TRIGIANT GROUP LIMITED
俊知集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1300)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

HIGHLIGHTS

Annual results for the year ended 31 December 2018 compared with the annual results for the year ended 31 December 2017:

- Turnover increased by approximately RMB268.4 million, or approximately 8.4%, to approximately RMB3,469.2 million (2017: RMB3,200.8 million)
- Gross profit margin decreased by approximately 0.2 percentage point to approximately 19.4% (2017: 19.6%)
- Profit for the year attributable to owners of the Company increased by approximately RMB68.3 million, or approximately 24.7%, to approximately RMB345.5 million (2017: RMB277.1 million)
- Net profit margin increased by approximately 1.3 percentage points to approximately 10.0% (2017: 8.7%)
- Earnings per share increased to RMB19.28 cents (2017: RMB16.38 cents)
- Proposed final dividend was HK2.3 cents per share (2017: HK2.1 cents per share). Together with the interim dividend of HK2.2 cents paid, total dividend for the year ended 31 December 2018 was HK4.5 cents per share (2017: HK3.8 cents per share)

The board ("Board") of directors ("Directors") of Trigiant Group Limited ("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 together with the 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*
Turnover	*3*	**3,469,247**	3,200,807
Cost of goods sold		**(2,796,866)**	(2,573,186)
Gross profit		**672,381**	627,621
Other income	*4*	**38,030**	26,630
Impairment losses	*5*	**(59,939)**	(89,135)
Other gains and losses	*5*	**(4,589)**	5,996
Selling and distribution costs		**(55,126)**	(54,698)
Administrative expenses		**(47,250)**	(52,748)
Research and development costs		**(58,338)**	(55,839)
Finance costs	*6*	**(73,580)**	(56,543)
Profit before taxation	*7*	**411,589**	351,284
Taxation	*8*	**(66,129)**	(59,271)
Profit and total comprehensive income for the year		**345,460**	292,013
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**345,460**	277,143
Non-controlling interests		**–**	14,870
		345,460	292,013
Earnings per share	*10*		
— Basic		**RMB19.28 cents**	RMB16.38 cents
— Diluted		**RMB19.28 cents**	RMB16.38 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Notes	2018 RMB'000	2017 RMB'000
Non-current assets			
Investment properties		**–**	7,600
Property, plant and equipment		**248,702**	262,428
Land use rights		**69,482**	71,602
Intangible assets		**144,223**	84,702
Goodwill		**156,527**	41,773
Equity instruments at fair value through other comprehensive income		**950**	–
Available-for-sale investments		**–**	7,325
Deferred tax assets		**54,786**	43,725
		674,670	519,155
Current assets			
Inventories		**163,377**	108,547
Trade and other receivables	*11*	**3,622,932**	3,257,251
Other financial assets		**175,000**	150,000
Pledged bank deposits		**295,165**	337,939
Bank balances and cash		**491,133**	455,268
		4,747,607	4,309,005
Current liabilities			
Trade and other payables	*12*	**382,174**	345,586
Bank borrowings — due within one year		**1,725,206**	1,466,667
Taxation payable		**41,546**	40,695
		2,148,926	1,852,948
Net current assets		**2,598,681**	2,456,057
Total assets less current liabilities		**3,273,351**	2,975,212
Non-current liabilities			
Government grants		**2,835**	3,571
Deferred tax liabilities		**60,251**	48,973
		63,086	52,544
Net assets		**3,210,265**	2,922,668
Capital and reserves			
Share capital		**14,638**	14,638
Reserves		**3,195,627**	2,908,030
Total equity		**3,210,265**	2,922,668

NOTES:

1. GENERAL

Trigiant Group Limited ("Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The principal activity of the Company is to act as an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") is mainly engaged in the manufacture and sales of feeder cable series, optical fibre cable series and related products, flame-retardant flexible cable series, new-type electronic components and others for mobile communications and telecommunication equipment.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs 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.

Impact on adoption — HKFRS 9 "Financial Instruments"

HKFRS 9 was generally adopted without restating comparative information. The reclassification and the adjustments arising from the new impairment rules are therefore not reflected in the restated consolidated statement of financial position as at 31 December 2017, but are recognised in the opening consolidated statement of financial position on 1 January 2018. The adoption of HKFRS 9 resulting in increase in net assets value and reserves attributable to owners of the Company as at 1 January 2018 by approximately RMB6.2 million, primarily due to increase in available-for-sale investments (now classified as equity instruments at fair value through other comprehensive income) previously measured at cost less impairment offset by increase in allowance for bad and doubtful debts of trade receivables upon adoption of expected credit losses model.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HK(IFRIC)–Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 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.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the fair value of the consideration received and receivable for goods sold during the year, net of discounts and sales related taxes.

The Group's chief operating decision maker has been identified as the executive directors of the Company ("Executive Directors") who review the business with the following reportable and operating segments by products:

- Feeder cable series
- Optical fibre cable series and related products
- Flame-retardant flexible cable series
- New-type electronic components
- Others (including couplers and combiners)

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the Executive Directors when making decisions about allocating resources and assessing performance of the Group.

The segment results represent the gross profits earned by each segment (segment revenue less segment cost of goods sold). Other income, impairment losses, other gains and losses, selling and distribution costs, administrative expenses, research and development costs, finance costs and taxation are not allocated to each reportable segment. This is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance.

