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SEEC MEDIA GROUP LIMITED

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

(Stock Code: 205)

ANNOUNCEMENT OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Board of Directors (the "Board") of SEEC Media Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*3*	**180,413**	319,132
Cost of sales		**(92,394)**	(144,937)
Gross profit		**88,019**	174,195
Other income		**2,661**	3,116
Unrealised fair value losses on held-for-trading investments		**(22,322)**	(63,753)
Realised gains (losses) on held-for-trading investments		**1,856**	(96,039)
Other gains and losses		**14,580**	13,711
Selling and distribution costs		**(98,518)**	(122,560)
Administrative expenses		**(93,353)**	(96,391)
Share of profit of a joint venture		**1,242**	539
Share of loss of an associate		**(18,627)**	(53,413)
Gain on deemed disposal of an associate		**–**	11,895
Impairment loss on interest in an associate		**–**	(24,843)
Finance costs	*5*	**(1,817)**	(1,799)
Loss before taxation	*6*	**(126,279)**	(255,342)
Taxation	*7*	**1,277**	3,406
Loss for the year		**(125,002)**	(251,936)

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(8,575)**	7,166
Share of exchange differences of a joint venture		**(1,951)**	533
Fair value change on investment in equity instrument at fair value through other comprehensive income		**(17,500)**	–
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of an associate		**667**	260
Reclassification adjustment upon deemed disposal of an associate		**–**	(3,436)
		(27,359)	4,523
Total comprehensive expense for the year		**(152,361)**	(247,413)
Loss for the year attributable to:			
Owners of the Company		**(125,077)**	(251,707)
Non-controlling interests		**75**	(229)
		(125,002)	(251,936)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(151,964)**	(246,757)
Non-controlling interests		**(397)**	(656)
		(152,361)	(247,413)
Loss per share (*HK cents*)	*8*		
Basic		**(1.96)**	(3.95)
Diluted		**(1.96)**	(3.95)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**6,208**	9,322
Other intangible assets		**47,888**	68,602
Goodwill		**22,928**	24,091
Investment in equity instrument at fair value through other comprehensive income		**9,500**	–
Available-for-sale investment		**–**	33,000
Interest in a joint venture		**40,810**	41,520
Interest in an associate		**45,040**	63,000
Amount due from a joint venture		**8,996**	12,271
Deposits paid		**24,000**	24,000
		205,370	275,806
Current assets			
Accounts receivables	*10*	**198,064**	258,111
Loan receivables	*11*	**167,739**	173,406
Amounts due from related companies		**14,645**	15,337
Other receivables and prepayments		**42,046**	34,246
Held-for-trading investments		**26,253**	50,352
Bank balances (trust and segregated accounts)		**29,485**	15,359
Bank balances (general accounts), cash and cash equivalents		**75,765**	131,791
		553,997	678,602
Current liabilities			
Accounts payables	*12*	**26,432**	34,793
Other payables and accruals		**112,989**	131,074
Amount due to a joint venture		**6,387**	6,330
Amounts due to related companies		**61,653**	48,357
Borrowings	*13*	**23,710**	21,893
Tax payable		**14,975**	14,742
		246,146	257,189

	2018	2017
	HK$'000	*HK$'000*
Net current assets	**307,851**	421,413
Total assets less current liabilities	**513,221**	697,219
Non-current liabilities		
Deferred tax liabilities	**4,735**	6,112
Net assets	**508,486**	691,107
Capital and reserves		
Share capital	**637,354**	637,354
Reserves	**(137,770)**	45,248
Equity attributable to owners of the Company	**499,584**	682,602
Non-controlling interests	**8,902**	8,505
Total equity	**508,486**	691,107

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 and distribution of books and magazines in the People's Republic of China ("PRC") and securities broking business, money lending business and provision of e-commerce platform services and sales of related goods 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. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRS – effective 1 January 2018

In the current year, the Group has applied a number of new standards and interpretation issued by the Hong Kong Institute of Certified Public Accountants for the first time of which the followings are relevant to the Group's consolidated financial statements:

- HKFRS 9 Financial Instruments (including the amendments to HKFRS 9 Prepayment Features with Negative Compensation which is mandatorily effective for annual periods beginning on or after 1 January 2019);
- HKFRS 15 Revenue from Contracts with Customers and amendments to HKFRS 15; and
- HK(IFRIC) 22 Foreign Currency Transactions and Advance Consideration.

