中國自動化

中國自動化集團有限公司
China Automation Group Limited

(HK stock code 0569)

(Incorporated in the Cayman Islands with limited liability)

ANNUAL RESULTS

The board of directors of the Company (the "Board") is pleased to announce the audited consolidated results of China Automation Group Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018, together with the comparative figures for the corresponding year of 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**2018** *RMB'000*	2017 *RMB'000*
Continuing operations			
Revenue from goods and services	*2*	**1,891,094**	1,223,022
Cost of sales		**(1,315,395)**	(1,030,607)
Gross profit		**575,699**	192,415
Other income	*4*	**37,655**	44,771
Other gains and losses	*5*	**(65,154)**	77,231
Impairment losses, net of reversal		**(13,745)**	(51,338)
Selling and distribution expenses		**(117,795)**	(110,757)
Administrative expenses		**(230,562)**	(198,938)
Research and development expenses		**(63,901)**	(62,143)
Other expenses		**(3,556)**	(5,519)
Finance costs	*6*	**(56,846)**	(60,747)
Share of results of associates		**(8,931)**	173
Profit (loss) before taxation		**52,864**	(174,852)
Income tax expense	*7*	**(45,576)**	(17,403)
Profit (loss) for the year from continuing operations	*8*	**7,288**	(192,255)
Discontinued operations			
Loss for the year from discontinued operations		**–**	(15,295)
Profit (loss) for the year		**7,288**	(207,550)
Other comprehensive income for the year (net of income tax)			
Items that will not be reclassified to profit or loss:			
Fair value gain on:			
– Equity instruments at fair value through other comprehensive income		**873**	–
– Financial liabilities designated at fair value through profit or loss, attributable to changes in own credit risk		**3,178**	–
		4,051	–
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**101**	964
		101	964
Other comprehensive income for the year, net of income tax		**4,152**	964
Total comprehensive income (expense) for the year		**11,440**	(206,586)

	Note	2018	2017
		RMB'000	*RMB'000*
Loss for the year attributable to:			
Owners of the Company			
– from continuing operations		**(18,480)**	(201,550)
– from discontinued operations		**–**	(6,634)
		(18,480)	(208,184)
Non-controlling interests			
– from continuing operations		**25,768**	9,295
– from discontinued operations		**–**	(8,661)
		25,768	634
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(14,328)**	(207,220)
Non-controlling interests		**25,768**	634
		11,440	(206,586)
Loss per share	*10*		
From continuing and discontinued operations			
Basic (RMB cents)		**(1.80)**	(20.29)
Diluted (RMB cents)		**(1.80)**	(21.45)
From continuing operations			
Basic (RMB cents)		**(1.80)**	(19.64)
Diluted (RMB cents)		**(1.80)**	(20.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Notes	**2018**	2017
		RMB'000	*RMB'000*
Non-current Assets			
Property, plant and equipment		**1,008,045**	923,516
Deposit for acquisition of property, plant and equipment		**114,919**	30,937
Prepaid lease payments – non-current portion		**272,759**	256,998
Intangible assets		**257,432**	249,136
Goodwill		**445,500**	445,500
Interests in an associate		**10,405**	19,336
Pledged bank deposits		**1,623**	119
Deferred tax assets		**83,989**	79,689
Available-for-sale financial assets		**–**	26,953
Equity instruments at fair value through other comprehensive income		**28,026**	–
		2,222,698	2,032,184
Current Assets			
Prepaid lease payments – current portion		**7,248**	6,804
Inventories		**443,474**	425,992
Trade and bills receivables	*11*	**1,158,535**	1,022,907
Contract assets		**41,782**	–
Other receivables and prepayments		**161,265**	165,766
Financial assets at fair value through profit or loss		**1,689**	–
Available-for-sale financial assets		**–**	31,000
Pledged bank deposits		**53,028**	38,284
Bank balances and cash		**793,475**	308,932
		2,660,496	1,999,685
Current Liabilities			
Trade and bills payables	*12*	**651,903**	492,441
Other payables, deposits received and accruals		**270,295**	337,514
Contract liabilities		**120,554**	–
Dividend payable		**2,806**	2,305
Income tax payable		**42,789**	45,898
Bank borrowings – due within one year		**429,131**	304,947
Corporate bonds – due within one year		**196,950**	–
Guaranteed notes – due within one year		**69,418**	155,549
		1,783,846	1,338,654
Net Current Assets		**876,650**	661,031
Total Assets less Current Liabilities		**3,099,348**	2,693,215

	Notes	**2018**	2017
		RMB'000	*RMB'000*
Capital and Reserves			
Share capital		**9,548**	9,548
Share premium and reserves		**1,156,544**	1,170,872
Equity attributable to owners of the Company		**1,166,092**	1,180,420
Non-controlling interests		**205,688**	188,179
Total Equity		**1,371,780**	1,368,599
Non-current Liabilities			
Deferred tax liabilities		**68,033**	66,056
Bank borrowings – due after one year		**60,000**	110,000
Corporate bonds		**–**	196,697
Convertible bonds		**617,784**	560,556
Long term payables	*13*	**573,408**	70,963
Deferred income		**408,343**	320,344
		1,727,568	1,324,616
Total Equity and Non-current Liabilities		**3,099,348**	2,693,215

1. 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 Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in current year.