The information of segment results is as follows:

For the year ended 31 December 2018

	Feeder cable series *RMB'000*	Optical fibre cable series and related products *RMB'000*	Flame-retardant flexible cable series *RMB'000*	New-type electronic components *RMB'000*	Others *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Turnover							
— External sales	**1,725,579**	**1,041,085**	**576,326**	**114,286**	**11,971**	**–**	**3,469,247**
— Inter-segment sales*	**–**	**218,438**	**–**	**25,724**	**–**	**(244,162)**	**–**
	1,725,579	**1,259,523**	**576,326**	**140,010**	**11,971**	**(244,162)**	**3,469,247**
Cost of goods sold	**(1,372,222)**	**(1,066,070)**	**(479,072)**	**(112,289)**	**(11,375)**	**244,162**	**(2,796,866)**
Segment result	**353,357**	**193,453**	**97,254**	**27,721**	**596**	**–**	**672,381**

For the year ended 31 December 2017

	Feeder cable series *RMB'000*	Optical fibre cable series and related products *RMB'000*	Flame-retardant flexible cable series *RMB'000*	New-type electronic components *RMB'000*	Others *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Turnover							
— External sales	1,623,526	974,544	514,281	78,418	10,038	–	3,200,807
— Inter-segment sales*	–	186,159	–	–	–	(186,159)	–
	1,623,526	1,160,703	514,281	78,418	10,038	(186,159)	3,200,807
Cost of goods sold	(1,282,165)	(976,795)	(424,391)	(66,388)	(9,606)	186,159	(2,573,186)
Segment result	341,361	183,908	89,890	12,030	432	–	627,621

* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to the cost incurred.

The reportable segment results are reconciled to profit after taxation of the Group as follows:

	2018 *RMB'000*	2017 *RMB'000*
Reportable segment results	**672,381**	627,621
Unallocated income and expenses		
— Other income	**38,030**	26,630
— Impairment losses	**(59,939)**	(89,135)
— Other gains and losses	**(4,589)**	5,996
— Selling and distribution costs	**(55,126)**	(54,698)
— Administrative expenses	**(47,250)**	(52,748)
— Research and development costs	**(58,338)**	(55,839)
— Finance costs	**(73,580)**	(56,543)
Profit before taxation	**411,589**	351,284
Taxation	**(66,129)**	(59,271)
Profit for the year	**345,460**	292,013

As there is no discrete information in respect of segment assets and liabilities and other information available for the assessment of performance and allocation of resources for different reportable segment and thus, no analysis of segment assets and liabilities is presented.

Substantially all of the Group's turnover is derived from the People's Republic of China ("PRC") and substantially all of its non-current assets are also located in the PRC (the place of domicile).

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total turnover of the Group is as follows:

	2018 *RMB'000*	2017 *RMB'000*
Customer A	**1,182,645**	1,331,396
Customer B	**1,295,094**	1,151,678
Customer C	**652,746**	470,703

The three major customers purchased goods from all segments during both years.

4. OTHER INCOME

	2018	2017
	RMB'000	*RMB'000*
Government grants *(note)*	**5,163**	5,727
Interest income	**22,643**	14,958
Investment income from other financial assets	**3,848**	3,022
Rental income	**222**	400
Others	**6,154**	2,523
	38,030	26,630

Note: Included in government grants is RMB4,427,000 (2017: RMB4,991,000) incentive provided by the PRC local authorities to the Group for encouragement of business development in the Yixing region. There were no specific conditions attached to the grants, and the Group recognised the grants upon receipts. In respect of the remaining amount of RMB736,000 (2017: RMB736,000), they are government subsidies received for the acquisition of property, plant and equipment.

5. IMPAIRMENT LOSSES AND OTHER GAINS AND LOSSES

	2018	2017
	RMB'000	*RMB'000*
Impairment losses on trade receivables	**(59,939)**	(89,135)
Other gains and losses include the following:		
Exchange (loss) gain	**(4,589)**	5,296
Gain on fair value changes of investment properties	**–**	700
	(4,589)	5,996

6. FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Interest on bank borrowings	**68,862**	56,543
Interest on consideration payable in connection with the acquisition of subsidiaries	**4,718**	–
	73,580	56,543

7. PROFIT BEFORE TAXATION

	2018	2017
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Directors' remuneration	**2,389**	2,601
Other staff costs:		
Salaries and other benefits	**66,258**	70,481
Retirement benefit schemes contributions	**5,610**	6,547
Share-based payment	**2,050**	3,793
Total staff costs	**76,307**	83,422
Auditor's remuneration	**2,027**	1,921
Amortisation of intangible asset	**14,479**	12,101
Cost of inventories recognised as expenses	**2,780,232**	2,558,808
Depreciation of property, plant and equipment	**30,613**	32,637
Operating lease payment in respect of warehouses and office premises	**1,158**	1,575
Amortisation of land use rights	**2,120**	2,120
Loss on disposal of property, plant and equipment	**3**	2
and after crediting:		
Gross rental income from investment properties (net of negligible direct operating expenses)	**222**	400

8. TAXATION

	2018	2017
	RMB'000	*RMB'000*
The charge (credit) comprises:		
PRC Enterprise Income Tax	**76,709**	70,250
Deferred taxation credit	**(10,580)**	(10,979)
Taxation for the year	**66,129**	59,271

The PRC Enterprise Income Tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

The principal subsidiaries of the Company in the PRC renewed as High and New Technology Enterprises by relevant authorities in PRC on 24 October 2018 and were entitled to and were charged income tax in the PRC at a reduced income tax rate of 15% till next renewal in 2021.