Other than the amendments to HKFRS 9 as described above, the Group has not early applied any new standard or interpretation that is not yet mandatorily effective for the current year.

A) Application of HKFRS 9

HKFRS 9 and the amendments to HKFRS 9 have replaced HKAS 39 Financial Instruments: Recognition and Measurement. HKFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. In accordance with the specific transitional provisions set out in HKFRS 9, the Group has applied the classification and measurement requirements (including requirements relating to impairment) to items that existed as of the date of initial application (i.e. 1 January 2018) on a retrospective basis based on the facts and circumstances and business models that existed as at 1 January 2018. However, the Group has decided not to restate the comparative figures. Accordingly, the comparative information continues to be presented based on the requirements of HKAS 39 and hence may not be comparable with the current year information. The cumulative effect of initial application of HKFRS 9 has been recognised as adjustments to the opening equity as of 1 January 2018.

(I) Classification and measurement of financial assets

In general, HKFRS 9 categories financial assets into the following three classification categories:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); and
- fair value through profit or loss (FVTPL).

These classification categories are different from those set out in HKAS 39 which included held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The following table shows a reconciliation from how the Group's financial assets existed as of 1 January 2018 were classified and measured under HKAS 39 to how they are classified and measured under HKFRS 9:

	Old classification under HKAS 39	**New classification under HKFRS 9**	**Carrying amount under HKAS 39** *HK$'000*	**Carrying amount under HKFRS 9** *HK$'000*	**Note**
Investment in unlisted equity securities	Available for sale investment (at cost less impairment)	Equity investment at FVTOCI	33,000	27,000	*Notes 1&2*
Investments in listed equity securities (held for trading)	Held for trading investments – FVTPL	Held for trading investments – FVTPL	50,352	50,352	–
Accounts receivables	Accounts receivables	Amortised cost	258,111	244,881	*Note 3*
Loans receivables	Loans receivables	Amortised cost	173,406	162,376	*Note 3*

Notes:

1. Under HKFRS 9, investments in equity securities are required to be measured at fair value subsequently at the end of each reporting period. Accordingly, for investments in equity securities that were previously measured at cost less impairment based on the cost exemption under HKAS 39 have to be measured at fair value under HKFRS 9. Based on the specific transitional provisions set out in HKFRS 9, such investments have to be measured at fair value at the date of initial application (i.e. 1 January 2018), with any difference between the fair value and carrying amount under HKAS 39 being recognised in the opening retained earnings as of 1 January 2018.

2. The Group had designated an investment in equity security (that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies) as at FVTOCI as at the date of initial application of HKFRS 9 (i.e. 1 January 2018) based on the specific transitional provisions set out in HKFRS 9.

3. The variance represented additional impairment loss based on the new expected loss model under HKFRS 9. Please also see details disclosed in (A)(II) below.

(II) Impairment

HKFRS 9 has introduced the expected credit loss model ("ECL model") to replace the "incurred loss" model under HKAS 39. The expected credit loss ("ECL") requires an ongoing measurement of credit risk associated with a financial asset. The Group has applied the expected loss ("ECL") to financial assets that are subsequently measured at amortised cost (including accounts receivables, loan receivables, other receivables, amount due from joint venture and amounts due from related parties).

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for accounts receivables. Impairment of loan receivables, other receivables, amount due from a joint venture and amounts due from related companies are measured as either 12-month ECL or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition.

The Group established ECL model based on historical settlement records, past experience and available forward-looking information.

The following table is a reconciliation that shows how the closing loss allowance as at 31 December 2017 determined in accordance with HKAS 39 can be reconciled to the opening loss allowance as at 1 January 2018 determined in accordance with HKFRS 9.

	HK$'000
Loss allowance recognised as at 31 December 2017 under HKAS 39	11,345
Additional loss allowance as a result of the application of the "expected loss model" under HKFRS 9	
– Accounts receivables	13,230
– Loan receivables	11,030
Loss allowance recognised as at 1 January 2018 under HKFRS 9	35,605

(III) Classification and measurement of financial liabilities

The application of HKFRS 9 in respect of financial liabilities' classification and measurement requirements has had no impact on the consolidated financial statements.