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers and the related Amendments*
IFRIC 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 IFRS Standards 2014 - 2016* Cycle
Amendments to IAS 40	*Transfers of Investment Property*

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

1.1 IFRS 15 Revenue from Contracts with Customers

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 profits (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 contacts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 *Revenue* and IAS 11 *Construction Contracts* and the related interpretations.

Summary of effects arising from initial application of IFRS 15

There was no impact of transition to IFRS 15 on retained profits at 1 January 2018. The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

	Notes	**Carrying amounts previously reported at 31 December 2017** *RMB'000*	**Adjustments** *RMB'000*	**Carrying amounts under IFRS 15 at 1 January 2018*** *RMB'000*
Current Assets				
Trade and bills receivables	*(a)*	1,022,907	(31,942)	990,965
Contract assets		–	31,942	31,942
Current Liabilities				
Other payables, deposits received and accruals	*(b)*	337,514	(62,259)	275,255
Contract liabilities		–	62,259	62,259

* The amounts in this column are before the adjustments from the application of IFRS 9.

Notes:

(a) At the date of initial application, unbilled revenue of RMB31,942,000 arising from system and software sales contracts are conditional on the Group's achieving specified milestones as stipulated in the contracts, and hence such balance was reclassified from trade and bills receivables to contract assets.

(b) As at 1 January 2018, advances from customers of RMB62,259,000 in respect of contracts with customers previously included in other payables, deposits received and accruals were reclassified to contract liabilities.

There was no impact of applying IFRS 15 on the Group's consolidated statements of profit or loss and other comprehensive income for the current year.

The following table summarises the impacts of applying IFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported *RMB'000*	Adjustments *RMB'000*	Amounts without application of IFRS 15 *RMB'000*
Current Assets			
Trade and bills receivables	1,158,535	41,782	1,200,317
Contract assets	41,782	(41,782)	–
Current Liabilities			
Other payables, deposits received and accruals	270,295	120,554	390,849
Contract liabilities	120,554	(120,554)	–

1.2 IFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied IFRS 9 *Financial Instruments* 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, (2) expected credit loss ("ECL") for financial assets and other items and (3) general hedge accounting.

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*.

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 items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	Notes	AFS financial assets *RMB'000*	Financial assets at FVTPL *RMB'000*	Equity instruments at Fair value through other comprehensive income *RMB'000*	Fair value through other comprehensive income reserve *RMB'000*	Convertible bonds reserve *RMB'000*	Retained profits *RMB'000*
Closing balance at 31 December 2017 – IAS 39		57,953	–	–	–	–	195,724
Effect arising from initial application of IFRS 9:							
Adjustments							
From available-for-sale ("AFS") financial assets	*(a)*	(57,953)	31,000	26,953	(22,964)	–	22,964
Fair value adjustment attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss ("FVTPL")	*(b)*	–	–	–	–	318	(318)
Opening balance at 1 January 2018		–	31,000	26,953	(22,964)	318	218,370

(a) AFS financial assets

From AFS equity investments to fair value through other comprehensive income ("FVTOCI")

The Group elected to present in other comprehensive income for the fair value changes of all its equity investments previously classified as AFS financial assets, of which RMB26,953,000 related to unquoted equity investments previously measured at cost less impairment under IAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, RMB26,953,000 were reclassified from AFS financial assets to equity instruments at FVTOCI, of which are unquoted equity investments previously measured at cost less impairment under IAS 39. In addition, impairment losses, net of tax, previously recognised of RMB22,964,000 were transferred from retained profits to FVTOCI reserve as at 1 January 2018.

From AFS debt investments to FVTPL

Unlisted wealth management products with a fair value of RMB31,000,000 were reclassified from AFS financial assets to financial assets at FVTPL. This is because even though the Group's business model is to hold financial assets in order to collect contractual cash flows, the cash flows of these investments do not meet the IFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding.

(b) Financial liabilities designated as at FVTPL

Convertible notes issued by the Group designated as at FVTPL qualified for designation as measured at FVTPL under IFRS 9. However, the amount of change in the fair value of these financial liabilities that is attributable to changes in the credit risk of those liabilities will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss. Related fair value gains/losses attributable to changes in the credit risk of those liabilities of RMB318,000 were transferred from the retained profits to convertible bonds reserve on 1 January 2018.

(c) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets and trade receivables. Except for those which had been determined as credit impaired under IAS 39, contract assets and trade and bill receivables have been assessed individually with outstanding significant balances, the remaining balances are grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

Except for those which had been determined as credit impaired under IAS 39, ECL for other financial assets at amortised cost, including pledged bank deposits, bank balances and cash and other receivables, are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

All loss allowances, including contract assets and trade receivables, as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

	Contract assets	**Trade and bills receivables**
	RMB'000	*RMB'000*
At 31 December 2017 – IAS 39	–	(271,550)
Reclassification	(3,194)	3,194
At 1 January 2018	(3,194)	(268,356)

1.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table showed the adjustments recognised for each individual line item affected. Line items that were not affected by the changes have not been included.

