SEEC MEDIA GROUP LIMITED

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

(Stock Code: 205)

ANNOUNCEMENT OF UNAUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

For the reasons explained below under "Review of Unaudited Annual Results", the auditing process for the annual results of SEEC Media Group Limited (the "Company") and its subsidiaries (collectively, the "Group") has not been completed. In the meantime, the board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2019 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** **HK$'000** **(Unaudited)**	2018 *HK$'000* (Audited) *(Note (a))*
Revenue	*3*	**87,223**	180,413
Cost of sales		**(36,435)**	(92,394)
Gross profit		**50,788**	88,019
Other income		**1,182**	2,661
Unrealised fair value losses on held-for-trading investments		**(8,960)**	(22,322)
Realised gains on held-for-trading investments		**–**	1,856
Other gains and losses		**5,847**	14,580
Selling and distribution costs		**(18,129)**	(98,518)
Administrative expenses		**(96,678)**	(93,353)
Share of (loss)/profit of a joint venture		**(14,038)**	1,242
Share of loss of an associate		**(21,455)**	(18,627)
Reversal of impairment loss on interest in an associate		**14,443**	–
Impairment loss on goodwill		**(11,128)**	–
Finance costs	*5*	**(2,061)**	(1,817)
Loss before taxation	*6*	**(100,189)**	(126,279)
Taxation	*7*	**807**	1,277
Loss for the year		**(99,382)**	(125,002)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
For the year ended 31 December 2019

	Notes	**2019**	2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
			(Note (a))
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(4,129)**	(8,575)
Share of exchange differences of a joint venture		**(619)**	(1,951)
Fair value change on investment in equity instrument at fair value through other comprehensive income		**4,203**	(17,500)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive (expense)/income of an associate		**(228)**	667
		(773)	(27,359)
Total comprehensive expense for the year		**(100,155)**	(152,361)
Loss for the year attributable to:			
Owners of the Company		**(98,686)**	(125,077)
Non-controlling interests		**(696)**	75
		(99,382)	(125,002)
Total comprehensive expense attributable to:			
Owners of the Company		**(103,501)**	(152,758)
Non-controlling interests		**3,346**	397
		(100,155)	(152,361)
Loss per share *(HK cents)*	*8*		
Basic		**(1.55)**	(1.96)
Diluted		**(1.55)**	(1.96)

Note:

(a) The Group has initially applied HKFRS 16 at 1 January 2019. Under the transition method chosen, comparative information in the consolidated statement of profit or loss and other comprehensive income is not restated. Details of changes in accounting policy are disclosed in note 2 to this financial information.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2019

	Notes	2019 HK$'000 (Unaudited)	2018 HK$'000 (Audited) (Note (b))
Non-current assets			
Property, plant and equipment		**5,336**	6,208
Other intangible assets		**21,910**	47,888
Goodwill		**11,551**	22,928
Interests in a joint venture		**26,153**	40,810
Interest in an associate		**37,800**	45,040
Investment in equity instrument at fair value through other comprehensive income		**13,703**	9,500
Amount due from a joint venture		**4,941**	8,996
Deposits paid		**–**	24,000
Right-of-use assets		**4,138**	–
		125,532	205,370
Current assets			
Accounts receivable	*10*	**150,349**	198,064
Loan receivables	*11*	**197,290**	167,739
Amounts due from related companies		**18,461**	14,645
Other receivables, deposits and prepayments		**57,953**	42,046
Held-for-trading investments		**17,307**	26,253
Bank balances (trust and segregated accounts)		**12,508**	29,485
Bank balances (general accounts) and cash and cash equivalents		**73,442**	75,765
		527,310	553,997
Current liabilities			
Accounts payable	*12*	**26,287**	26,432
Other payables and accruals		**122,669**	112,989
Amount due to a joint venture		**7,359**	6,387
Amounts due to related companies		**37,984**	61,653
Borrowings	*13*	**23,536**	23,710
Tax payable		**15,024**	14,975
Lease liabilities		**3,495**	–
		236,354	246,146

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
At 31 December 2019

	Notes	**2019** **HK$'000** **(Unaudited)**	2018 *HK$'000* (Audited) *(Note (b))*
Net current assets		**290,956**	307,851
Total assets less current liabilities		**416,488**	513,221
Non-current liabilities			
Deferred tax liabilities		**3,551**	4,735
Lease liabilities		**401**	–
		3,952	4,735
Net assets		**412,536**	508,486
Capital and reserves			
Share capital		**637,354**	637,354
Reserves		**(237,066)**	(137,770)
Equity attributable to owners of the Company		**400,288**	499,584
Non-controlling interests		**12,248**	8,902
Total equity		**412,536**	508,486

Note:

(b) The Group has initially applied HKFRS 16 at 1 January 2019. Under the transition method chosen, comparative information in the consolidated statement of financial position is not restated. Details of changes in accounting policy are disclosed in note 2 to this financial information.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL

SEEC Media Group Limited (the "Company") is incorporated as an exempted company with limited liability in the Cayman Islands and continued in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The change of domicile of the Company from the Cayman Islands to Bermuda was effective on 26 October 2015. The address of the registered office and principal place of business of the Company are disclosed "Corporate Information" section to the annual report.