(IV) Effect on the Group's retained earnings and other reserves as of 1 January 2018

The following table shows the impact of the application of HKFRS 9 on the Group's retained earnings and other equity components as of 1 January 2018:

	Increase in the Group's accumulated losses
	HK$'000
Recognition of additional expected credit losses relating to:	
– Accounts receivables	13,230
– Loan receivables	11,030
	24,260

	Decrease in FVTOCI (equity investment) reserve
	HK$'000
Decrease in FVTOCI (equity investment) reserve relating to equity investment that was previously classified as available-for-sale financial asset and measured at cost less impairment under HKAS 39 (designated as FVTOCI as at the date of initial application of HKFRS 9)	6,000

B) Application of HKFRS 15

HKFRS 15 has replaced HKAS 11 Construction Contracts, HKAS 18 Revenue and other revenue-related interpretations. Under HKAS 11 and HKAS 18, revenue arising from construction contracts and provision of services was recognised over time whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods was passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 has introduced additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Based on the specific transitional provisions set out in HKFRS 15, the Group had decided to use the cumulative effect transition method and had recognised the cumulative effect of initial application of HKFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (i.e. 1 January 2018). Accordingly, comparative information has not been restated and continues to be presented under HKAS 11 and HKAS 18.

There is no significant impact of adopting HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of comprehensive income for the year ended 31 December 2018. However, the application of HKFRS 15 has had the following presentation changes:

	Carrying amount as at 1 January 2018	Carrying amount as at 31 December 2017
	HK$'000	*HK$'000*
"Advance from customers" that were presented in other payables and accruals in the consolidated statement of financial position as of 31 December 2017 are presented as "Contract liabilities" in other payables and accruals in the consolidated statement of financial position as of 1 January 2018 under HKFRS 15	62,459	62,459

C) Application of HK (IFRIC 22)

HK (IFRIC) 22 provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency. The interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. There is no significant impact of adopting HKFRS 22 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of comprehensive income for the year ended 31 December 2018.

(b) New/revised HKFRSs that have been issued but are not yet effective

The Group has not applied any of the following new and revised HKFRSs that are relevant to the Group that have been issued but are not yet mandatorily effective:

HKFRS 16	Leases[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 28	Long-term Interest in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2015–2017 Cycle
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after a date to be determined

A) HKFRS 16 "Leases"

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

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

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presents as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangements and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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

As at 31 December 2018, the Group as lessee has non-cancellable operating lease commitments of approximately HK$9,712,000. A preliminary assessment indicated that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new arrangements may result changes in measurement, presentation and disclosure as indicated above.

B) Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

C) Amendments to HKAS 28

The amendments require an entity to apply HKFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, from part of the entity's net investment in an associate or joint venture. An entity applies HKFRS 9 to such long-term interests before it applies paragraph 38 and paragraphs 40-43 HKFRS 28.

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

D) HK (IFRIC) Interpretation 23 Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in HKAS 12 when there is uncertainty over income tax treatments.

The Directors of the Company do not anticipate that the application of this Interpretation will have a material impact on the Group's consolidated financial statements.

3. REVENUE

Revenue represents the gross invoiced value of advertising services, sales of books and magazines, commission and brokerage income from securities broking services, e-commerce platform services income, interest income from securities broking business and 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:

	2018	2017
	HK$'000	*HK$'000*
Advertising services income	**130,067**	252,984
Sales of books and magazines	**5,322**	13,716
Commission and brokerage income	**745**	12,970
E-commerce platform services income	**5,859**	5,687
Sales of high-tech products	**9,435**	4,543
Interest income from securities broking business	**15,048**	17,991
Interest income from loan receivables	**13,937**	11,241
	180,413	319,132

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 (2017: five) which are as follows: (a) advertising services income from provision of advertising services and organising conferences and events; (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 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 2018

	Provision of advertising services *HK$'000*	**Sales of books and magazines** *HK$'000*	**Provision of securities broking services** *HK$'000*	**Provision of e-commerce platform services and sales of related goods** *HK$'000*	**Money lending** *HK$'000*	**Consolidated** *HK$'000*
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)**