	31 December 2017 (Audited)	**IFRS 15**	**IFRS 9**	**1 January 2018 (Restated)**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Assets				
AFS financial assets	26,953	–	(26,953)	–
Equity instruments at FVTOCI	–	–	26,953	26,953
Current Assets				
Trade and bills receivables	1,022,907	(31,942)	3,194	994,159
Contract assets	–	31,942	(3,194)	28,748
AFS financial assets	31,000	–	(31,000)	–
Financial assets at FVTPL	–	–	31,000	31,000
Capital and Reserves				
Retained profits	195,724	–	22,646	218,370
Other reserves	–	–	(22,646)	(22,646)
Current Liabilities				
Other payables, deposits received and accruals	337,514	(62,259)	–	275,255
Contract liabilities	–	62,259	–	62,259

2. REVENUE FROM GOODS AND SERVICES

A. For the year ended 31 December 2018

Disaggregation of revenue from contracts with customers relating to continuing operations

Segments	Petrochemical *RMB'000*	Hospital services *RMB'000*	Total *RMB'000*
Types of goods or service			
Sales of goods			
System and software sales	**535,295**	**–**	**535,295**
Industrial control valves sales	**580,119**	**–**	**580,119**
Pharmaceuticals	**–**	**231,232**	**231,232**
	1,115,414	**231,232**	**1,346,646**
Provision of service			
Provision of maintenance and engineering services	**235,597**	**–**	**235,597**
Design and consulting services	**72,238**	**–**	**72,238**
Healthcare services	**–**	**236,613**	**236,613**
	307,835	**236,613**	**544,448**
	1,423,249	**467,845**	**1,891,094**

B. For the year ended 31 December 2017

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2017
	RMB'000
Sales of goods	
System and software sales	287,930
Industrial control valves sales	467,924
Pharmaceuticals	96,368
	852,222
Provision of service	
Provision of maintenance and engineering services	177,188
Design and consulting services	98,770
Healthcare services	94,842
	370,800
	1,223,022

3. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the operating management committee, being the chief operating decision maker (the "CODM"), in order to allocate resources to the segments and to assess their performance.

As a result of the completion of the acquisition of a hospital group, the CODM has added hospital services segment, being the provision of medical consultation services and sales of pharmaceuticals, to the segment presentation in July 2017.

As a result of the disposal of the Group's railway operations, the CODM has removed the railway segment, being the integration and sales of traction systems, auxiliary electricity supply systems and industrial signaling systems, trading of equipment, provision of maintenance and engineering services for the railway industry, from the segment presentation in September 2017.

The Group's operating segments are identified and relevant information is presented below:

Petrochemical	–	integration and sales of safety and critical control systems, trading of equipment, provision of maintenance and engineering services, design and consulting services and sales of software products for the petrochemical, chemical, oil and gas, biodiesel and coal chemical industries, manufacture of industrial control valves.
Hospital services	–	provision of healthcare services and sales of pharmaceuticals.

Segment revenue and results

The details of the segment revenue and results from continuing operations are as follows:

2018

	Petrochemical *RMB'000*	**Hospital services** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	**1,423,249**	**467,845**	**1,891,094**
Segment profit before taxation	**11,812**	**108,891**	**120,703**
Income tax expense	**(12,152)**	**(33,424)**	**(45,576)**
Segment (loss) profit	**(340)**	**75,467**	**75,127**
Unallocated other gains and losses			**(60,406)**
Unallocated administrative expenses			**(7,433)**
Profit for the year from continuing operations			**7,288**

2017

	Petrochemical *RMB'000*	Hospital services *RMB'000*	Consolidated *RMB'000*
Segment revenue	1,031,812	191,210	1,223,022
Segment (loss) profit before taxation	(257,974)	34,098	(223,876)
Income tax expense	(6,716)	(10,687)	(17,403)
Segment (loss) profit	(264,690)	23,411	(241,279)
Unallocated other income			1,989
Unallocated other gains and losses			76,247
Unallocated administrative expenses			(11,176)
Unallocated finance costs			(18,036)
Loss for the year from continuing operations			(192,255)

All segment revenue reported above is from external customers. There were no inter-segment sales in both reporting periods.

Segment profit represents the post-tax profit earned by each segment without allocation of certain administrative expenses, other income, other gains and losses, as well as finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

	2018 *RMB'000*	2017 *RMB'000*
Segment assets		
Petrochemical	**3,784,174**	2,916,893
Hospital services	**1,095,642**	1,055,708
Total segment assets	**4,879,816**	3,972,601
Other assets	**3,378**	59,268
Total consolidated assets	**4,883,194**	4,031,869
Segment liabilities		
Petrochemical	**2,643,846**	1,628,140
Hospital services	**248,861**	273,142
Total segment liabilities	**2,892,707**	1,901,282
Guaranteed notes	**–**	155,549
Convertible bonds	**617,784**	560,556
Other liabilities	**923**	45,883
Total consolidated liabilities	**3,511,414**	2,663,270

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

- all assets are allocated to operating segments other than unallocated corporate assets, mainly included certain bank balances and cash and property, plant and equipment.

- all liabilities are allocated to operating segments other than unallocated corporate liabilities, mainly include convertible bonds, other payables and dividend payable.

