,546	(36.2)	**100.0**	100.0

Printed Media Advertising

Revenue from printed media advertising was one of the main sources of revenue for the Year, representing approximately 23.2% thereof. With downsizing of the printed media advertising since 2016 resulting in a significant drop in revenue, printed media advertising is no longer the most dominant source of income of the Group. Revenue from printed media advertising mainly represented the amount generated from the sales of the advertising space on the periodicals and was recognised upon the publication of the periodicals in which the respective advertisement was placed. "旅伴" (Fellow Traveller) is a monthly nationwide periodicals distributed on China Railway High-speed ("CRH") trains and selected regular trains in the PRC. Revenue from placing advertising on "旅伴" (Fellow Traveller) was the major source of revenue for the printed media advertising segment for the Year which contributed approximately 99.5% of the Group's total revenue from printed media advertising.

Revenue from printed media advertising decreased by approximately RMB25,260,000 or 61.3% from approximately RMB41,212,000 for the year ended 31 December 2017 to approximately RMB15,952,000 for the Year. The decrease was mainly due to decrease in number of customers placing advertisements in periodical "旅伴" (Fellow Traveller).

Outdoor Advertising

Revenue from outdoor advertising represented the advertising income generated from the sales of advertising spaces on the billboards and LEDs installed at certain selected train stations and revenue from promotion campaign conducted in some train stations. Revenue was recognised when advertising was published or station campaigns were launched.

Revenue from outdoor advertising increased by approximately RMB3,144,000 or 45.2% from approximately RMB6,963,000 last year to approximately RMB10,107,000 for the Year. The increase was mainly due to increase in number of customers for advertising spaces on the billboards and LEDs.

Film and Entertainment Investment

Revenue from film and entertainment investment was the main sources of revenue for the Year, representing approximately 48.2% thereof. Revenue from film and entertainment investment represents profit sharing on box office of movies and concerts and distribution income of film rights and television drama. Revenue from the distribution of film rights and entertainment was recognised when (i) the Group's entitlement to such payments has been established which was upon the delivery of the master copy or materials to the customers, and (ii) the collectability of proceeds was reasonably assured. Revenue from film and entertainment investment decreased by approximately RMB22,678,000 or 40.7% from approximately RMB55,757,000 for the year ended 31 December 2017 to RMB33,079,000 for the Year. The frequency of income from film and entertainment investment was highly depending on the production status and the market trend for the respective periods.

Prepaid Card

The Group obtained the Stored Value Facilities License ("SVF License") in November 2016, and started generating income from this business in 2016. Revenue from prepaid card mainly represents the transaction fees recognised when the prepaid cardholders made payments of fares using the prepaid card and the card related fees when the service was provided. Revenue from prepaid card business increased by approximately RMB5,887,000 or 162.9% from approximately RMB3,614,000 for the year ended 31 December 2017 to approximately RMB9,501,000 for the Year. This was due to significant increase in both number and amount of prepaid cards sold in 2018 when compared with those of last year.

SEGMENT RESULTS AND PROFIT/(LOSS) MARGIN OF SEGMENT

Analysis of segment results is as follows:

	Revenue		Cost		Segment results		Change	
	2018	2017	**2018**	2017	**2018**	2017		
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	%
Printed media advertising	**15,952**	41,212	**14,354**	20,821	**1,598**	20,391	**(18,793)**	(92.2)
Outdoor advertising	**10,107**	6,963	**8,338**	6,078	**1,769**	885	**884**	99.9
Film and entertainment investment	**33,079**	55,757	**36,240**	53,917	**(3,161)**	1,840	**(5,001)**	(271.8)
Prepaid card	**9,501**	3,614	**21,492**	19,819	**(11,991)**	(16,205)	**4,214**	(26.0)
	68,639	107,546	**80,424**	100,635	**(11,785)**	6,911	**(18,696)**	(270.5)

During the Year, the segment results of printed media advertising recorded a segment profit of approximately RMB1,598,000, representing a decrease of approximately 92.2% as compared to that of approximately RMB20,391,000 for last year. The decrease in segment margin was due to the significant reduction in number of customers. Segment results of outdoor advertising recorded a segment profit of approximately RMB1,769,000 for the Year, representing an increase of approximately 99.9% as compared to that of approximately RMB885,000 for last year. The significant improvement in segment result was due to higher revenue generated from outdoor campaign which has lower cost.

Segment loss from film and entertainment business for the Year amounted to approximately RMB3,161,000, representing a drop of approximately RMB5,001,000 or 271.8% as compared to that of last year due to increase in administration expenses. Segment loss from prepaid card business for the Year amounted to approximately RMB11,991,000, representing a decrease of approximately RMB4,214,000 or 26.0% as compared to that of last year, which was approximately RMB16,205,000. The improved segment result was contributed by increased number of prepaid card sold and amount of prepaid card sold by approximately 70% and 130% respectively.

