CTEH INC.
加達控股有限公司

(incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)

(Stock Code: 1620)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2018	2017	**Increase/**
	HK$ million	HK$ million	**(decrease)**
Revenue	**149.2**	153.9	(3.1%)
Gross profit	**103.7**	98.1	5.7%
Profit for the year	**11.1**	12.4	(10.5%)
Adjusted profit for the year (note)	**24.4**	26.8	(9.0%)
Basic and diluted earnings per share (HK cents)	**1.1**	1.4	(21.4%)
Proposed final dividend per share (HK cents)	**0.46**	—	N/A

Note: *Adjusted profit for the year refers to profit for the year excluding (i) listing expenses and (ii) deferred income tax impact from the deductible listing expenses recognised in income tax expenses. The adjusted profit for the year is solely for reference and does not include the aforementioned items that impact the profit or loss for the relevant years.*

The board (the "**Board**") of directors (the "**Directors**") of CTEH INC. ("**CTEH**" or the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2018, together with the comparative figures for the year ended December 31, 2017, as set out below.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2018

	Notes	**Year ended December 31, 2018 HK$'000**	2017 HK$'000
Revenue	3	**149,181**	153,862
Cost of sales	5	**(45,493)**	(55,714)
Gross profit		**103,688**	98,148
Other income	4	**—**	15
Other gains/(losses), net	4	**456**	(808)
Selling expenses	5	**(18,456)**	(17,683)
Administrative expenses	5	**(67,710)**	(61,314)
Operating profit		**17,978**	18,358
Finance income	6	**1,049**	554
Finance costs	6	**(644)**	(1,015)
Finance income/(costs), net	6	**405**	(461)
Share of net losses of joint ventures		**(2,668)**	—
Profit before income tax		**15,715**	17,897
Income tax expense	7	**(4,620)**	(5,532)
Profit for the year		**11,095**	12,365
Other comprehensive loss			
Items that may be reclassified to profit or loss:			
– Currency translation differences		**(3,181)**	(761)
Other comprehensive loss for the year, net of tax		**(3,181)**	(761)
Total comprehensive income for the year attributable to owners of the Company		**7,914**	11,604
Basic and diluted earnings per share (HK cents)	8	**1.1**	1.4

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2018

	Notes	**As at December 31, 2018 HK$'000**	As at December 31, 2017 HK$'000
Non-current assets			
Property, plant and equipment		**5,819**	4,703
Intangible assets		**4,913**	4,299
Investments in joint ventures		**12,332**	—
Deferred income tax assets		**17,607**	6,829
		40,671	15,831
Current assets			
Trade receivables	10	**16,418**	28,228
Prepayments, deposits and other receivables		**73,414**	41,231
Available-for-sale financial assets		**—**	1,401
Income tax recoverable		**320**	235
Restricted term deposit		**—**	45,016
Cash and cash equivalents		**138,274**	65,417
		228,426	181,528
Total assets		**269,097**	197,359
EQUITY			
Equity attributable to the owners of the Company			
Share capital	11(a)	**120**	90
Share premium		**88,248**	—
Other reserve	11(b)	**(41,256)**	(41,256)
Exchange reserve		**5,979**	9,160
Retained earnings		**107,798**	96,703
Total equity		**160,889**	64,697

	Notes	As at December 31, 2018 HK$'000	As at December 31, 2017 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**696**	593
		696	593
Current liabilities			
Trade payables	12	**35**	25
Accruals and other payables		**103,519**	94,801
Contract liabilities		**3,958**	—
Bank borrowings	13	**—**	37,243
		107,512	132,069
Total liabilities		**108,208**	132,662
Total equity and liabilities		**269,097**	197,359

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION AND REORGANISATION

CTEH INC. (the "**Company**") was incorporated in Ontario, Canada on August 18, 2017 and continued in the Cayman Islands from October 20, 2017 as an exempted company with limited liability. The registered address of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in air ticket distribution, travel business process management and travel products and services (the "**Business**") in Canada and the United States (the "**U.S.**").

The Group operates under the licenses issued by the International Airport Transportation Association ("**IATA**"), the Travel Industry Council of Ontario ("**TICO**"), the Québec I'Office de la Protection du Consommateur ("**OPC**") and the Business Practices & Consumer Protection Authority of British Columbia in Canada, which require the Group to comply with certain industry regulations.

The shares of the Company (the "**Shares**") were listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on June 28, 2018 (the "**Listing Date**"). The consolidated financial information is presented in Hong Kong dollar ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Prior to the incorporation of the Company and the completion of the reorganisation (the "**Reorganisation**") as described below, the Business was carried out by Tour East Holidays (Canada) Inc. ("**TE Canada**") and Tour East Holidays (New York) Inc. ("**TE New York**") (collectively the "**Operating Companies**"). Before the completion of the Reorganisation, the Operating Companies were collectively owned by Mrs. Rita Pik Fong Tsang ("**Mrs. Tsang**"), Ms. Annie Shuk Fung Tsu ("**Ms. Tsu**") and Dr. Kwok Chun Dennis Chu ("**Dr. Chu**") and ultimately controlled by Mrs. Tsang immediately before and after the Reorganisation prior to the Listing.