4. OTHER INCOME

	2018	2017
	RMB'000	*RMB'000*
Continuing operations		
Interest income on bank deposits	**1,611**	820
Value added tax refund	**3,351**	1,790
Government grants	**32,368**	39,451
Dividend income from AFS financial assets	**–**	2,008
Others	**325**	702
	37,655	44,771

5. OTHER GAINS AND LOSSES

	2018	2017
	RMB'000	*RMB'000*
Continuing operations		
Gain (loss) on disposal of property, plant and equipment and prepaid lease payments:		
– Upon relocation of operations	**–**	28,987
– Other disposals	**(569)**	(26,522)
Net foreign exchange (loss) gain	**(4,706)**	4,565
Loss on disposal of AFS financial assets	**–**	(3,012)
(Loss) gain from changes in fair value of convertible bonds	**(60,406)**	71,305
Fair value gain (loss) of financial assets at FVTPL:		
– wealth management products	**1,855**	1,232
– listed securities held for trading	**(1,478)**	–
Loss on disposal of subsidiaries	**150**	–
Loss on disposal of an associate	**–**	(222)
Others	**–**	898
	(65,154)	77,231

6. FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Continuing operations		
Interest on bank borrowings	**20,100**	20,858
Interest on guaranteed notes	**14,103**	18,036
Interest on corporate bonds	**17,197**	17,962
Interest on long term payable	**11,910**	3,891
Total borrowing costs	**63,310**	60,747
Less: amount capitalised under construction in progress	**(6,464)**	–
	56,846	60,747

During the current year, borrowing cost capitalised of RMB6,464,000 arose from long term payable specifically for the purpose of obtaining qualifying assets with a capitalisation rate of 5.50% per annum to expenditure on qualifying assets.

7. INCOME TAX EXPENSE

	2018	2017
	RMB'000	*RMB'000*
Continuing operations		
Current tax:		
PRC enterprise income tax	**47,084**	28,881
Other jurisdictions	**815**	11
	47,899	28,892
Deferred tax credit	**(2,323)**	(11,489)
	45,576	17,403

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 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision has been made as the Group has no assessable profit for both years.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

PRC enterprise income tax is calculated at 25% of the estimated assessable profit of the Company's subsidiaries located in the PRC as determined in accordance with relevant tax rules and regulations in the PRC for both years, except for certain subsidiaries which enjoyed tax rate substantially lower than 25% due to relevant incentive policies.

8. PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

Profit (loss) for the year from continuing operations has been arrived at after charging:

	2018	2017
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**66,353**	45,349
Amortisation of intangible assets	**19,054**	9,801
Total depreciation and amortisation	**85,407**	55,150
Capitalised in inventories	**(69,599)**	(39,243)
	15,808	15,907
Auditors' remuneration	**3,125**	4,200
Release of prepaid lease payments	**6,001**	6,293
Trademark license expense	**1,200**	500
Operating leases payments in respect of rented premises	**16,322**	18,002
Staff costs:		
– Salaries and other benefits	**378,523**	293,153
– Retirement benefits scheme contributions	**20,905**	16,102
Total staff cost	**399,428**	309,255
Capitalised in inventories	**(198,693)**	(103,227)
	200,735	206,028
Cost of inventories recognised as an expense	**1,251,578**	999,870

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

10. LOSS PER SHARE

	2018	2017
	RMB cents	*RMB cents*
Basic loss per share		
From continuing operations	**(1.80)**	(19.64)
From discontinued operations	**–**	(0.65)
Total basic loss per share	**(1.80)**	(20.29)
Diluted loss per share *(Note)*		
From continuing operations	**(1.80)**	(20.94)
From discontinued operations	**–**	(0.51)
Total diluted loss per share	**(1.80)**	(21.45)

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Loss

	2018	2017
	RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company	**(18,480)**	(208,184)
Less:		
Loss for the year from discontinued operations	**–**	(6,634)
Loss for the purpose of basic loss per share from continuing operations	**(18,480)**	(201,550)
Effect of dilutive potential ordinary shares:		
– Fair value gain on convertible bonds *(Note)*	**N/A**	(71,305)
Loss for the purpose of diluted loss per share from continuing operations	**(18,480)**	(272,855)

Number of shares

	2018	2017
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,026,264**	1,026,264
Effect of dilutive potential ordinary shares		
– Convertible bonds *(Note)*	**N/A**	276,595
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,026,264**	1,302,859

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company based on the following data:

	2018	2017
	RMB'000	*RMB'000*
Loss		
Loss for the purpose of basic loss per share for the year attribute to owners of the Company	**(18,480)**	(208,184)
Effect of dilutive potential ordinary shares:		
– Fair value gain of convertible bonds *(Note)*	**N/A**	(71,305)
Loss for the purpose of diluted loss per share	**(18,480)**	(279,489)

The denominators used are the same as those details above for both basic and diluted loss per share from continuing operations.

Note: Diluted loss per share for the year ended 31 December 2018 was calculated without assuming the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share.

11. TRADE AND BILLS RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**1,012,928**	1,013,630
Less: Allowance for credit losses/doubtful debts	**(279,766)**	(271,550)
	733,162	742,080
Bills receivable	**425,373**	280,827
	1,158,535	1,022,907

The following is an aged analysis of trade receivables net of allowance for credit losses/doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	2018	2017
	RMB'000	*RMB'000*
0 – 90 days	**378,828**	399,529
91 – 180 days	**136,439**	116,214
181 – 365 days	**120,066**	102,864
1 – 2 years	**84,872**	119,093
Over 2 years	**12,957**	4,380
	733,162	742,080

12. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2018	2017
	RMB'000	*RMB'000*
0 – 90 days	**341,469**	265,775
91 – 180 days	**197,146**	177,765
181 – 365 days	**61,373**	13,984
1 – 2 years	**31,142**	11,014
Over 2 years	**20,773**	23,903
	651,903	492,441

The average credit period on purchases is 90 to 180 days.