The Company acts as investment holding company and it subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of advertising agency services, distribution of books and magazines, provision of e-commerce platform services and sales of related goods, securities broking business and money lending business in the People's Republic of China ("PRC") and in Hong Kong.

The functional currency of the Company and respective group entities is Renminbi ("RMB"), the currency of the primary economic environment in which the Company together with its subsidiaries operate. For the purpose of the consolidated financial statements and conveniences of the financial statements users, the results and financial position of the Group are presented in Hong Kong dollars ("HK$").

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

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.

Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK$3,055,000 and right-of-use assets of approximately HK$3,055,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 3.79% – 7.73%.

	Note	*HK$'000* (Unaudited)
Operating lease commitments disclosed as at 31 December 2018		9,712
Less: Recognition exemption – short-term leases		(4,045)
		5,667
Lease liabilities at 1 January 2019 discounted at relevant incremental borrowing rates		3,055
Analysed as		
Current		1,658
Non-current		1,397
		3,055

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	3,055
By class	
Leasehold properties	3,055

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	**Carrying amount previously reported at 31 December 2018**	**Adjustments**	**Carrying amount under HKFRS 16 at 1 January 2019**
		HK$'000	*HK$'000*	*HK$'000*
Non-current assets				
Right-of-use assets		–	3,055	3,055
Current liabilities				
Lease liabilities		–	1,658	1,658
Non-current liabilities				
Lease liabilities		–	1,397	1,397

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

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

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 3	Definition of Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021

2 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

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the amendments to references to the Conceptual Framework in HKFRS Standards, will be effective for annual periods, beginning on or after 1 January 2020.

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

Amendments to HKFRS 3 *Definition of a Business*

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and

- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of "obscuring" material information in which the effect is similar to omitting or misstating the information;

- replace threshold for materiality influencing users from "could influence" to "could reasonably be expected to influence"; and

- include the use of the phrase "primary users" rather than simply referring to "users" which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;

- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;

- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;

- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and

- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. REVENUE

Revenue represents the gross invoiced value of advertising services, sales of books and magazines, commission and brokerage income arising from securities broking services, e-commerce platform services income, interest income arising from securities broking business, interest income from loan receivables and gross invoiced value of sales of high-tech products. An analysis of the Group's revenue is as follows:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Revenue from contracts with customers within the scope of HKFRS 15:		
Advertising services income	**42,559**	130,067
Sales of books and magazines	**164**	5,322
Commission and brokerage income	**273**	745
E-commerce platform services income	**5,904**	5,859
Sales of high-tech products	**10,226**	9,435
	59,126	151,428
Revenue from other sources:		
Interest income arising from securities broking business	**13,093**	15,048
Interest income from loan receivables	**15,004**	13,937
	28,097	28,985
	87,223	180,413

4. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision makers, for the purposes of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams. The Group has five operating and reporting segments during the year (2018: five) which are as follows: (a) advertising services income from provision of advertising services; (b) sales of books and magazines; (c) provision of securities broking services including brokerage, financing and underwriting and placement; (d) provision of e-commerce platform services and sales of related goods; and (e) money lending.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment result represents the profit or loss earned by each segment without allocation of unallocated administration expenses, depreciation of property, plant and equipment, amortisation of other intangible assets, other income, other gains and losses, share of (loss)/profit of a joint venture, share of loss of an associate, unrealised fair value changes on held-for-trading investments, realised gains/(losses) on held-for-trading investment and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment. Furthermore, as the assets and liabilities for reportable segments are not provided to the chief operating decision makers for the purposes of resources allocation and performance assessment, no segment assets and liabilities are presented accordingly.