In preparing for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Operating Companies underwent the Reorganisation by inserting a new holding (the "**Company**") and intermediate holding companies to the Business via share to share swap. The following transactions were carried out:

(i) On August 1, 2017, BVTEHC Inc. ("**BVTEHC**") was incorporated under the laws of Ontario, Canada. Upon incorporation, one share of the company was allotted and issued to Rita Tsang Group Holdings Inc. ("**RT Group**"), which is owned by Mrs. Tsang.

(ii) On August 18, 2017, the Company was incorporated under the laws of Ontario, Canada and registered by way of continuation in the Cayman Islands from 20 October 2017. On the same date (i.e. August 18, 2017), one share of the Company was allotted and issued to RT Group, which is owned by Mrs. Tsang.

(iii) On August 1, 2017, BVTEHU Inc. ("**BVTEHU**") was incorporated under the laws of Ontario, Canada. On August 19, 2017, one share of BVTEHU was allotted and issued to the Company.

(iv) On September 18, 2017, 1134351 B.C. Unlimited Liability Company ("**1134351 B.C.**") was incorporated under the laws of British Columbia, Canada. Upon incorporation, one share of the company was allotted and issued to AT Horizons Holdings Inc. ("**AT Holdings**"), which is owned by Ms. Tsu.

(v) On October 9, 2017, there was a number of transfer and redemption of preference shares of TE Canada, including:

a. CC Connect Holdings Inc., which is owned by Mrs. Tsang, and Mrs. Tsang transferred 2,800,000 and 1,400,000 Class A preference shares of TE Canada to RT Group, respectively.

b. TE Canada redeemed 775 Class C special shares of TE Canada held by Mrs. Tsang which was fully settled in cash.

c. Ms. Tsu and Dr. Chu transferred 2,100,000 and 700,000 Class A preference shares of TE Canada to AT Holdings and Dennis Chu Holdings Inc. ("**DC Holdings**"), respectively. Upon the completion of the aforementioned transfers and redemptions of preference shares, all Class A preference shares of TE Canada are held by RT Group, AT Holdings and DC Holdings which are owned by Mrs. Tsang, Ms. Tsu and Dr. Chu, respectively, while all Class C preference shares of TE Canada were redeemed.

(vi) On October 9, 2017, RT Group, AT Holdings and DC Holdings transferred all their common shares and Class A preference shares of TE Canada to BVTEHC which was settled by BVTEHC issuing and allotting 59, 30 and 10 common shares to RT Group, AT Holdings and DC Holdings, respectively. On the same date, BVTEHC exchanged its 7,000,000 Class A preference shares of TE Canada for seven common shares of TE Canada. Since then, TE Canada becomes a wholly owned subsidiary of BVTEHC.

(vii) On October 9, 2017, RT Group, AT Holdings and DC Holdings transferred all their common shares of TE New York to 1134351 B.C. which was settled by 1134351 B.C. issuing and allotting 60, 29 and 10 common shares to RT Group, AT Holdings and DC Holdings, respectively. Since then, TE New York becomes a wholly owned subsidiary of 1134351 B.C.

(viii) On October 9, 2017, RT Group, AT Holdings and DC Holdings transferred their respective common shares of BVTEHC to the Company which was settled by the Company issuing and allotting 496,799,999, 248,400,000 and 82,800,000 shares of the Company to RT Group, AT Holdings and DC Holdings, respectively. On the same date, RT Group, AT Holdings and DC Holdings transferred their respective common shares of 1134351 B.C. to the Company which was settled by the Company issued and allotted 43,200,000, 21,600,000 and 7,200,000 shares to RT Group, AT Holdings and DC Holdings, respectively. Since then, TE Canada and TE New York become wholly owned subsidiaries of the Company.

(ix) On October 9, 2017, the Company transferred its 100 common shares of BVTEHC and 100 common shares of 1134351 B.C. to BVTEHU which was settled by BVTEHU issuing and allotting 100 common shares of BVTEHU to the Company. Since then, BVTEHU becomes holding company of both BVTEHC and 1134351 B.C.