13. LONG TERM PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Long term payable due 2030 *(Note i)*	**73,808**	70,963
Long term payables due 2025 *(Note ii)*	**499,600**	–
	573,408	70,963

Notes:

*(*i) On 21 December 2015, the Company's subsidiaries, Wuzhong Instrument Company Limited ("Wuzhong Instrument") and Beijing Consen Automation Control Company Limited ("Beijing Consen") entered into a capital contribution agreement (the "Agreement") with 國開發展基金有限公司 (transliterated as CDB Development Fund Limited, "CDB"), a limited liability company incorporated in the PRC and wholly-owned by China Development Bank Corporation, to support the construction of qualifying assets registered with relevant government authority.

Pursuant to the Agreement, CDB made a capital contribution of RMB100,000,000 in cash to Wuzhong Instrument on 29 December 2015. The nominal equity interest of Beijing Consen and the CDB in Wuzhong Instrument becomes 85.71% and 14.29% respectively.

According to the Agreement, CDB will: (1) not appoint directors or management personnel to Wuzhong Instrument to exercise any significant influence on the operational and financial policies; (2) receive an investment income annually on a fixed rate of 1.2%, which is expected to be prepaid quarterly by Beijing Consen and guaranteed by the Company. The investment income is not influenced by the operating results of Wuzhong Instrument and not entitled to share the profit or net assets of Wuzhong Instrument; (3) retrieve the contribution amount of RMB100,000,000 on a scheduled timetable, Wuzhong Instrument will repay evenly of RMB10,000,000 each year from 2021 to 2030, by exploring different approaches of Beijing Consen's purchase of shares, Wuzhong Instrument's registered capital reduction or other financial market exit mechanisms.

Accordingly, the directors of the Company consider that this transaction is a financing arrangement and continue to consolidate Wuzhong Instrument as a wholly-owned subsidiary of the Group.

As the registration of the construction of qualifying assets with the relevant government authority is a pre-requisite for the CDB to initiate the negotiation of the Agreement and the rate of return to the CDB is below market rate, the directors of the Company consider such arrangement constituted a government subsidy from the government. The Group recognised the fair value of long term payable amounting to RMB65,725,000 on initial recognition by discounting the future cash flows at 5.7% per annum by reference to the Group's other long term borrowings and subsequently measured at amortised cost by using effective interest rate method. The difference amounting to RMB34,275,000 between the carrying amount of the long term payable initially recognised and the cash received as deferred income and will be released on the same basis as the deprecation of the qualifying assets.

(ii) On 18 January 2018, Wuzhong Instrument and Beijing Consen entered into a capital contribution agreement (the "Agreement A") with Ningxia Industrial Guide Fund Management Limited ("Ningxia Industrial"), to support the investment project of Wuzhong Instrument. Pursuant to the Agreement A, Ningxia Industrial agreed to make a capital contribution of RMB150,000,000 in cash to Wuzhong Instrument. The nominal equity interest of Beijing Consen, CDB and Ningxia Industrial in Wuzhong Instrument will be 70.59%, 11.76% and 17.65% respectively.

On 20 December 2018, the Company's subsidiaries, Ningxia Langsheng Foundry Company Limited ("Langsheng Foundry") and Beijing Hengtong Fangda New Materials and Technology Company Limited ("Hengtong Fangda") entered into a capital contribution agreement (the "Agreement B") with Ningxia Industrial to support the investment project of Langsheng Foundry. Pursuant to the Agreement B, Ningxia Industrial agreed to make a capital contribution of RMB350,000,000 in cash to Langsheng Foundry. The nominal equity interest of Hengtong Fangda and Ningxia Industrial in Langsheng Foundry will be 56.25% and 43.75% respectively.

As at 31 December 2018, Langsheng Foundry had received RMB349,600,000 while the remaining RMB400,000 had been received in January 2019.

According to the Agreement A and Agreement B, Ningxia Industrial will: (1) not appoint management personnels to Wuzhong Instrument and Langsheng Foundry to exercise any significant influence on the operational and financial policies; (2) receive an investment income annually on a fixed rate of 5.5%, which is expected to be prepaid semiannually by Beijing Consen and Hengtong Fangda and guaranteed by the Company. The investment income is not influenced by the operating results of Wuzhong Instrument and Langsheng Foundry and not entitled to share the profit or net assets of Wuzhong Instrument and Langsheng Foundry; (3) is entitled to require Beijing Consen to purchase the equity interest in Wuzhong Instrument from 31 July 2023 to 31 January 2025 in 4 installments and Hengtong Fangda to purchase the equity interest in Langsheng Foundry from 25 December 2023 to 25 December 2025 in 3 installments.

Accordingly, the directors of the Company consider that the transactions are financing arrangements and will continue to consolidate Wuzhong Instrument and Langsheng Foundry as wholly-owned subsidiaries of the Company.

FINANCIAL REVIEW

CONTINUING OPERATIONS

Revenue

For the year ended 31 December 2018, revenue of the Group increased significantly by 54.6% to RMB1,891.1 million (2017: RMB1,223 million).