Segment revenues and results

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

For the year ended 31 December 2019

	Provision of advertising services *HK$'000* (Unaudited)	Sales of books and magazines *HK$'000* (Unaudited)	Provision of securities broking services *HK$'000* (Unaudited)	Provision of e-commerce platform services and sales of related goods *HK$'000* (Unaudited)	Money lending *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Revenue						
External sales	**42,559**	**164**	**13,366**	**16,130**	**15,004**	**87,223**
Result						
Segment (loss)/profit	**(1,877)**	**(1,160)**	**(6,879)**	**2,062**	**14,807**	**6,953**
Other income						**1,182**
Unrealised fair value losses on held-for-trading investments						**(8,960)**
Other gains and losses						**5,847**
Unallocated administration expenses						**(53,293)**
Amortisation of other intangible assets						**(17,390)**
Depreciation of property, plant and equipment						**(289)**
Share of loss of a joint venture						**(14,038)**
Share of loss of an associate						**(21,455)**
Reversal of impairment loss on interest in an associate						**14,443**
Impairment loss on goodwill						**(11,128)**
Finance costs						**(2,061)**
Loss before taxation						**(100,189)**

For the year ended 31 December 2018

	Provision of advertising services *HK$'000* (Audited)	Sales of books and magazines *HK$'000* (Audited)	Provision of securities broking services *HK$'000* (Audited)	Provision of e-commerce platform services and sales of related goods *HK$'000* (Audited)	Money lending *HK$'000* (Audited)	Consolidated *HK$'000* (Audited)
Revenue						
External sales	130,067	5,322	15,793	15,294	13,937	180,413
Result						
Segment (loss)/profit	(43,559)	118	(6,716)	5,330	13,937	(30,890)
Other income						2,661
Unrealised fair value losses on held-for-trading investments						(22,322)
Realised gains on held-for-trading investments						1,856
Other gains and losses						14,580
Unallocated administration expenses						(49,525)
Amortisation of other intangible assets						(19,042)
Depreciation of property, plant and equipment						(4,395)
Share of profit of a joint venture						1,242
Share of loss of an associate						(18,627)
Finance costs						(1,817)
Loss before taxation						(126,279)

Geographical information

The Group's operations are located in the PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets *(Note)***	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
PRC	**58,853**	150,683	**38,014**	76,363
Hong Kong	**28,370**	29,730	**5,921**	661
	87,223	180,413	**42,935**	77,024

Note: Non-current assets excluded interests in a joint venture, investment in equity instrument at fair value through other comprehensive income, interest in an associate, amount due from a joint venture, loan receivables and deposits paid.

Information about major customers

There is no customer from either provision of advertising services, sales of books and magazines, provision of securities broking services, provision of e-commerce platform services and sale of related goods or money lending segment which contributed over 10% of the total revenue of the Group.

5. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interest on borrowings wholly repayable within five years	**1,826**	1,817
Interest on lease liabilities	**235**	–
	2,061	1,817

6. LOSS BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	**850**	850
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	**19,235**	58,178
Contributions to retirement benefits schemes	**2,903**	6,164
Employee share option benefits	**4,206**	–
	26,344	64,342
Depreciation of property, plant and equipment	**2,578**	4,395
Depreciation of right-of-use assets	**3,361**	–
Amortisation of other intangible assets	**17,390**	19,043
Total depreciation and amortisation	**23,329**	23,437
Minimum lease payments under operating lease in respect of rented premises	**–**	12,467
Short-term lease payments	**4,045**	–

7. TAXATION

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%.

Accordingly, starting from the current year, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for both years.

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current taxation		
– PRC Enterprise Income Tax	**–**	–
– Hong Kong Profits Tax	**290**	–
Deferred taxation	**(1,097)**	(1,277)
	807	(1,277)

8. LOSS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss		
Loss for the purposes of basic and diluted loss per ordinary share being loss for the year attributable to owners of the Company	**(98,686)**	(125,077)

	2019	2018
	(Unaudited)	(Audited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**6,373,545,516**	6,373,545,516

The computation of diluted loss per share for both years does not assume the exercise of outstanding share options of the Company since their assumed exercise, which would result in a decrease in loss per share, is anti-dilutive.

9. DIVIDEND

No dividend was paid or proposed for both years nor has any dividend been proposed since the end of the reporting period.

10. ACCOUNTS RECEIVABLE

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Accounts receivables arising from the business of provision of advertising agency services and sales of books and magazines	**14,517**	33,920
– less: allowance for expected credit loss ("ECL")	**(4,171)**	(8,847)
	10,346	25,073
Accounts receivable arising from the business of dealing in securities:		
– Cash client	**161,501**	174,275
– less: allowance for ECL	**(30,158)**	(11,065)
	131,343	163,210
Accounts receivable arising from the business of e-commerce platform services and sales of related goods	**11,303**	10,030
– less: allowance for ECL	**(2,643)**	(249)
	8,660	9,781
	150,349	198,064

Provision of advertising agency services and sales of books and magazines

Credit period granted by the Group to customers for both provision of advertising agency services and sales of books and magazines are not more than three months from the date of recognition of the sale.