For the year ended 31 December 2017

	Provision of advertising services *HK$'000*	Sales of books and magazines *HK$'000*	Provision of securities broking services *HK$'000*	Provision of e-commerce platform services and sales of related goods *HK$'000*	Money lending *HK$'000*	Consolidated *HK$'000*
Revenue						
External sales	252,984	13,716	30,961	10,230	11,241	319,132
Result						
Segment profit	5,841	2,362	5,198	3,263	11,241	27,905
Other income						3,116
Unrealised fair value losses on held-for-trading investments						(63,753)
Realised losses on held-for-trading investments						(96,039)
Other gains and losses						13,711
Unallocated administration expenses						(54,305)
Amortisation of other intangible assets						(14,699)
Depreciation of property, plant and equipment						(3,657)
Share of profit of a joint venture						539
Share of loss of an associate						(53,413)
Gain on deemed disposal of an associate						11,895
Impairment loss on interest in an associate						(24,843)
Finance costs						(1,799)
Loss before taxation						(255,342)

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)*	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**135,389**	276,931	**53,433**	76,343
Hong Kong	**45,024**	42,201	**23,591**	25,672
	180,413	319,132	**77,024**	102,015

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

	2018	2017
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years	**1,817**	1,799

6. LOSS BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**850**	780
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	**58,178**	68,999
Contributions to retirement benefits schemes	**6,164**	7,711
	64,342	76,710
Depreciation of property, plant and equipment	**4,395**	3,657
Amortisation of other intangible assets	**19,042**	14,699
Total depreciation and amortisation	**23,437**	18,356
Minimum lease payments under operating lease in respect of rented premises	**12,467**	16,679

7. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% for both years on the estimated assessable profits arising in Hong Kong during both years.

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.

	2018	2017
	HK$'000	*HK$'000*
Current taxation		
– PRC Enterprise Income Tax	**–**	777
– Hong Kong Profits Tax	**–**	711
Deferred taxation	**(1,277)**	(4,894)
	(1,277)	(3,406)

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:

	2018	2017
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic and diluted loss per ordinary share being loss for the year attributable to owners of the Company	**(125,077)**	(251,707)

	2018	2017
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 RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Account receivables arising from the business of provision of advertising agency services and sales of books and magazines	**33,920**	70,574
– less: allowance for doubtful debts	**(8,847)**	(11,345)
	25,073	59,229
Account receivables arising from the business of dealing in securities:		
– Cash client	**174,275**	186,179
– less: allowance for doubtful debts	**(11,065)**	–
	163,210	186,179
Account receivables arising from the business of e-commerce platform services and sales of related goods	**10,030**	12,703
– less: allowance for doubtful debts	**(249)**	–
	9,781	12,703
	198,064	258,111

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 ageing 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:

	2018		2017	
	HK$'000	*%*	*HK$'000*	*%*
Less than three months	**14,097**	**56**	32,269	54
Three months to six months	**4,033**	**16**	16,427	28
Over six months to one year	**6,943**	**28**	10,533	18
	25,073	**100**	59,229	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.

Included in the Group's accounts receivable balance arising from the provision of advertising services and sales of books and magazines are debtors with aggregate carrying amount of approximately HK$10,976,000 (2017: approximately HK$26,960,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

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 ageing analysis of the Group's accounts receivable arising from the dealing in securities on cash clients, presented based on date of completion, which approximate the date of revenue recognition is as follows:

Ageing of accounts receivable which are past due but not impaired

	2018	2017
	HK$'000	*HK$'000*
Less than three months	**–**	–
Over three months but within one year	**163,210**	186,179
	163,210	186,179

Included in the Group's accounts receivables balance arising from the dealing in securities on cash client are debtors with aggregate carrying amount of approximately HK$163,210,000 (2017: approximately HK$186,179,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

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

The ageing 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:

	2018	2017
	HK$'000	*HK$'000*
Less than three months	**3,159**	3,778
Three months to six months	**4,212**	3,965
Over six months to one year	**2,410**	2,843
Over one year	**–**	2,117
	9,781	12,703

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.

Credit period granted by the Group to customers for both provision of e-commerce platform services and sales of related goods are not more than 90 days from the date of recognition of the sale.