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entity, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detail Implementation Rules, unless it is subject to other tax arrangement, such as Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA).

No provision for Hong Kong Profits Tax is made in the consolidated financial statements as the Group does not derive assessable profits from Hong Kong for both years.

9. DIVIDENDS

	2018	2017
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2018 interim — HK2.2 cents (2017: HK1.7 cents) per share	**33,884**	26,350
2017 final — HK2.1 cents (2016: HK1.6 cents) per share	**32,343**	24,801
	66,227	51,151

Subsequent to the end of the reporting period, a final dividend of HK2.3 cents per share in respect of the year ended 31 December 2018 (2017: HK2.1 cents per share) has been proposed by the Directors. Such final dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2018	2017
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company for the purpose of basic and diluted earnings per share	**345,460**	277,143

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,791,500**	1,692,179

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the Company's shares during both years.

11. TRADE AND OTHER RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables, net	**3,487,366**	3,126,593
Bills receivables	**36,733**	26,107
	3,524,099	3,152,700
Current portion of land use rights	**2,120**	2,120
Interest receivables	**7,238**	5,507
Other receivables *(Note)*	**77,687**	85,485
Deposits paid to suppliers	**5,000**	5,000
Prepaid expenses	**4,427**	4,171
Staff advances	**2,361**	2,268
	3,622,932	3,257,251

Note: At 31 December 2018, other receivables mainly included receivables relating to resale of copper materials of RMB75,496,000 (31 December 2017: RMB81,216,000).

The Group normally allows a credit period ranging from 180 to 360 days to its customers.

The following is an aged analysis of the trade and bills receivables presented based on the invoice date, or otherwise, delivery date, at the end of the reporting period, which approximated the respective revenue recognition dates:

	2018	2017
	RMB'000	*RMB'000*
Age		
0–90 days	**950,915**	852,252
91–180 days	**784,827**	545,503
181–365 days	**840,812**	892,916
Over 365 days	**947,545**	862,029
	3,524,099	3,152,700

12. TRADE AND OTHER PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**77,282**	128,297
Bills payables	**154,641**	153,036
	231,923	281,333
Accrued expenses	**18,557**	10,522
Deposits from suppliers	**12,639**	13,025
Other payables	**7,428**	8,074
Consideration payable	**80,000**	–
Other tax payables	**13,418**	10,965
Payable for acquisition of property, plant and equipment	**2,128**	1,488
Payroll and welfare payables	**16,081**	20,179
	382,174	345,586

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is 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*
Age		
0–90 days	**173,106**	278,173
91–180 days	**58,790**	3,157
181–365 days	**27**	3
	231,923	281,333

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

With the overall economic development and breakthroughs in mobile communication technology in recent years, mobile network has become a necessity in daily life. During the year ended 31 December 2018 ("Year"), according to the statistics from the Ministry of Industry and Information Technology of the PRC ("MIIT"), the net increase in the number of mobile network users recorded a decade high at 149 million, with total number of 1,570 million, of which 1,170 million were 4G network users. Mobile broadband users (i.e. 3G and 4G users) totaled 1,310 million, representing approximately 83.4% of the mobile network users. Meanwhile, the total number of 4G base stations has reached 3.72 million.

Following years of development, the mobile communication networks technology in China is currently at a stage where the 4G mobile communication technology has enjoyed a fast growth amid ongoing research and development of the 5G mobile communication technology. In the Third Session of 5G Innovation and Development Summit Forum (5G創新發展高峰論壇) held at the National Convention Center in Beijing on 28 September 2018, the IMT-2020(5G) Promotion Group released the results of the third phase of the 5G Research and Development trial in the PRC, indicating that 5G base stations and the core network equipment has reached the pre-commercial level, marking a new milestone for 5G scale commercialisation. As the 5G construction continues to flourish, infrastructure construction will become an important driving force for the Group.

According to the definition of the 3rd Generation Partnership Project (3GPP) by the International Organization for Standardization (ISO), 5G can be classified into three major applications, namely enhanced mobile broadband (eMBB), which is mainly for high-traffic mobile broadband services such as high-definition video, ultra-reliable and low latency communications (uRLLC), which is mainly for Internet of Things services, and massive machine type communications (mMTC), which is for driverless and industrial automation. Compared with 4G, 5G technology can greatly improve network functions and transmission efficiency, and it is expected to bring a new era for Internet of Things and new market demands.

The new development in 5G technology will definitely drive new demands for networking construction. According to the PRC government's plan, the 5G network is expected to be commercialised in the China market from 2020. The fact that the government attaches great importance on 5G development and implements policy on information consumption upgrade will provide a good development environment for the 5G industry. In addition, due to the increase in rate and frequency, the transmission distance of the 5G signal is much shorter than that of the 4G signal. Therefore, communication operators need to deploy 5G base stations more densely. Based on the public information available from the three major telecommunications operators in the PRC, the number of 5G websites will increase to 750,000 stations by 2020. It is expected that China will invest RMB1.2 trillion in 5G network construction within 5 to 10 years. In light of the characteristics of large bandwidth and multi-connection of the future 5G network, the bandwidth and power of the massive multi-input and multi-output (MIMO) antenna will fold increase as compared with that of 4G, and the unit price of the Group's corresponding products relating to 5G base station will fold increase accordingly. The increasing demand for communication network infrastructure and manufacture of system equipment in the market has laid a solid foundation for the sales growth.