The aging analysis of the Group's accounts receivable arising from the provision of advertising agency services and sales of books and magazines net of allowance for doubtful debts, presented based on date of magazines issued, which approximate the date of revenue recognition is as follows:

	2019		2018	
	HK$'000	*%*	*HK$'000*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Less than three months	**6,600**	**64**	14,097	56
Three months to six months	**1,902**	**18**	4,033	16
Over six months to one year	**1,844**	**18**	6,943	28
	10,346	**100**	25,073	100

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly. Management considers the customers neither past due nor impaired are of good credit quality based on repayment history of respective customers.

Movement in the allowance for doubtful debts

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Balance at beginning of the year	**8,847**	11,345
Impact on initial application of HKFRS 9	**–**	1,328
Impairment losses recognised on accounts receivable	**264**	516
Amounts recovered during the year	**(3,290)**	(3,246)
Amounts written off as uncollectible	**(1,474)**	(529)
Exchange realignment	**(176)**	(567)
Balance at end of the year	**4,171**	8,847

In determining the recoverability of accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Business of dealing in securities

The credit period for the business of dealing in securities with the settlement terms of cash clients are usually one to two days after the trade date.

The Group seeks to maintain tight control over its outstanding accounts receivable of securities broking business in order to minimise credit risk. Outstanding balances are regularly monitored by management. The management ensures that the listed equity securities belonged to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

The receivables of cash client are repayable on demand subsequent to settlement date and carry interest at Hong Kong Prime rate plus 3% per annum.

Movement in the allowance for doubtful debts

	2019 ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Audited)
Balance at beginning of the year	**11,065**	–
Impact on initial application of HKFRS 9	**–**	11,530
Impairment losses recognised on accounts receivable	**20,629**	–
Amounts recovered during the year	**(1,536)**	(465)
Balance at end of the year	**30,158**	11,065

Provision of e-commerce platform services and sales of related goods

The aging analysis of the Group's accounts receivable arising from the provision of e-commerce platform services and sales of related goods, presented based on date of service provided and the goods sold, which approximate the date of revenue recognition is as follows:

	2019 ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Audited)
Less than three months	**2,969**	3,159
Three months to six months	**1,994**	4,212
Over six months to one year	**2,500**	2,410
Over one year	**1,197**	–
	8,660	9,781

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly.

Movement in the allowance for doubtful debts

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Balance at beginning of the year	**249**	–
Impact on initial application of HKFRS 9	**–**	372
Impairment losses recognised on accounts receivable	**2,537**	–
Amounts recovered during the year	**(105)**	(146)
Exchange realignment	**(38)**	23
Balance at end of the year	**2,643**	249

11. LOAN RECEIVABLES

Loan receivables carried fixed interest rates ranging from 8% to 10% and will be repaid in accordance with the terms of the loan agreements.

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Loan receivables	**214,130**	179,126
– less: allowance for ECL	**(16,840)**	(11,387)
	197,290	167,739

Loan receivables are analysed by the remaining period to contractual maturity date as follows:

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Overdue	**21,540**	22,441
Less than three months	**18,964**	145,298
Three months to six months	**58,625**	–
Over six months to one year	**98,161**	–
	197,290	167,739

Movement in the allowance for ECL

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Balance at beginning of the year	**11,387**	–
Impact on initial application of HKFRS 9	**–**	11,030
Impairment losses recognised on loan receivables	**10,895**	357
Amounts recovered during the year	**(5,442)**	–
Balance at end of the year	**16,840**	11,387

12. ACCOUNTS PAYABLE

	2019 *HK$'000* (Unaudited)	2018 *HK$'000* (Audited)
Accounts payable arising from the provision of advertising agency service and sales of books and magazines	**8,809**	7,844
Accounts payable arising from the securities broking business – Cash clients	**12,508**	14,452
Accounts payable arising from the provision of e-commerce platform service and sales of related goods	**4,970**	4,136
	26,287	26,432

The aging analysis of the Group's accounts payable arising from the provision of advertising agency services and sales of books and magazines presented based on the invoice date at the end of the reporting period is as follows:

	2019		2018	
	HK$'000 (Unaudited)	*%* (Unaudited)	*HK$'000* (Audited)	*%* (Audited)
Less than three months	**1,178**	**13**	3,129	40
Three months to six months	**2,084**	**24**	359	5
Over six months to one year	**540**	**6**	1,270	16
Over one year	**5,007**	**57**	3,086	39
	8,809	**100**	7,844	100

The average credit period granted by accounts payable is 42 days (2018: 42 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Note: The balance of accounts payable arising from the securities broking business are repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of this business.