In overall, there was a decrease in the segment results of approximately RMB18,696,000 to loss of RMB11,785,000, representing a decrease of approximately 270.5% from profit of approximately RMB6,911,000 as compared to that of last year mainly due to the drop in segment profit for printed media advertising and film and entertainment investment segments.

Analysis of profit/(loss) margin of segment is as follows:

	Profit/(loss) margin of segment	
	2018	2017
	%	%
Printed media advertising	**10.0**	49.5
Outdoor advertising	**17.5**	12.7
Film and entertainment investment	**(9.6)**	3.3
Prepaid card	**(126.2)**	(448.4)
Profit/(loss) margin of all segments	**(17.2)**	6.4

Profit margin of printed media advertising segment has decreased from approximately 49.5% for last year to approximately 10.0% for the Year due to the significant reduction in number of customers.

Profit margin of outdoor advertising segment increased from approximately 12.7% last year to approximately 17.5% for the Year. The improvement in margin was due to the increase in revenue from station campaign which has a high margin.

The segment on film and entertainment investment has a loss margin of approximately 9.6%, due to the higher administration expenses involved in the film production.

Loss margin for prepaid card decreased from approximately 448.4% for the last year to approximately 126.2% for the Year. The reason for the decrease in loss margin was contributed by more Unionpay prepaid card sold which has a higher profit margin, and increased in card related income due to more card sold when compare to last year.

The overall margin as a whole decreased from profit margin of approximately 6.4% for last year to loss margin of approximately 17.2% for the Year. With the significant reduction in number of customers for printed media advertising and drop in revenue from film and entertainment investment segments, there was a drop in overall margin.

Other Income

There was other income of approximately RMB600,000, compared to last year of RMB491,000.

Cost of Sales

Cost of sales mainly consists of production cost for film and entertainment projects, agency fee for advertising spaces, prepaid card transaction processing costs and direct labor cost. Cost of sales decreased from approximately RMB88,672,000 for last year to RMB65,743,000 for the Year, representing a drop of approximately 25.9%. The decrease was mainly contributed by the reduction in production costs of film and entertainment projects recognized as cost of sales in the Year.

Selling and Distribution Expenses

Selling and distribution expenses mainly include salaries, bonuses, commissions to sales staff and travelling and related expenses. It accounted for approximately 12.5% and 7.7% of the Group's total revenue for the years ended 31 December 2017 and 2018, respectively. The amount decreased by approximately 60.4% from approximately RMB13,421,000 for last year to approximately RMB5,309,000 for the Year. The significant drop was due to further reduction in sales staff due to downsizing of advertising segments, plus reduction in sales, so there was decrease in both salary and sales commission.

Administrative Expenses

Administrative expenses mainly consists of salaries, rental expense and legal and professional fees. Administrative expenses decreased by approximately 33.1% from approximately RMB35,888,000 for the last year to approximately RMB23,999,000 for the Year. The decrease in administrative expenses was due to downsizing of advertising business, hence reduction in salary and rental expenses.

Other Gains and Losses

Other losses decreased by approximately 18.2% from approximately of RMB7,433,000 to approximately RMB6,083,000, The decrease was mainly contributed by reduction in fair value loss on financial assets at fair value through profit or loss, offset with the allowance for doubtful debts on trade and bills receivable provided in current year.

Income Tax Expense

The income tax expense of the Group for the Year was approximately RMB43,000 (2017: RMB133,000) at the effective tax rate of 0.1% (2017: 0.3%).

Liquidity and Financial Resources

As at 31 December 2018, the Group's cash and cash equivalents, including bank balances and cash on hand, and short-term bank deposits with original maturities of more than three months, amounted to approximately RMB30,750,000, representing an increase of approximately RMB12,277,000, as compared to approximately RMB18,473,000 as at 31 December 2017. The increase was mainly due to the cash collected upon the sale of financial assets at fair value through profit or loss.

As at 31 December 2018, the current ratio was approximately 4.45 (2017: 4.26) and the gearing ratio of the Group was approximately 0.03 (2017: 0.06) which was calculated based on the Group's net debt divided by the equity attributable to owners of the Company plus net debt. The Group satisfied its working capital needs principally from internally generated cash flow from operating activities.

Pledge of Assets

As at 31 December 2018, the Group has approximately RMB2,858,000 (2017: RMB2,682,000) pledged bank deposits to secure a banking facility, denominated in HKD.

Restricted cash

As at 31 December 2018, the Group has approximately RMB47,020,000 (2017: RMB22,734,000) monies received from sale and reloading of prepaid cards maintained in one or more segregated bank accounts. The increase in restricted cash by approximately 106.8% when compared to last year's was contributed by increase in the amount of prepaid cards sold.

Contingent Liabilities

As at 31 December 2018, the Group did not have any significant contingent liabilities (2017: Nil).

Capital Commitments

As at 31 December 2018, the Group did not have any significant capital commitments (2017: Nil).