According to the work plan of the MIIT and other ministries, China proposed to officially launch the three-year action plan to become an internet powerhouse in 2018, pursuant to which, a 100-megabit broadband network is promoted, while a gigabit network infrastructure is encouraged in the cities. In this regard, China is expected to witness an investment size exceeding RMB300 billion in network infrastructure construction in the future. By the end of 2018, although the number of users access to optical fibre in China exceeded 370 million, there are still numbers of cities and regions that do not yet have access to optical fibre. Based on the strong demand for broadband in the market, it is expected that the industry will keep a rapid growth in the next coming years.

Meanwhile, since optical fiber cable is required to be used as a basic transmission media for the broadband speed upgrade and traffic burst in both fibre-optic broadband and mobile communication networks, the demand for fibre-optic cables continues to increase in recent years. New 5G pre-transmission and mid-transmission network will promote new demand for optical fiber cable from significant increase in construction of in metropolitan area networks (MANs) and backbone networks driven by the future 5G construction. Benefiting from the increasing demand, the sales of the Group's optical cables and related products will continue to maintain a rapid growth. Supported by favourable policies and a sound market environment, desirable sales of the basic components for mobile communication and optical communication networks, including our major product lines such as feeder cables, flame-retardant flexible cables, optical fibre cables and new-type electronic components, is likely to continue.

In 2018, the average price of copper, being the main raw materials for the Group's major products, remained stable, with an increase of approximately 3% as compared to last year. As the Group adopted the cost-plus-pricing-model for the pricing of its feeder cable series products and flame-retardant flexible cable series products, the fact that the average price of copper had remained relatively stable during the Year had little impact on the average selling price of our relevant products.

Results analysis

During the Year, due to the increasing demand for the Group's major products, including feeder cable series, optical fibre cable series and flame-retardant flexible cable series, as a result of the increased demand for wide coverage and deep coverage of national mobile communications, which increased the indoor coverage, rail coverage and micro base station investment, the Group recorded an increase in its turnover. In particular, the flame-retardant flexible cable series saw a fast growth in their respective turnover, which contributed to an increase of approximately 8.4% in our turnover from approximately RMB3,200.8 million in 2017 to approximately RMB3,469.2 million in 2018. The Group actively adjusted its price to generate greater profits. During the Year, the Group's overall gross profit grew by approximately 7.1% from approximately RMB627.6 million in 2017 to RMB672.4 million in 2018. The overall gross profit margin was approximately 19.4% in 2018, representing a slight decrease of approximately 0.2 percentage point as compared with 2017. The Group's allowance for bad and doubtful debts of trade receivables decreased by approximately 32.8% from approximately RMB89.1 million in 2017 to approximately RMB59.9 million. As such, the profit attributable to owners of the Company increased by approximately 24.7% from approximately RMB277.1 million in 2017 to approximately RMB345.5 million in 2018. Basic earnings per share increased by approximately RMB2.90 cents from approximately RMB16.38 cents in 2017 to approximately RMB19.28 cents in 2018.

Breakdown of turnover by products

Year ended 31 December	**2018**	2017	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*Percentage*
Feeder cable series	**1,725,579**	1,623,526	102,053	6.3%
Optical fibre cable series and related products	**1,041,085**	974,544	66,541	6.8%
Flame-retardant flexible cable series	**576,326**	514,281	62,045	12.1%
New-type electronic components	**114,286**	78,418	35,868	45.7%
Others	**11,971**	10,038	1,933	19.3%
Total	**3,469,247**	3,200,807	268,440	8.4%

Feeder cable series — approximately 49.7% of the total turnover

Benefiting from the increased demands for mobile communication network construction, the sales volume of the Group's feeder cable series products increased by approximately 7,000 kilometres to approximately 178,000 kilometres in 2018 as compared to the corresponding period in last year. Therefore, the turnover of feeder cable series increased by approximately 6.3% to approximately RMB1,725.6 million in 2018 as compared to the corresponding period in last year. During the Year, the average price of copper, being the main raw materials for the Group's feeder cable series, increased by approximately 3%. As the Group adopted the cost-plus-pricing-model for the pricing of its feeder cable series products, the average selling price of the products remained relatively stable due to the relatively stable price fluctuations in raw materials. Meanwhile, the gross profit margin decreased by approximately 0.5 percentage point to approximately 20.5% as the Group actively adjusted its product mix to generate greater profits.

Optical fibre cable series — approximately 30.0% of the total turnover

As China's broadband network construction is still in full swing, the market demand for optical fibre cable series products continued to increase. As such, the turnover of optical fibre cable series products increased by approximately 6.8% to approximately RMB1,041.1 million in 2018 as compared to the corresponding period in last year. Sales volume increased by approximately 388,000 fibre kilometres to approximately 10,355,000 fibre kilometres in 2018 as compared to the corresponding period in last year. The gross profit margin decreased by approximately 0.3 percentage point to approximately 18.6%.