The aging analysis of the Group's accounts payable arising from the provision of e-commerce platform services and sales of related goods presented based on the invoice date at the end of the reporting period is as follows:

	2019		2018	
	HK$'000	***%***	*HK$'000*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Less than three months	**1,363**	**27**	1,815	44
Three months to six months	**3,607**	**73**	2,321	56
	4,970	**100**	4,136	100

The average credit period granted by accounts payable is 61 days (2018: 61 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

13. BORROWINGS

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Margin payables	**23,536**	23,710

As at 31 December 2019, margin financing from a regulated securities broker was granted to the Group which were secured by the Group's held-for-trading investments. Amount of margin payables of approximately HK$23,536,000 (2018: approximately HK$23,710,000) as at 31 December 2019 had been utilised against these facilities and the total carrying amount of the held-for-trading investments charged to the securities broker was approximately HK$16,946,000 (2018: approximately HK$25,735,000).

14. EVENTS AFTER THE REPORTING DATE

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impact on the global business environment. Pending the development and spread of COVID-19 subsequent to the date of this announcement, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this announcement. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group. Other than that, no significant event which needs to be disclosed has taken place after 31 December 2019 and up to the date of this announcement.

BUSINESS REVIEW

Advertising and Sales of Books and Magazines

Revenue derived from the business of advertising and sales of books and magazines was continuous to be one of the major sources of income to the Group. However, due to the negative impact on global economy caused by the trade war between the US and China and the rapid development of the internet economy in China over the past few years, the Group's print media advertising business faced difficult and challenging business environment in the year 2019. As a result, the development of the print media in China, as well as the Group's revenue derived from the print media business, were adversely affected.

The revenue derived from the provision of advertising services for the current year was approximately HK$42.6 million, representing approximately 48.8% of the total revenue. The revenue derived from sales of books and magazines for the current year was approximately HK$0.2 million, representing approximately 0.2% of the total revenue.

Securities Broking

The Group was granted by the Securities and Futures Commission a license to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO"). By carrying out the securities broking business, it is expected that the Group can be benefited from diversifying its business portfolio.

The Group provides brokerage services for clients in respect of securities listed on the Stock Exchange of Hong Kong Limited. Since the commencement of the securities broking business, the Group endeavored to provide brokerage services for the clients, as well as participate in equity fund raising transactions for Hong Kong listed companies, including placing, underwriting and initial public offering. For the year ended 31 December 2019, the commission and brokerage income and the interest income derived from the securities broking business amounted to approximately HK$13.4 million in total, representing approximately 15.3% of the total revenue of the Group. In the year 2019, months of large-scale protests and the unstable political environment as a result of the extradition bill hit the sentiment in capital market and in different economic sectors. Investors were more cautions of the future economic outlook and may then affect the fund raising plans of certain existing or potential listed issuers in Hong Kong.

Money Lending

In order to strengthen the flexibility of the Group so that it is able to react to the changing market situation promptly, the Group also provides diversified financial services to its clients through developing money lending services. It is believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. The Group carries on the money lending business through an indirect non-wholly owned subsidiary of the Company, which is a licensed money lender under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong). For the year ended 31 December 2019, the interest income from loan receivables arising from the money lending business amounted to approximately HK$15.0 million, representing approximately 17.2% of the total revenue of the Group.

E-commerce

Since 2016, the Group started engaging in the provision of services and sales of goods in relation to e-commerce platforms. For the year ended 31 December 2019, the revenue contributed by the provision of e-commerce platform services and sales of related goods was approximately HK$16.1 million, representing approximately 18.5% of the total revenue of the Group.

OUTLOOK AND PROSPECT

The relevant policies and arrangements under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area make Hong Kong more competitive in attracting foreign investments. Nevertheless, investors' negative sentiment and concerns over the economic outlook caused by the China-US trade war had made the global stock market even more volatile. The market is still concerning the uncertainties on whether the two countries can work out an agreement to settle the trade conflicts. Moreover, the unstable political environment in Hong Kong in 2019 and the outbreak and spread of the Coronavirus Disease 2019 ("COVID-19") in early 2020 caused shrinkage to the economic activities and the business environment. These may lead to uncertainties and potential risks to the business operation of the Group in the future.

Looking forward, it is expected that the equity fund raising market and the financial activities in Hong Kong will remain stable in long-term. The Group will continue its effort to develop and strengthen its own financial business. Yet, the Group will closely monitor the performance, development and potential business risks of the financial business and identify the most suitable diversification of the Group's portfolio of businesses.

The Group will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to the Group and maximize the shareholders' value.