Included in the Group's accounts receivables balance arising from the provision of e-commerce platform services and sales of related goods are debtors with aggregate carrying amount of approximately HK$6,622,000 (2017: approximately HK$8,925,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

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.

	2018	2017
	HK$'000	*HK$'000*
Loan receivables	**179,126**	173,406
– less: allowance for doubtful debts	**(11,387)**	–
	167,739	173,406

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

	2018	2017
	HK$'000	*HK$'000*
Overdue	**22,441**	22,427
Less than three months	**145,298**	150,979
Three months to six months	**–**	–
Over six months to one year	**–**	–
	167,739	173,406

Loan receivables of approximately HK$167,739,000 (2017: approximately HK$173,406,000) that were neither past due nor impaired related to debtors for whom there is no recent history of default.

12. ACCOUNTS PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Accounts payables arising from the provision of advertising agency service and sales of books and magazines	**7,844**	13,285
Accounts payables arising from the securities broking business – Cash clients *(note a)*	**14,452**	15,359
Accounts payables arising from the provision of e-commerce platform service and sales of related goods	**4,136**	6,149
	26,432	34,793

The ageing 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:

	2018		2017	
	HK$'000	*%*	*HK$'000*	*%*
Less than three months	**3,129**	**40**	7,424	56
Three months to six months	**359**	**5**	3,021	23
Over six months to one year	**1,270**	**16**	708	5
Over one year	**3,086**	**39**	2,132	16
	7,844	**100**	13,285	100

The average credit period granted by accounts payable is 42 days (2017: 57 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

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

	2018		2017	
	HK$'000	*%*	*HK$'000*	*%*
Less than three months	**1,815**	**44**	2,245	37
Three months to six months	**2,321**	**56**	2,152	35
Over six months to one year	**–**	**–**	1,060	17
Over one year	**–**	**–**	692	11
	4,136	**100**	6,149	100

Note (a): 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 ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

13. BORROWINGS

	2018	2017
	HK$'000	*HK$'000*
Margin payables	**23,710**	21,893

As at 31 December 2018, margin financing from a regulated securities broker was granted to the Group which were secured by the Group's held-for-trading investments and carry a fixed rate 8% per annum (2017: 8%) and repayable on demand. Amount of margin payables of approximately HK$23,710,000 (2017: approximately HK$21,893,000) as at 31 December 2018 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$25,735,000 (2017: approximately HK$48,018,000).

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 expiry of the exclusive advertising contracts of certain magazines during the year 2018 and the rapid development of the internet economy in China over the past few years, the Group's print media advertising business faced ongoing difficult and challenging business environment. 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$130.1 million, representing a decrease of approximately 48.6% from approximately HK$253.0 million for the last year. The revenue derived from sales of books and magazines for the current year was approximately HK$5.3 million, representing a decrease of approximately 61.2% from approximately HK$13.7 million for the last year.

Securities Broking

The Group was granted by the Securities and Futures Commission a license to carry out Type 1 (dealing in securities) regulated activity 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. For the year ended 31 December 2018, the commission and brokerage income and the interest income derived from the securities broking business amounted to approximately HK$15.8 million in total, representing approximately 8.8% of the total revenue of the Group. 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. In addition, to cope with the occasion that the investor sentiment in Hong Kong becoming inactive, the Group has adopted flexible market strategy in order to maintain the appeal of the Group's brokerage services towards clients.

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 commenced operation in the money lending business in 2016 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 2018, the interest income from loan receivables arising from the money lending business amounted to approximately HK$13.9 million, representing approximately 7.7% of the total revenue of the Group.

E-commerce

In September 2016 and May 2017, the Group acquired the entire issued share capital of two companies in which their wholly-owned subsidiaries were principally engaged in the provision of services and sales of goods in relation to e-commerce platforms. In February 2017, the Group acquired the entire interest associated with an website and domain name in relation to an e-commerce business. For the year ended 31 December 2018, the revenue contributed by the provision of e-commerce platform services and sales of related goods was approximately HK$15.3 million, representing approximately 8.5% 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, in past few months, the escalation of tensions between the US and China developed into trade war. Investors' negative sentiment and concerns over the economic outlook 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.