Flame-retardant flexible cable series — approximately 16.6% of the total turnover

Flame-retardant flexible cable series, another major product of the Group which is mainly used as an internal connection cable for power systems or mobile cable transmission and distribution systems, recorded a good performance during the Year. In September 2018, the Group announced that it had won the bid for the power cable contract for China Mobile Communications for the first time, with an allocation of approximately 14,000 kilometers, and a term of one year from 2018 to 2019. The total contract sum was of RMB582 million. The turnover of flame-retardant flexible cable series increased by approximately 12.1% to approximately RMB576.3 million as compared to the corresponding period in last year. The gross profit margin slightly decreased by 0.6 percentage point to approximately 16.9% as compared to the corresponding period in last year.

Major customer and sales network

Apart from pricing, the three major telecommunications operators in the PRC continued to take other important factors into consideration, including comprehensive strength, delivery capacities, guaranteed service quality, an extensive network coverage in the region when selecting business partners. In addition, developed provinces in the PRC have set higher standards for business partners in terms of their comprehensive quality. The Group has a good track record, diverse product portfolio, excellent product quality and comprehensive and efficient after-sales services and therefore maintains its leading position in terms of comprehensive strength and market share amongst business partners with the three major telecommunications operators in the PRC. The Group also succeeded in obtaining additional share of additional projects on top of its existing market share, fully proving the strength and market leadership of the Group.

As at 31 December 2018, the Group maintained business relationships with all 31 provincial subsidiaries of China United Network Communications Limited* (中國聯合網絡通信有限公司) ("China Unicom"), 29 out of the 31 provincial subsidiaries of China Mobile Communications Corporation* (中國移動通信集團公司) ("China Mobile") and 29 out of the 31 provincial subsidiaries of China Telecommunications Corporation* (中國電信集團公司) ("China Telecom").

The turnover derived from China Mobile, China Unicom, and China Telecom accounted for approximately 34.1%, 37.3%, and 18.8% of the Group's turnover, respectively. Besides having close cooperation with the three major telecommunications operators in the PRC, the Group also maintained a good business relationship with other companies. By closely following the latest movements of its business partners, the Group will timely adjust its business strategy.

Patents, awards and recognition

As at 31 December 2018, the Group had obtained 153 patents and developed 133 new products in the PRC. 81 products of the Group were granted the Advanced Technology Product Certificate by the Science and Technology Department of Jiangsu Province. The Group received various awards and honours including Jiangsu Trigiant Technology Co., Ltd. (江蘇俊知技術有限公司) ("Trigiant Technology"), an indirect wholly-owned subsidiary of the Company, ranked 31st in the 31st Session of Top 100 PRC Electronic Component Enterprises 2018 (中國電子元件百強企業).

Prospect and future plans

Research and develop 5G transmission solution products

With the rapid development of Internet technology, the world is gradually entering into the transition era from 4G to 5G. The government has vigorously promoted 5G construction to make pre-emptive moves in the market. The three major telecommunications operators in the PRC have announced the 5G schedule, with an expectation to achieve commercialisation in major cities in the Mainland PRC in the third quarter of 2019, and civilisation by 2020. In January 2019, the MIIT announced that the 5G temporary license will be issued during the year, which will enable large-scale networking access to some major cities and regions, and accelerate the industrialisation process and network construction of terminals. Operators have also speed up their 5G deployment. On 31 January 2019, China Mobile announced its plans to lease 500 5G base stations. The investment in 5G continued to increase in the market and is expected to become the themed investment development opportunity in the PRC throughout the year of 2019. The Group will closely monitor the latest developments in the industry to seize market opportunities, and will also accelerate the development of a series of 5G transmission solutions products and sensing products to catch up with the rapid development of the three major telecommunications operators. Adhering to its mission of providing quality products and services to customers, the Group is committed to providing customers with high-efficiency solutions.

Proactive expansion of the sensor and Internet of Things businesses

The sensor technology, together with the communication technology and the computer technology, are collectively referred to as the three pillars of the information industry, exhibited a remarkable high-tech development. The global sensor market in 2013 reached approximately US$105.5 billion. The market demand for sensors continues to grow and in 2017, the market size for sensors exceeded US$170 billion at a growth rate of 9.7% and such growth is expected to continue to rise in the next few years. China's 13th Five-Year Plan also listed advanced sensors as a strategic development focus. The "Three-Year Action Plan Guidelines for Smart Sensor Industry (2017-2019)" (《智能傳感器產業三年行動指南 (2017-2019年)》) announced by the MIIT promoted that intelligence application is the development objective and direction of the sensor industry, and proposed to accelerate the scale of intelligent application to the Internet of Things industry. As the market anticipates, China's sensor market size is expected to grow to RMB593.7 billion by 2021, and the average compound annual growth rate of China's sensor industry will be approximately 30% in the five years from 2017 to 2021, significantly outpacing the global average level.

As a leading Chinese high-tech enterprise, the Group has been proactively identifying investment opportunities in the mobile communication and telecommunication equipment market. In view of historical opportunities arising from the approaching 5G era and the development by China of its indigenously innovated network, Chinese enterprises are urgently required to master the core technologies and chip research for 5G equipment. In addition, the global optical device market will, driven by factors such as the application of cloud data centres, the scale deployment of passive fibre networks, the construction requirements of 5G wireless communication networks and the upgrade of MANs, continue to grow. In this context, it is expected that the sensor and Internet of Things businesses will usher in a new wave of development opportunities. As mentioned earlier, the Group has been aiming at the development direction of the communication industry to make full preparation and strategic arrangements for the industry, and has been investing in the Internet of Things technology industry and actively exploring business opportunities since 2010.