USE OF PROCEEDS

On 9 September 2015, the Company proposed to raise gross proceeds of up to approximately HK$531.13 million, before expenses, by way of an open offer of 5,311,287,930 ordinary shares of HK$0.10 each to the qualifying shareholders at a subscription price of HK$0.10 per offer share, on the basis of five offer shares for every one existing shares held on the record date (the "Open Offer"). On 29 December 2015, 5,311,287,930 offer shares were allotted and issued pursuant to the Open Offer. The net proceeds for the Open Offer were approximately HK$518.27 million.

For the details of the Open Offer, please refer to the announcements of the Company dated 19 August 2015, 9 September 2015, 23 November 2015 and 28 December 2015, the circular of the Company dated 4 November 2015 and the prospectus of the Company dated 4 December 2015 (the "Prospectus").

On 22 June 2016, the Company announced that the use of the unutilized net proceeds of approximately HK$72 million been changed from original allocation as for the operation and development of the e-commerce platform to the revised allocation as for the acquisition of companies engaged in the development and operation of e-commerce platform.

On 8 July 2016, the Company announced that the use of part of the unutilized net proceeds of approximately HK$100 million been changed from original allocation as for the set-up and operation of a company licensed under the SFO (the "Type 1 Company") to conduct Type 1 (dealing in securities) regulated activity under the SFO to the revised allocation as for the operation and development of money lending business.

The Board from time to time reviews the business operation of the Type 1 Company and assesses the existing placements and underwriting activities involved, the potential business opportunities from its clients, and the condition of equity fund raising market in Hong Kong.

The Board noted that the equity fund raising market condition in Hong Kong for the first half of 2016 was less active and far below from the Company's expectation as at the date of the Prospectus. Since the commencement of business, the Group used its best endeavored to look for potential placing and underwriting business opportunities from its clients and potential clients. Nevertheless, in the first half of 2016, the Type 1 Company had only acted as the underwriter/sub-underwriter for two of its clients. During this period of time, apart from the two underwriting activities, no other underwriting activity from the clients or other potential clients could be identified by the Type 1 Company. On the other hand, during the first half of 2016, the liquid capital of the Type 1 Company was sufficient to comply with relevant requirement in accordance with the Securities and Futures (Financial Resources) Rules (Chapter 571N, Laws of Hong Kong) (the "FRR Rules").

In view of these, the Board considered that, after the change in use of proceeds as announced on 8 July 2016, there are still sufficient financial resources for the Type 1 Company to operate and comply with the liquid capital requirement under the FRR Rules in the foreseeable future. Moreover, it was believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. Accordingly, the Board considers that the change in use of proceeds is fair and reasonable and in the best interests of the Company and its shareholders as a whole.

For the details of the change in use of proceeds from the Open Offer, please refer to the announcements of the Company dated 22 June 2016 and 8 July 2016 (the "Announcements").

The information on the use of proceeds from the Open Offer is tabled as follows:

	Intended use of proceeds as stated in the Prospectus and the Announcements *HK$'000*	**Actual use of proceeds as at the date of this announcement** *HK$'000*	**Unutilised balance** *HK$'000*	**Details**
Set-up and operation of the Type 1 Company	265,000	265,000	–	Used as intended
Set-up and operation of companies licensed under the SFO to conduct Type 4, Type 6 and Type 9 regulated activities under the SFO	30,000	–	30,000	–
Acquisition of companies engaged in the development and operation of e-commerce platform	124,000	123,180	820	Used as intended
Operation and development of money lending business	100,000	100,000	–	Used as intended
	519,000	488,180	30,820	

The Board expected that the unutilised balance will be used as intended.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 December 2019, the aggregated revenue of the Group deriving from the provision of advertising agency services and sales of books and magazines was approximately HK$42.7 million, representing a decrease of approximately 68.4% as compared with that of approximately HK$135.4 million for the year ended 31 December 2018. The decrease in revenue was mainly attributable to the weak performance of the Group's advertising business as a result of the severe industry and operating environment in the print media advertising business in China and the instability of economic environment caused by the China-US trade war.

For the year ended 31 December 2019, the revenue of the Group deriving from the securities broking business, the e-commerce business and the money lending business were approximately HK$13.4 million (2018: approximately HK$15.8 million), approximately HK$16.1 million (2018: approximately HK$15.3 million) and approximately HK$15.0 million (2018: approximately HK$13.9 million) respectively. The securities broking business was commenced during the first half of the year 2016 while both of the e-commerce business and the money lending business were commenced during the second half of the year 2016.

The overall gross profit margin of the Group for the year ended 31 December 2019 was approximately 58.2%, which was higher than that for the year ended 31 December 2018 of approximately 48.8%. The higher gross profit margin in current year was attributable to the increase in proportion of revenue contributed by the business segments with high gross profit margin.

The Group held certain held-for-trading investments comprising of equity securities listed in Hong Kong. For the year ended 31 December 2019, there were unrealised fair value losses on held-for-trading investments of approximately HK$9.0 million (2018: HK$22.3 million).