Revenue generated from the petrochemical segment soared 37.9% to RMB1,423.2 million (2017: RMB1,031.8 million), whereas revenue generated from the hospital services segment rose significantly by 144.7% to RMB467.9 million (2017: RMB191.2 million) for the year ended 31 December 2018.

Turnover analysis by operating segment

	For the year ended 31 December				
	2018		2017		*Change*
	(RMB' million)	***%***	*(RMB' million)*	*%*	*(%)*
Petrochemical	**1,423.2**	**75.3**	1,031.8	84.4	+37.9
Hospital services	**467.9**	**24.7**	191.2	15.6	+144.7
	1,891.1	**100.0**	1,223.0	100.0	+54.6

Turnover analysis by types of goods supplied and services rendered

	Year ended 31 December				
	2018		2017		*Change*
	(RMB million)	***Proportion (%)***	*(RMB million)*	*Proportion (%)*	*(%)*
Petrochemical					
– Systems and software	**535.3**	**28.3**	287.9	23.5	+85.9
– Industrial control valves	**580.1**	**30.7**	467.9	38.3	+24.0
– Provision of maintenance and engineering services	**235.6**	**12.5**	177.2	14.5	+33.0
– Design and consulting services	**72.2**	**3.8**	98.8	8.1	-26.9
Sub-total	**1,423.2**	**75.3**	1,031.8	84.4	+37.9
Hospital services					
– Sales of pharmaceuticals and healthcare services	**467.9**	**24.7**	191.2	15.6	+144.7
Sub-total	**467.9**	**24.7**	191.2	15.6	+144.7
Total	**1,891.1**	**100.0**	1,223.0	100.0	+54.6

System sales and related services to the petrochemical industries

Systems and software sales

For the year ended 31 December 2018, revenue generated from system and software sales in relation to the petrochemical industries increased by 85.9% to RMB535.3 million (2017: RMB287.9 million). It was mainly attributable to the bottoming-out of the market and therefore more tendering and delivery activities in the petrochemical industry.

Industrial control valves

Revenue from the Group's industrial control valves business increased by 24.0% to RMB580.1 million (2017: RMB467.9 million). Such increase was primarily attributable to more contracts won following the market recovery in the petrochemical industry.

Provision of maintenance and engineering services

For the year ended 31 December 2018, revenue generated from provision of maintenance and engineering services increased by 33.0% to RMB235.6 million (2017: RMB177.2 million). The management of the Group believes that more recurring income related to maintenance services will be generated as there will be more aged installations needed to be replaced.

Design and consulting services

For the year ended 31 December 2018, revenue generated from design and consulting services decreased by 26.9% to RMB72.2 million (2017: RMB98.8 million).

The hospital services

Pharmaceutical and healthcare services

Revenue generated from the hospital services for the year ended 31 December 2018 increased significantly by 144.7% to RMB467.9 million (2017: RMB191.2 million). The significant increase was primarily due to the consolidation of hospital services business for the full year whereas it only contributed to the revenue for about five months in 2017 as the acquisition was completed on 26 July 2017.

In addition, in terms of operating segment, 75.3% (2017: 84.4%) of the Group's revenue was generated from the petrochemical segment and 24.7% (2017: 15.6%) from the hospital services segment.

Gross profit

Gross profit for the year ended 31 December 2018 amounted to RMB575.7 million (2017: RMB192.4 million), representing a significant increase by 199.2% as compared with that of the previous year.

The overall gross profit margin for the year ended 31 December 2018 widened greatly by 14.7% percentage points to 30.4% (2017: 15.7%).

Gross profit analysis by types of goods supplied and services rendered

	For the year ended 31 December		
	2018	2017	Change
	(%)	(%)	(%) Point
Petrochemical			
– Systems and software	**33.2**	3.1	+30.1
– Industrial control valves	**32.8**	19.7	+13.1
– Provision of maintenance and engineering services	**26.7**	14.4	+12.3
– Design and consulting services	**3.3**	12.7	–9.4
Sub-total	**30.4**	13.5	+16.9
Hospital services			
– Sales of pharmaceuticals and healthcare services	**30.5**	27.8	+2.7
Total	**30.4**	15.7	+14.7

Gross profit margin in the petrochemical industries

Gross profit margin of systems and software

The gross profit margin of systems and software sales increased significantly by 30.1% to 33.2% (2017: 3.1%). The significant improvement in gross profit margin was primarily due to the Group's revised tendering strategy of emphasizing the quality of the contracts namely higher margin and better payment terms.

Gross profit margin of industrial control valves

The gross profit margin of industrial control valves business improved by 13.1% to 32.8% (2017: 19.7%). The significant improvement in gross profit margin was primarily due to the change in strategy of the Group for bidding new projects to ensure reasonable margin as well as better payment terms.

Gross profit margin of provision of maintenance and engineering services

The gross profit margin of provision of maintenance and engineering services was 26.7% (2017: 14.4%).

Gross profit margin of design and consulting services

The gross profit margin of design and consulting services was 3.3% (2017: 12.7%).

Gross profit margin of hospital services

For the year ended 31 December 2018, the gross profit margin of the hospital services business was 30.5% (2017: 27.8%).