In July 2018, after communication with other shareholders and management of Jiangsu Trigiant Sensing Technology Co., Ltd.* (江蘇俊知傳感技術有限公司) ("Trigiant Sensing"), the Group acquired the 87.5% equity interest of Trigiant Sensing at a total consideration of approximately RMB243 million. Together with the 12.5% equity interest already held by the Group, Trigiant Sensing became an indirect wholly-owned subsidiary of the Group.

The major customers of Trigiant Sensing are the major telecommunications operators and equipment suppliers in China, and its products cover sensing and Internet of Things devices. Currently, Trigiant Sensing is actively preparing for the development of core technologies and chips. The Group believes that this acquisition represented an important step for the Group to enter the Internet of Things industry and the chip industry. The Group will invest more resources in the future to coordinate with relevant development plans by paying close attention to the development opportunities of emerging industries including the Internet of Things, industrial internet, artificial intelligence and smart home, as well as focusing on technological research and development. Besides constantly improving our technical and independent innovation capabilities, the Group will expand its product categories, thereby providing customers with a wider range of comprehensive technical products and services.

On 17 March 2019: (1) Trigiant Technology became a member unit involved in the establishment of the National Innovation Alliance of IoT and AI for Forestry Application (林業和草原物聯網與人工智能應用國家創新聯盟) ("Alliance") which is approved by National Forestry and Grassland Administration (國家林業和草原局) and led by the Research Institute of Forest Resources Information Technique (中國林業科學研究院資源信息研究所) ("Resources Institute") and Mr. Qian Lirong, executive Director and chairman of the Board, was elected as a vice chairman of the Alliance; and (2) Trigiant Technology entered into a strategic cooperation framework agreement ("Framework Agreement") with certain members of the Alliance, namely the Resources Institute and China Telecom Corporation Limited, Wuxi Branch* (中國電信股份有限公司無錫分公司).

With the establishment of the Alliance and the entering into of the Framework Agreement, the Group can engage in scientific research collaborations with various national scientific research institutions, universities, and high-tech enterprises focused on Internet of Things and artificial intelligence (AI) applications, allowing the Group to expedite the extensive application of Internet of Things and AI technologies, as well as to enhance the capability of the Company to research and develop the comprehensive technical solutions for the vertical areas during the 5G era. Looking into the 5G era, the forestry, transportation, electricity, energy, water conservation, smart manufacturing, and other areas will witness exponential growth in data and information connection, while high bandwidth, lower delay and localisation will play an important role in extending to edge computing used in the network edge. As a result, the construction of the 5G network edge cloud will represent the general model in vertical industrial applications. In response to the national development strategy, this collaboration will capture the development opportunities from the development of Internet of Things-powered forestry, and tap into the achievements made by national scientific research institutions/universities in the Internet of Things and AI field, so that the Group will further enhance its capability to integrate the advanced telecommunication technology with the latest application scenes and establish the benchmark of integrated solutions, which will lay a solid foundation for the future development of the Group.

Desirable development in overseas business expansion

In the era of Internet of Things, mobile communication infrastructure has become an urgent task for development in all countries of the world. In line with the overseas customers' demand for feeder cable, optical fibre cable and flame-retardant flexible cable products, the Group will continue to actively expand into overseas markets, especially countries along the belt and road under the "Belt and Road Strategy", including the countries in Middle East and Southeast Asia. During the Year, there was a great progress in the expansion of overseas business, with an increase of 73% to approximately RMB70.8 million in the results of Russia, South Korea, India and Thailand as a whole as compared to the corresponding period in last year. Looking forward to 2019, the Group will endeavour to explore the demand potential of the potential customers in Turkey, the Philippines, Malaysia and the Middle East. In addition, the Group will start to expand overseas channels through domestic agents with overseas trade strength. Also, the Group will actively participate in international exhibitions and visit overseas customers. It is expected that we will participate in international exhibitions in India, Spain, Philippines, Russia, Singapore, Dubai, Mexico and other international exhibitions in 2019, to enhance the Group's overseas reputation and explore more opportunities and new development.

FINANCIAL PERFORMANCE REVIEW

Turnover

Total turnover of the Group increased by approximately RMB268.4 million, or approximately 8.4%, from approximately RMB3,200.8 million in 2017 to approximately RMB3,469.2 million in 2018. The increase in turnover was mainly contributed by increase in the turnover of feeder cable series, optical fibre cable series and related products and flame-retardant flexible cable series products of approximately RMB102.1 million, RMB66.5 million and RMB62.0 million respectively. The increase in turnover of feeder cable series and optical fibre cable series and related products was due to increase in demand for wide coverage and deep coverage of national mobile communications, which increased the indoor coverage, rail coverage and micro base station investment. The increase in turnover of flame-retardant flexible cable series were due to increase in demand in existing customers and due to successful bidding for a key customer, China Mobile.

Overall sales to the three major telecommunications operators in the PRC increased by approximately RMB176.7 million from approximately RMB2,953.8 million in 2017 to approximately RMB3,130.5 million in 2018.

Cost of goods sold

Cost of goods sold increased by approximately RMB223.7 million, or approximately 8.7%, from approximately RMB2,573.2 million in 2017 to approximately RMB2,796.9 million in 2018. The cost of materials consumed remained the major components of cost of goods sold and accounted for approximately 96.4% of the total cost of goods sold in both 2017 and 2018. The increase in cost of goods sold was in line with the increase in turnover in 2018.