The selling and distribution costs for the year ended 31 December 2019 was approximately HK$18.1 million, decreased by approximately 81.6% from approximately HK$98.5 million for the year 2018. The decrease was conform with the decrease in revenue.

The administrative expenses increased slightly by approximately 3.6% from approximately HK$93.4 million for the year 2018 to approximately HK$96.7 million for the year 2019.

For the year ended 31 December 2019, a share of loss from Mondadori-SEEC (Beijing) Advertising Co. Ltd., a joint venture of the Group, of approximately HK$14.0 million (2018: share of profit of approximately HK$1.2 million) was recognised.

For the year ended 31 December 2019, a share of loss from Asia-Pac Financial Investment Company Limited ("Asia-Pac"), an associate of the Group, of approximately HK$21.5 million (2018: approximately HK$18.6 million) was recognised. Asia-Pac is a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (stock code: 8193) in which the principal businesses of its subsidiaries were provision of asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financial services. For the year ended 31 December 2019, reversal of impairment loss on interest in an associate of approximately HK$14.4 million was recognised.

The loss for the year ended 31 December 2019 attributable to owners of the Company amounted to approximately HK$98.7 million (2018: approximately HK$125.1 million), representing a decrease of approximately 21.1%. The decrease was mainly due to (i) the significant unrealised losses on held-for-trading investments recognised in last year; (ii) the decrease in selling and distribution costs from approximately HK$98.5 million in the year 2018 to approximately HK$18.1 million in the year 2019; and (iii) the reversal of impairment loss on interest in an associate of approximately HK$14.4 million recognised in the year 2019. These effects were partially offset by the decrease in gross profit in the year 2019.

To preserve financial resources for future operation of the Group, the Board did not recommend the payment of a dividend for the year 2019 (2018: nil).

Material Acquisitions and Disposals of Subsidiaries

During the year ended 31 December 2019, the Group had not made any material acquisition and disposal of subsidiaries.

Significant Investments

As at 31 December 2019, the Group had held-for-trading investments, representing equity securities listed in Hong Kong, of approximately HK$17.3 million (2018: approximately HK$26.3 million). The Board considers that investments with market value accounting for more than 5% of the Group's total assets as 31 December 2019 as significant investments.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2019, are as follows:

	As at 31 December 2019				For the year ended 31 December 2019	
Company name	Number of shares held	Proportion to the total issued share capital for the stocks	Market value	Proportion to the total assets of the Group	Unrealised fair value losses on the investments	Dividends received
			HK$'000		*HK$'000*	*HK$'000*
QPL International Holdings Limited ("QIH")	68,700,000	3.04%	2,542	0.39%	1,099	–
China e-Wallet Payment Group Limited ("CEPG")	74,000,000	2.70%	8,362	1.28%	5,920	–
			10,904		7,099	–

QIH is principally engaged in the manufacture and sales of integrated circuit leadframes, heatsinks, stiffeners and related products. CEPG is principally engaged in the provision of biometric and Radio Frequency Identification products and solution services, internet and mobile application and related services.

For the year ended 31 December 2019, the Group recognised unrealised fair value losses on held-for-trading investments of approximately HK$9.0 million (2018: approximately HK$22.3 million), which was mainly attributable to the fair value losses on investments in QIH and CEPG of approximately HK$1.1 million and approximately HK$5.9 million respectively.

Looking forward, the Board believes that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were mainly financed by internal resources. As at 31 December 2019, the Group's total equity was approximately HK$412.5 million (2018: approximately HK$508.5 million). The decrease was mainly attributable to the loss for the current year of approximately HK$99.4 million.

The Group had non-current liabilities of approximately HK$4.0 million as at 31 December 2019 (2018: approximately HK$4.7 million). The non-current liabilities as at 31 December 2019 mainly consisted of deferred tax liabilities. As at 31 December 2019, the Group's gearing ratio was approximately 36.8% representing a percentage of total liabilities over total assets (2018: approximately 33.0%).

As at 31 December 2019, the Group had borrowings of approximately HK$23.5 million (2018: approximately HK$23.7 million). The borrowings carried a fixed interest rate of 8% per annum and was repayable on demand (2018: fixed interest rate of 8% per annum; repayable on demand).

As at 31 December 2019, the Group had bank and cash balances (other than those in trust and segregated accounts) amounted to approximately HK$73.4 million (2018: approximately HK$75.8 million).

CHARGES ON ASSETS

As at 31 December 2019, the Group had pledged held-for-trading investments of approximately HK$16.9 million (2018: approximately HK$25.7 million) to secure the margin payables of approximately HK$23.5 million (2018: approximately HK$23.7 million), which was included in the borrowings of the Group.