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. On the other hand, the Board expects that the Group's business of advertising and sales of books and magazines may face shrinkage in their contributions to the Group's future revenue and profitability in view of the difficult operating environment for print media business in China.

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 capital injection for the Type 1 Company
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	119,600	4,400	Used as consideration and refundable deposits for the acquisition of companies engaged in the development and operation of e-commerce platform
Operation and development of money lending business	100,000	100,000	–	Used as intended
	519,000	484,600	34,400	

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year 2018, the advertising business of the Group continued to be the most significant source of revenue of the Group. For the year ended 31 December 2018, the aggregated revenue of the Group deriving from the provision of advertising agency services and sales of books and magazines was approximately HK$135.4 million, representing a decrease of approximately 49.2% as compared with that of approximately HK$266.7 million for the year ended 31 December 2017. The decrease in revenue was mainly attributable to the weak performance of the Group's advertising business as a result of the expiry of certain exclusive advertising contracts of magazines during the year 2018 and also the severe industry and operating environment in the print media advertising business in China.

For the year ended 31 December 2018, the revenue of the Group deriving from the securities broking business, the e-commerce business and the money lending business were approximately HK$15.8 million (2017: approximately HK$31.0 million), approximately HK$15.3 million (2017: approximately HK$10.2 million) and approximately HK$13.9 million (2017: approximately HK$11.2 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 2018 was approximately 48.8%, which was lower than that for the year ended 31 December 2017 of approximately 54.6%. The lower gross profit margin in current year was attributable to the relatively large decrease in revenue and the relatively mild decrease in cost of sales which was mainly because of the weak performance of the advertising business and the notable decrease in revenue derived from the securities broking business as compared with last year. The gross profit margin contributed by the money lending business was much higher as compared with those contributed by most of the other business segments of the Group.

The Group held certain held-for-trading investments comprising of equity securities listed in Hong Kong. For the year ended 31 December 2018, there were unrealised fair value losses and realised gains on held-for-trading investments of approximately HK$22.3 million (2017: approximately HK$63.8 million) and approximately HK$1.9 million (2017: losses of approximately HK$96.0 million) respectively.

For the year ended 31 December 2018, other gains and losses mainly consisted of net foreign exchange gains of approximately HK$10.4 million.

The selling and distribution costs for the year ended 31 December 2018 was approximately HK$98.5 million, decreased by approximately 19.6% from approximately HK$122.6 million for the year 2017. The decrease was conform with the decrease in revenue.

The administrative expenses decreased slightly by approximately 3.2% from approximately HK$96.4 million for the year 2017 to approximately HK$93.4 million for the year 2018.

For the year ended 31 December 2018, a share of profit from Mondadori-SEEC (Beijing) Advertising Co. Ltd., a joint venture of the Group, of approximately HK$1.2 million (2017: approximately HK$0.5 million) was recognised.

For the year ended 31 December 2018, a share of loss from GreaterChina Professional Services Limited, an associate of the Group, of approximately HK$18.6 million (2017: approximately HK$53.4 million) was recognised. Greaterchina Professional Services Limited ("Greaterchina") 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 2017, impairment loss on interest in an associate of approximately HK$24.8 million was recognised as a result of decrease in market price of the shares of Greaterchina.

The loss for the year ended 31 December 2018 attributable to owners of the Company amounted to approximately HK$125.1 million (2017: approximately HK$251.7 million), representing a decrease of approximately 50.3%. The decrease was mainly due to (i) the significant realised and unrealised losses on held-for-trading investments recognised in last year; (ii) decreased in share of loss of an associate from approximately HK$53.4 million in the year 2017 to approximately HK$18.6 million in the year 2018; and (iii) the impairment loss on interest in an associate of approximately HK$24.8 million recognised in the year 2017. These effects were partially offset by the decrease in gross profit in the year 2018.

To preserve financial resources for future operation of the Group, the Board did not recommend the payment of a dividend for the year 2018 (2017: nil).

Material Acquisitions and Disposals of Subsidiaries

During the year ended 31 December 2018, the Group had not made any material acquisition and disposal of subsidiaries.