Total Comprehensive Expense Attributable to Owners of the Company and Net Loss Margin

Total comprehensive expense attributable to the owners of the Company for the Year amounted to approximately RMB8,161,000, representing a decrease of approximately 88.2%, as compared to approximately RMB69,043,000 for last year. Net loss margin of the Group was approximately 46.7% as compared to approximately 35.5% for last year.

Capital Structure

During the Year, the Group had net assets of approximately RMB431,741,000 (2017: RMB450,288,000), comprising non-current assets of approximately RMB114,369,000 (2017: RMB219,260,000), and current assets of approximately RMB409,368,000 (2017: RMB301,869,000). The Group recorded a net current asset position of approximately RMB317,372,000 (2017: RMB231,028,000), which primarily consists of film rights amounted to approximately RMB112,442,000 (2017: RMB84,324,000), prepayment for film and entertainment business amounted to approximately RMB96,967,000 (2017: RMB64,068,000), cash and bank equivalents, restricted cash and bank deposits amounted to approximately RMB80,628,000 (2017: RMB43,889,000), prepayments, deposits and other receivables amounted to approximately RMB51,848,000 (2017: RMB55,255,000), financial assets at fair value through profit or loss amounted to approximately RMB4,022,000 (2017: held for trading investments amounted to RMB11,109,000) and trade and bills receivables amounted to approximately RMB63,461,000 (2017: RMB43,224,000). Major current liabilities were trade payables, other payables and accruals and contracted liabilities amounted to approximately RMB15,419,000 (2017: RMB14,318,000), approximately RMB75,637,000 (2017: RMB56,446,000) and approximately RMB737,000 (2017: Nil), respectively. The Group has no bank borrowings.

Foreign Exchange Risk

The Group mainly operates in the PRC with most of the transactions settled in Renminbi for media business, while film and entertainment investment and prepaid card business were mainly settled in Hong Kong Dollars. Part of the Group's cash and bank deposits are denominated in Hong Kong Dollars and Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant. During the Year, the Group did not hedge any exposure in foreign currency risk.

Human Resources

As at 31 December 2018, the Group employed a total of 40 employees (2017: 100 employees) situated in the PRC and Hong Kong. Such decrease was primarily attributable to the reduction in the number of staff in each subsidiaries as a result of cost control and downsizing of printed media advertising business since 2016. The Group's emolument policy is formulated based on industry practices and performance of individual employees. During the Year, the total staff costs (including Directors' emoluments) amounted to approximately RMB12,201,000 (2017: RMB23,713,000).

Material Acquisition and Disposal

The Group had no material acquisition or disposal of subsidiaries and associated companies during the Year.

CORPORATE GOVERNANCE PRACTICES

Recognising the importance of a listed company's responsibilities to enhance its transparency and accountability, the Company is committed to maintain a high standard of corporate governance in the interests of its shareholders. The Company devotes to best practice on corporate governance and to comply, to the extent practicable, with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"). The Directors consider that the Company has complied with the CG Code during the year ended 31 December 2018 except code provision A.4.1 that the non-executive Directors are not appointed for a specific term but are subject to re-election, code provision A.6.7 that independent non-executive Directors did not attend all general meetings, and code provision E.1.2 that the chairman of the Board did not attend the annual general meeting. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders of the Company and investors.

MODEL CODE FOR 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 as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the Year.

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

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MAJOR EVENTS AFTER THE YEAR

The Group has no major event after the Year.

AUDIT COMMITTEE

The Company established the Audit Committee on 17 December 2010 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to review the material investment, capital operation and material financial system of the Company; to review the accounting policy, financial position and financial reporting procedures of the Company; to communicate with external audit firms; to assess the performance of internal financial and audit personnel; to review the risk management and the internal control systems of the Company; and to perform the corporate governance functions under Paragraph D.3.1 of the CG Code.

As at 31 December 2018, the Audit Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Ms. Yu Shun Yan Verda and Mr. Yau Kit Yu. During the year ended 31 December 2018, the Audit Committee had held four meetings to review the final results of the Group for 2017, the 2017 annual report of the Company, the 2018 interim results and report of the Company and the quarterly results and report for the periods ended 31 March 2018 and 30 September 2018 and the Group's internal controls for the Year and corporate governance of the Group. The Group's final results for the year ended 31 December 2018 and this announcement had been reviewed by the Audit Committee before submission to the Board for approval. Members of the Audit Committee were of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosure have been made.

By Order of the Board
China 33 Media Group Limited
Ruan Deqing
Chairman and Executive Director

Hong Kong, 25 March 2019

As at the date of this announcement, the executive Directors are Mr. Ruan Deqing (Chairman), Mr. Peng Lichun and Mr. Ma Pun Fai; and the independent non-executive Directors are Ms. Tay Sheve Li, Ms. Yu Shun Yan Verda and Mr. Yau Kit Yu.