COMMITMENTS

(i) Pursuant to several agreements entered into between the Company and magazine publication companies, being independent third parties, the Company at the end of the reporting period had commitments to make payments to certain magazines publication companies for agency rights of advertising on their magazines which fall due as follows:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**–**	2,340
In the second to fifth year inclusive	**–**	–
	–	2,340

(ii) During the year ended 31 December 2016, a wholly-owned subsidiary of the Group has entered into agreements with two independent third parties pursuant to which the Group has agreed to acquire the entire equity interest in a company established in the PRC. The PRC company principally engaged in operating an e-commerce platform. The relating commitments contracted but not yet incurred as at 31 December 2018 was HK$6,000,000.

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. As at 31 December 2019, the Group has a fixed interest rate borrowing amounting approximately HK$23.5 million (2018: approximately HK$23.7 million) from a regulated securities broker and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31 December 2019, the Group had 148 (2018: 234) employees in Hong Kong and the PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Old Share Option Scheme") which was adopted on 26 August 2002. On 11 May 2012, the Company adopted a new share option scheme (the "Share Option Scheme"), of which all terms and conditions are the same as the Old Share Option Scheme.

On 27 July 2017, 637,200,000 share options to subscribe for up to a total of 637,200,000 ordinary shares of HK$0.10 each were granted to eligible participants under the Share Option Scheme. On 17 April 2019, 637,200,000 share options to subscribe for up to a total of 637,200,000 ordinary shares of HK$0.10 each were granted to eligible participants under the Share Option Scheme. During the years ended 31 December 2018 and 2019, no share options under the Share Option Scheme were exercised or forfeited. In February 2020, all the share options granted on 27 July 2017 were forfeited.

The number of shares issuable under share options granted under the Share Option Scheme was approximately 637,200,000 representing approximately ordinary 10.0% of the Company's issued shares of 6,373,545,516 shares as at the date of this announcement published on 31 March 2020.

At the date of the Company's 2018 annual report issued on 29 March 2019, the number of shares issuable under share options granted under the Share Option Scheme was approximately 637,200,000, representing approximately 10.0% of the Company's issued shares of 6,373,545,516 shares at the time being.

EVENT AFTER THE REPORTING PERIOD

Since January 2020, the outbreak of COVID-19 has impact on the global business environment. Pending the development and spread of COVID-19 subsequent to the date of this announcement, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this announcement. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group. Other than that, no significant event which needs to be disclosed has taken place after 31 December 2019 and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining sound corporate governance and believes that good corporate governance principles and practices will bring trust and faith of the Company's stakeholders.

During the year under review, the Company has complied with all relevant code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviations stated below:

(1) Code Provision A.1.3 and A.7.1

Code A.1.3 and A.7.1 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).

The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

(2) Code Provision A.2 and E.1.2

The Board currently has not appointed any Directors as its Chairman. The Board will review the present situation in the coming regular meetings as appropriate.

(3) Code Provision A.4.1

Code A.4.1 stipulates that non-executive Directors should be appointed for a specific term and subject to re-election.

The term of office for non-executive Directors are the same as for all Directors (i.e. not appointed for a specific term but only subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Bye-laws). At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2019.

AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial report matters including the review of the unaudited financial statements for the year ended 31 December 2019.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to the COVID-19 coronavirus outbreak. Due to the transportation control implemented and the restrictions in resuming work as a result of the outbreak of COVID-19, the auditors have not been able to finish, all required works before the latest timeline for this announcement. As such, the unaudited annual results contained in this announcement have not been agreed with the Company's auditors as required under Rule 13.49(2) of the Listing Rules. An announcement relating to the audited results will be made when the auditing process has been completed by the Company's auditors in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE 2019 ANNUAL REPORT

While the completion of the auditing process depends on the travel restrictions and quarantine arrangements in relation to the COVID-19, it is therefore difficult to estimate a completion date for the auditing process with reasonable preciseness. However, the Group is closely monitoring the current situations in respect of the travel restrictions and quarantine arrangements both in Hong Kong and Mainland China, and hopefully, expects to publish the annual report and the audited financial results for the year ended 31 December 2019 on or before 15 May 2020 in accordance with the further guidance on the joint statement issued by the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission dated 16 March 2020.

By Order of the Board
SEEC Media Group Limited
Li Leong
Executive Director

Hong Kong, 31 March 2020

As at the date hereof, the Board comprises Mr. Li Leong, Mr. Li Xi, Mr. Li Zhen, Mr. Zhang Zhifang and Mr. Zhou Hongtao as executive directors and Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung as the independent non-executive directors.