Significant Investments

As at 31 December 2018, the Group had held-for-trading investments, representing equity securities listed in Hong Kong, of approximately HK$26.3 million (2017: approximately HK$50.4 million). The Board considers that investments with market value accounting for more than 5% of the Group's total assets as 31 December 2018 as significant investments.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2018, are as follows:

	As at 31 December 2018				For the year ended 31 December 2018	
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%	3,641	0.48%	3,504	–
China e-Wallet Payment Group Limited ("CEPG")	74,000,000	2.70%	14,282	1.88%	14,578	–
			17,923		18,082	–

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 2018, the Group recognised unrealised fair value losses on held-for-trading investments of approximately HK$22.3 million (2017: approximately HK$63.8 million), which was mainly attributable to the fair value losses on investments in QIH and CEPG of approximately HK$3.5 million and approximately HK$14.6 million respectively. For the year ended 31 December 2018, the Group recognised realised gains on held-for-trading investments of approximately HK$1.9 million (2017: losses of approximately HK$96.0 million).

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 2018, the Group's total equity was approximately HK$508.5 million (2017: approximately HK$691.1 million). The decrease was mainly attributable to the loss for the current year of approximately HK$125.0 million.

The Group had non-current liabilities of approximately HK$4.7 million as at 31 December 2018 (2017: approximately HK$6.1 million). The non-current liabilities as at 31 December 2018 consisted of deferred tax liabilities. As at 31 December 2018, the Group's gearing ratio was approximately 33.0% representing a percentage of total liabilities over total assets (2017: approximately 27.6%).

As at 31 December 2018, the Group had borrowings of approximately HK$23.7 million (2017: approximately HK$21.9 million). The borrowings carried a fixed interest rate of 8% per annum and was repayable on demand (2017: fixed interest rate of 8% per annum; repayable on demand).

As at 31 December 2018, the Group had bank and cash balances (other than those in trust and segregated accounts) amounted to approximately HK$75.8 million (2017: approximately HK$131.8 million).

CHARGES ON ASSETS

As at 31 December 2018, the Group had pledged held-for-trading investments of approximately HK$25.7 million (2017: approximately HK$48.0 million) to secure the margin payables of approximately HK$23.7 million (2017: approximately HK$21.9 million), which was included in the borrowings of the Group.

COMMITMENTS

(a) Operating lease commitments

As lessee

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

	2018	2017
	HK$'000	*HK$'000*
Within one year	**6,041**	12,800
In the second to fifth year inclusive	**3,671**	9,484
	9,712	22,284

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for a term ranging from nine months to three years.

(b) Other 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:

	2018	2017
	HK$'000	*HK$'000*
Within one year	**2,340**	2,340
In the second to fifth year inclusive	**–**	2,340
	2,340	4,680

(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 2018, the Group has a fixed interest rate borrowing amounting approximately HK$23.7 million (2016: approximately HK$21.9 million) from a regulated securities broker and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31 December 2018, the Group had 234 (2017: 427) employees in Hong Kong and 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. During the years ended 31 December 2017 and 2018, no share options under the Share Option Scheme were exercised or forfeited.

During the year ended 31 December 2017, all of the remaining 1,851,000 share options under the Old Share Option Scheme 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 29 March 2019.

At the date of the Company's 2017 annual report issued on 29 March 2018, 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

After the reporting period ended 31 December 2018, there was no significant event affecting the Group required to be disclosed.

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.

(4) Compliance with Rules 3.10(1) and 3.21

Rules 3.10(1) and 3.21 of the Listing Rules stipulate the required minimum number of independent non-executive directors and Audit Committee members. Upon the resignation of Ms. Wensy Ip as a director on 26 April 2018, the Company failed to compile with the aforesaid Rules. The Company has appointed Mr. Leung Tat Yin as an independent non-executive director, member of Remuneration Committee, Nomination Committee and Audit Committee with effect from 25 July 2018, Rules 3.10(1) and 3.21 of the Listing Rules have then been complied with.

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 2018.

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 audited financial statements for the year ended 31 December 2018.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

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 the announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's consolidated financial statements. The work performed by Elite Partners CPA Limited 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 Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company containing the information required by Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in the due course.

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

Hong Kong, 29 March 2019

As at the date hereof, the Board comprises Mr. Li Leong, Mr. Li Xi, 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 independent non-executive directors.