Other Income

For the year ended 31 December 2018, other income decreased by RMB7.1 million to RMB37.7 million (2017: RMB44.8 million). The decrease was primarily due to the decline in government grant as a result of a lower level of industrial control valve research projects in 2018.

Other Gains and Losses

For the year ended 31 December 2018, other losses amounted to RMB65.2 million (2017: other gains of RMB77.2 million). The significant turnaround from gains into losses was primarily attributable to: (i) loss from change in fair value of convertible bonds amounted to RMB60.4 million (2017: gain of RMB71.3 million); and (ii) net foreign exchange loss amounted to RMB4.7 million (2017: gain of RMB4.6 million) due to devaluation of RMB in 2018.

Impairment losses, net of reversal

For the year ended 31 December 2018, impairment losses (net of reversal) decreased significantly by RMB37.6 million to RMB13.7 million (2017: RMB51.3 million). The significant decrease was primarily due to the significant decline in impairment losses of RMB35.9 million in relation to trade receivables. Thanks to the dedicated team which has been tasked to follow up payment especially the aged account receivables with the customers in accordance with corporate credit control policies. In addition, the Group has been negotiating better and more upfront payment terms in the contracts with the customers and dropped those customers with bad payment records.

Selling and distribution expenses

Selling and distribution expenses for the year ended 31 December 2018 increased by 6.3% to RMB117.8 million (2017: RMB110.8 million).

Such increase was mainly attributable to higher travelling expenses and cargo charges in line with the increased business activities.

Selling and distribution expenses as a percentage of the Group's full year revenue was 6.2% (2017: 9.1%).

Administrative expenses

Administrative expenses for the year ended 31 December 2018 amounted to RMB230.6 million (2017: RMB198.9 million), representing an increase of 15.9% year-on-year. The increase was mainly due to the consolidation of hospital services business for the full year whereas it only consolidated for about five months in 2017 as the acquisition was completed on 26 July 2017.

Administrative expenses as a percentage of the Group's full year revenue was 12.2% (2017: 16.3%).

Research and development expenses

Research and development expenses for the year ended 31 December 2018 were RMB63.9 million (2017: RMB62.1 million). The research and development projects undertaken were mainly related to development of: (i) high-end control valves in response to the preferential policies regarding localization enacted by the Chinese Government; and (ii) hardware for the turbine machinery control system business.

Finance costs

Finance costs for the year ended 31 December 2018 decreased by 6.4% to RMB56.8 million (2017: RMB60.7 million). However, it is noted that there was a capitalisation of borrowing costs of RMB6.5 million in connection with the construction of Wuzhong Instrument investment project in 2018.

Income tax expenses

Income tax expenses for the year ended 31 December 2018 amounted to RMB45.6 million (2017: RMB17.4 million). The effective income tax rate at 86.2% was primarily due to (i) tax losses not recognised; and (ii) expenses not deductible for tax purpose.

Profit/Loss for the year

As a result of the foregoing, the Group recorded a profit from continuing operations of RMB7.3 million for the year ended 31 December 2018 (2017: loss of RMB192.3 million).

DISCONTINUED OPERATIONS

The Group did not record any gain or loss for the year ended 31 December 2018. (2017: losses of RMB15.3 million)

On 25 January 2017, the Group completed the disposal of entire equity interest in Beijing Consen Transportation Technology Company Limited. The Group also completed the disposal of 100% equity interests of Beijing Consen Process Control Technology Company Limited ("Consen Process Control") on 11 July 2017 and the disposal of 100% equity interests of Beijing Liboyuan Investment Management Company Limited ("Liboyuan Investment") on 27 September 2017. Consen Process Control holds 51% equity interest of Nanjing Huashi Electronic Scientific Company Limited ("Nanjing Huashi Electronic") and Liboyuan Investment holds 51% equity interest of Nanjing Huashi Power Equipment Company Limited ("Nanjing Power Equipment"). Nanjing Huashi Electronic and Nanjing Power Equipment engage in the design, production and sale of railway traction control and auxiliary electricity supply systems in the PRC. At the moment, the Group has already disposed the whole railway segment.

Loss for the year (from continuing and discontinued operations) attributable to owners of the Company

The Group recorded loss amounting to RMB18.5 million for the year ended 31 December 2018 (2017: RMB208.2 million).

Loss per share

Loss per share (from both continuing and discontinued operations) for the year ended 31 December 2018 was RMB1.80 cents (2017: RMB20.29 cents).

Loss per share (from continuing operations) for the year ended 31 December 2018 was RMB1.80 cents (2017: RMB19.64 cents).

Dividend

The Board had resolved not to recommend distribution of a final dividend (2017: Nil) in respect of the year.

Liquidity, financial resources and capital structure

Net cash generated from the Group's operating activities for the year ended 31 December 2018 amounted to RMB323.3 million (2017: RMB111.5 million). The Group has adopted a prudent working capital management strategy. As such, the Group had been able to generate significant positive operating cashflow primarily due to: (i) the significant increase in trade and bills payables; and (ii) the significant increase in advance from customers.

Net cash used in investing activities of the Group for the year ended 31 December 2018 amounted to RMB213.6 million (2017: net cash generated from investing activities amounted to RMB129.1 million). This was primarily due to the purchases of property, plant and equipment and deposits for acquisition of property, plant and equipment and the increase in prepaid lease payments in relation to Wuzhong Instrument investment project.