Gross profit and gross profit margin

Gross profit increased by approximately RMB44.8 million, or approximately 7.1%, from approximately RMB627.6 million in 2017 to approximately RMB672.4 million in 2018. Such increase was mainly attributable to the increase in sales volume and thus increase in gross profit. The overall gross profit margin was approximately 19.4% in 2018, representing a slight decrease of approximately 0.2 percentage point as compared with 2017.

Other income

Other income increased by approximately RMB11.4 million, or approximately 42.9%, from approximately RMB26.6 million in 2017 to approximately RMB38.0 million in 2018. Such increase was primarily due to the substantial increase in interest income of approximately RMB7.7 million.

Impairment losses

Impairment losses represented impairment losses on trade receivables, which decreased by approximately RMB29.2 million, or approximately 32.8% from a loss of approximately RMB89.1 million in 2017 to a loss of approximately RMB59.9 million in 2018.

Other gains and losses

The Group recorded other losses of approximately RMB4.6 million in 2018 as compared to other gains of approximately RMB6.0 million in 2017, mainly attributable to an exchange gain of approximately RMB5.3 million in recorded 2017 as compared to an exchange loss of approximately RMB4.6 million in recorded 2018.

Selling and distribution costs

Selling and distribution costs increased by approximately RMB0.4 million, or approximately 0.7%, from approximately RMB54.7 million in 2017 to approximately RMB55.1 million in 2018. Such increase was mainly due to the increase in relevant consumable expenses as a result of increase in turnover.

Administrative expenses

Administrative expenses decreased by approximately RMB5.4 million, or approximately 10.2%, from approximately RMB52.7 million in 2017 to approximately RMB47.3 million in 2018. Such decrease was primarily due to decrease in staff cost and legal and professional expenses.

Research and development costs

Research and development costs increased by approximately RMB2.5 million, or approximately 4.5%, from approximately RMB55.8 million in 2017 to approximately RMB58.3 million in 2018. Such increase was attributable to increase in the development of new telecommunication products to meet customers' needs.

Finance costs

Finance costs increased by approximately RMB17.1 million, or approximately 30.3%, from approximately RMB56.5 million in 2017 to approximately RMB73.6 million in 2018. Such increase was mainly attributable to increase in average bank borrowings balances in 2018.

Taxation

Taxation charge increased by approximately RMB6.8 million, or approximately 11.5%, from approximately RMB59.3 million in 2017 to approximately RMB66.1 million in 2018. The Group's Enterprise Income Tax arises from its principal subsidiaries in the PRC, which enjoy a reduced Enterprise Income Tax rate of 15% as they are qualified as an Advanced Technology Enterprise. The increase in taxation charge in 2018 was primarily attributable to increase in taxable profit of the Group.

Profit for the year

The profit for the year attributable to owners of the Company increased by approximately RMB68.4 million, or approximately 24.7%, from approximately RMB277.1 million in 2017 to approximately RMB345.5 million in 2018. The net profit margin increased by 1.3 percentage points from approximately 8.7% in 2017 to approximately 10.0% in 2018.

Liquidity, financial resources and capital structure

During the year, the operation of the Group was generally financed through a combination of internally generated cash flows and bank borrowings. In the long term, the operation of the Group will be funded by internally generated cash flow and, if necessary, additional equity financing and bank borrowings.

The following table summarises the cash flows for the two years ended 31 December 2017 and 2018:

	2018	2017
	RMB'000	*RMB'000*
Net cash generated from (used in) operating activities	**42,185**	(94,588)
Net cash (used in) generated from investing activities	**(117,618)**	153,900
Net cash generated from (used in) financing activities	**111,298**	(61,237)

As at 31 December 2018, the Group had bank balances and cash and pledged bank deposits of approximately RMB786.3 million and the majority of which were denominated in RMB. As at 31 December 2018, the Group had total bank borrowings of approximately RMB1,725.2 million which were repayable within one year. As at 31 December 2018, approximately RMB522.0 million of the total bank borrowings were fixed rate borrowings and approximately RMB1,203.2 million were variable rate borrowings. As at 31 December 2018, bank borrowings of approximately RMB1,620.5 million were denominated in RMB and approximately RMB104.7 million were denominated in Hong Kong dollars.

In 2018, the majority of the Group's transactions were denominated in RMB except for the bank borrowings denominated in Hong Kong dollars and the Group did not enter into any financial instrument for hedging foreign currency exposure. The Group currently does not have any foreign currencies hedging instrument but will consider hedging its foreign currency exposure should the need arise.

Gearing ratio

Gearing ratio of the Group, calculated as total bank borrowings net of pledged bank deposits and bank balances and cash divided by total equity, increased from approximately 23.0% as at 31 December 2017 to approximately 29.2% as at 31 December 2018. Such increase was primarily due to increase in bank borrowings balance of approximately RMB258.5 million as at 31 December 2018.

Pledge of assets

As at 31 December 2018, the Group pledged bank deposits of approximately RMB295.2 million (2017: RMB337.9 million) to secure certain credit facilities granted to the Group.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2018.

Employee information

As at 31 December 2018, the Group had a total of 961 full time employees (2017: 904). In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staff and functional heads are being reviewed on a yearly basis. In addition to basic salary, performance related salary may also be awarded to employees based on internal performance evaluation. Moreover, the Company adopted a share option scheme in May 2014 which allows the Company to grant share options to, among other persons, Directors and employees of the Group in order to retain elite personnel to stay with the Group and to provide incentives for their contribution to the Group.

The Group also invests in continuing education and training programmes for management staff and other employees with a view to upgrading their skills and knowledge. These training courses comprise internal courses run by the management of the Group and external courses provided by professional trainers and range from technical training for production staff to financial and administrative training for management staff.

INVESTMENT IN INVESTMENT PRODUCTS

The Group held unlisted investment products in an aggregate principal amount of RMB175 million ("Investment Products") issued by several banks in the PRC with the anticipated (but not guaranteed) annual rates of return from 4.3% to 5.1% (2017: 5.1% to 5.2%). The investment scope of the Investment Products principally include investments in bank deposits, listed and private debt equities, money market bonds, bond market funds trust plans, asset-backed securities, and other fixed income in asset nature.

The purchases of the Investment Products were funded by internal resources of the Group and with an intent to maximising the use of its funds with satisfactory return. The Directors believed that such investments can increase the rate of return of its working capital and therefore improve both the investment income and the profits of the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES OR ASSOCIATED COMPANIES

On 24 July 2018, Trigiant Holdings Limited ("Purchaser"), a wholly-owned subsidiary of the Company as purchaser, Radiant Choice Limited ("Vendor") as vendor, and the two ultimate beneficial owners of the Vendor as guarantors, each being an independent third party, entered into a sale and purchase agreement whereby the Purchaser has conditionally agreed to purchase ("Acquisition"), and the Vendor has conditionally agreed to sell, the entire issued share capital of Rosy Elite Limited ("Target") at an aggregate consideration of RMB243,250,000 (equivalent to approximately HK$286,176,000). The Target is an investment holding company incorporated in the BVI with limited liability whose principal asset is its indirect 87.5% equity interest in Trigiant Sensing, a limited liability company incorporated in the PRC principally engaged in the research, development, manufacture and sales of radio frequency identification system, new electronic components, optoelectronic integrated components, optoelectronic integrated subsystems, microelectronic devices, sensor, micro smart label products and chips.

The consideration for the Acquisition of RMB243,250,000 was settled as to RMB124,325,000 by cash and as to RMB118,925,000 by issue of a promissory note by the Company of a principal amount of RMB118,925,000 at an interest of 10% per annum payable on the maturity date of the promissory note of 31 December 2019 or upon early repayment. Completion of the Acquisition took place on 31 July 2018 whereupon each of the Target and its subsidiaries has become a wholly-owned subsidiary of the Company and the financial results of which have been consolidated with the results of the Group. As at 31 December 2018, the principal amount of the promissory note amounted to RMB80 million and as at the date of this announcement, all amount due under the promissory note has been settled in full.

According to the terms of the sale and purchase agreement for the Acquisition, the Vendor and the guarantors have guaranteed ("Profit Guarantee") to the Purchaser that the audited net profit of Trigiant Sensing for the financial year ended 31 December 2018 shall not be less than RMB20,000,000. Based on the latest management accounts of Trigiant Sensing for the financial year ended 31 December 2018, such Profit Guarantee is expected to have been met.

Save as disclosed above, during the year ended 31 December 2018, the Group had no material acquisition or disposal of subsidiaries or associated companies. In addition, the Group had no significant investments held during the year ended 31 December 2018.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK2.3 cents per share for the year ended 31 December 2018 (2017: HK2.1 cents) to the shareholders whose names appear on the register of members of the Company on 5 July 2019. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company, the final dividend is expected to be payable on or about 26 July 2019.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company ("AGM") is scheduled to be held on 20 May 2019. To ascertain the shareholders' entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 14 May 2019 to Monday, 20 May 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer of shares accompanied by the relevant shares certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 10 May 2019 (Hong Kong time).

To ascertain the entitlement to the proposed final dividend for the year ended 31 December 2018, the register of members of the Company will be closed from Tuesday, 2 July 2019 to Friday, 5 July 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the year ended 31 December 2018, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 28 June 2019 (Hong Kong time).

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules as its code of corporate governance.

The Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code during the year ended 31 December 2018 and the Directors will use their best endeavours to procure the Company to comply with such code and make disclosure of deviation from such code in accordance with the Listing Rules.

AUDIT COMMITTEE

An audit committee of the Board ("Audit Committee") has been established with written terms of reference to, among other matters, review and supervise the financial reporting process and internal control and risk management systems of the Group. The Audit Committee comprises all the independent non-executive Directors, namely Mr. Chan Fan Shing, Professor Jin Xiaofeng, Ms. Jia Lina and Mr. Chan Fan Shing is the chairman of the Audit Committee. The annual results of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee.

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 has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code for the year ended 31 December 2018.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.trigiant.com.hk**). The annual report for the year ended 31 December 2018 of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Trigiant Group Limited
Qian Lirong
Chairman

Hong Kong, 25 March 2019

As at the date of this announcement, the Board comprises the following members:

Executive Directors:	Mr. Qian Lirong *(Chairman)* Mr. Jiang Wei *(Group chief executive officer)*
Non-executive Director:	Dr. Fung Kwan Hung
Independent non-executive Directors:	Professor Jin Xiaofeng Mr. Chan Fan Shing Ms. Jia Lina
Alternate Director to Mr. Qian Lirong:	Mr. Qian Chenhui