Net cash generated from financing activities for the year ended 31 December 2018 amounted to RMB373.1 million (2017: Net cash used in financing activities of RMB108 million). This was mainly attributable to the capital contribution of RMB499.6 million from Ningxia Industrial Guide Fund Management Limited to support the investment project of Wuzhong Instrument in 2018.

As at 31 December 2018, cash and bank balances (including pledged bank deposits of RMB54.7 million) amounted to RMB848.1 million (31 December 2017: RMB347.3 million (including pledged bank deposits of RMB38.4 million)).

Gearing position

The net gearing (total borrowings less cash over total equity) ratio was at 80.1% as at 31 December 2018 (31 December 2017: at 76.8%).

As at 31 December 2018, total borrowings of the Group amounted to RMB1,946.7 million (31 December 2017: RMB1,398.7 million), of which the long term payables in relation to the capital contribution of RMB499.6 million from Ningxia Industrial Guide Fund Management Limited; the convertible bonds amounted to RMB617.8 million, the corporate bonds due 2019 amounted to RMB197 million and the guaranteed notes due 2019 amounted to US$10 million (equivalent to approximately RMB69.4 million).

Significant investments, mergers and acquisitions

For the year ended 31 December 2018, the Group spent RMB269.6 million related to the purchases of property, plant and equipment and deposits for acquisition of property, plant and equipment, and prepaid lease payments and contracted RMB834.2 million mainly for the acquisition of property, plant and equipment in relation to Wuzhong Instrument investment project.

Contingent liabilities

As at 31 December 2018, the Group had no material contingent liabilities.

FUTURE OUTLOOK

The Group has undertaken a detailed strategic review of the Group for the purpose of developing business plans and strategies for its business development in the future, and determining whether any change would be appropriate or desirable in order to optimise its business. The Group has also rolled out an internal restructuring program to dispose of the non-profit making business units.

As disclosed in the announcement of the Company dated 18 December 2018, the Company is contemplating disposal of the whole petrochemical business segment. If the Possible Disposal was materialized and completed, the Group's business will solely consist of the hospital services business as described below. The board of directors (the "Board") considers that the Possible Disposal may further enhance its growth potential and maximise value for shareholders as the petrochemical segment has been experiencing losses over the past years.

In July 2017, the Group completed an acquisition of 60% equity interest in Etern Group Limited, an investment holding company holding 98% interest in Yongding Hospital, which is principally engaged in hospital business in Suzhou, China. Given the promising prospects in the healthcare services sector in China and the profitability track record of acquired hospital business, the Board considers that the hospital business will broaden the income source and enhance the financial stability of the Group, which may help to shield the Group from market pressure on its existing core businesses.

GENERAL

PROPOSED DIVIDEND

The Board did not recommend the distribution of final dividend (2017: Nil) for the year ended 31 December 2018.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had a total of 2,307 employees (31 December 2017: 2,218), of which 1,514 employees (31 December 2017: 1,449) were related to petrochemical business segment whereas 793 employees (31 December 2017: 769) were related to healthcare business segment.

The emoluments payable to the employees of the Group are determined by their responsibilities, qualifications, performance and experience and the related industrial practices.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2018, save and except for the following deviations:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 14 September 2016, Mr. Xuan Rui Guo, the Chairman and executive Director of the Company, has been appointed as the chief executive officer of the Company. The Board believes that with the support of the management, vesting the roles of both chairman and chief executive officer by the same person can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which currently consists of two executive Directors and three independent non-executive Directors, the interests of the shareholders of the Company will be adequately and fairly represented.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Group has adopted procedures governing Directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code").

Relevant employees who are likely to be in possession of unpublished price-sensitive information (the "Inside Information") of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code. Specific confirmation of compliance has been obtained from each Director to confirm compliance with the Model Code for the year ended 31 December 2018. No incident of non-compliance by Directors was noted by the Company for the year ended 31 December 2018. The Group is aware of its obligations under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and the Listing Rules, including the overriding principle that information which is expected to be price-sensitive should be announced promptly and to prevent selective or inadvertent disclosure of Inside Information. Therefore, the Company conducts the handling and dissemination of such Inside Information in accordance with the "Guidelines on Disclosure of Insider Information" issued by the Securities and Futures Commission in June 2012 and adopted the Policy on Inside Information on 1 January 2013.

AUDIT COMMITTEE

The consolidated financial statements of the Group for the year ended 31 December 2018 and the related disclosures have been reviewed and approved by the audit committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's issued shares in the market as at the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on Thursday, 30 May 2019. A notice of the annual general meeting will be issued and disseminated to shareholders in due course.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

The annual results announcement is required to be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.com.hk and the Company's corporate website www.cag.com.hk.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to our customers, business partners and shareholders for their continued support for the Group. I would also like to thank every member of our management and staff members for their contributions to the Group during the year.

By Order of the Board
China Automation Group Limited
Xuan Rui-guo
Chairman

Hong Kong, 21 March, 2019

As at the date of this announcement, the Board comprises Mr. Xuan Rui Guo, Mr. Wang Chuensheng as executive Directors of the Company; and Mr. Wang Tai Wen, Mr. Zhang Xin Zhi and Mr. Ng Wing Fai as independent non-executive Directors.