Immediately prior to and after the Reorganisation, the Business was held by the Operating Companies, which were collectively owned by Mrs. Tsang, Ms. Tsu and Dr. Chu and ultimately controlled by Mrs. Tsang, who owned and controlled the companies now comprising the Group before the Reorganisation and continues to own and control these companies after the Reorganisation. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. Accordingly, the Reorganisation has been accounted for as a recapitalisation of a business. The consolidated statements of financial position, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the year ended December 31, 2018 include the results and changes in equity of the companies now comprising the Group from the earliest date presented or since their respective dates of incorporation, whichever is shorter as if the current group structure had been in existence.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial information is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial information of the Group had been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by IASB and related interpretations and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The consolidated financial information of the Group had been prepared under the historical cost convention.

The preparation of consolidated financial information of the Group in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are revenue recognition for incentive commissions and recognition of deferred tax asset.

(i) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 2.2 below.

The following amendments to existing standards are effective to the Group for accounting periods beginning on or after January 1, 2018 but did not result in any significant impact on the results and financial position of the Group. No retrospective adjustments are required.

IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions
IFRS 4 (Amendment)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IAS 28 (Amendments)	Investment in Associates and Joint Ventures
IAS 40 (Amendments)	Transfers of Investment Property
Annual improvement project	Annual Improvements 2014-2016 Cycle
IFRIC -Int 22	Foreign Currency Transactions and Advance Consideration

(ii) New accounting standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards, amendments to standards and interpretations are mandatory for accounting periods beginning on or after January 1, 2019.

		Effective for accounting periods beginning on or after
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation	January 1, 2019
IFRIC - Int 23	Uncertainty over Income Tax Treatments	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRS 17	Insurance Contracts	January 1, 2021
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	To be determined

(a) IFRS 16, Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$5,559,000. The Group does not foresee any material impact on the net profit of the Group as a result of adoption of IFRS 16.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim period within annual reporting periods beginning on or after January 1, 2019. The Group does not intend to adopt the standard before its effective date.

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's consolidated interim financial information and also discloses the new accounting policies that have been applied from January 1, 2018, where they are different to those applied in prior periods.

(a) IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies.

(i) Classification and measurement

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. All classes of financial assets and financial liabilities had the same carrying amounts in accordance with IAS 39 and IFRS 9 on January 1, 2018.

	FVTPL *HK$'000*	**AFS** *HK$'000*
Closing balance December 31, 2017 - IAS 39	—	1,401
Reclassify non-trading debt instrument from available-for-sale ("**AFS**") to fair value through profit or loss ("**FVTPL**")	1,401	(1,401)
Opening balance January 1, 2018 - IFRS 9	1,401	—

(a) Reclassification from AFS to FVTPL

The debt instrument was reclassified from AFS to FVTPL. It does not meet the IFRS 9 criteria for classification at amortised cost or fair value through other comprehensive income ("**FVOCI**"), because its cash flows do not represent solely payments of principal and interest and the instrument has a definite life. There were no changes in fair value of the instruments in previous years, therefore no adjustment was recorded to opening equity due to reclassification.

(ii) Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade receivables and deposits and other receivables. The Group was required to revise its impairment methodology under IFRS 9 for these classes of financial assets.

While cash and cash equivalents is also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

For deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of the simplified expected loss approach under IFRS 9 has not resulted in any additional impairment loss for trade receivables as at January 1, 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

(b) IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 Revenue from contracts with Customers from January 1, 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in IFRS 15, comparative figures have not been restated.

The effects of the adoption of IFRS 15 are related to presentation of contract liabilities. Reclassifications were made as at January 1, 2018 to be consistent with the terminology used under IFRS 15:

- Contract liabilities for deferred revenue were previously presented as accruals and other payables.

In summary, the following adjustments were made to the amounts recognised in the consolidated statement of financial position at the date of initial application on January 1, 2018:

	IAS 18 carrying amount as at December 31, 2017	Reclassification	**IFRS 15 carrying amount as at January 1, 2018**
	HK$'000	*HK$'000*	***HK$'000***
Consolidated statement of financial position (extract)			
Accruals and other payables	94,801	(7,132)	**87,669**
Contract liabilities	—	7,132	**7,132**

3 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers that are used for making strategic decisions. The chief operating decision makers are identified as the executive directors of the Company. The chief operating decision makers regularly monitor and receive reports relating to the performance of the three lines of business the Group operates during the year. In this regard, management has identified three reportable operating segments, namely (1) Air ticket distribution, (2) Travel business process management and (3) Travel products and services.

The major business activities for the three segments are summarised as follows:

— Air ticket distribution: The Group sells air tickets on behalf of airlines in exchange for margin income and incentive commissions from airlines.

— Travel business process management: The Group performs certain administrative and management services mainly for travel agencies in exchange for travel business process management fees.

— Travel products and services: The Group packages various travel products from suppliers into company-operated tours. The Group also sells other travel products and services, where the travelers are responsible for their trips using travel services sourced by the Group.

The performance of the operating segments is assessed based on segment revenue and a measure of segment operating results. Unallocated administrative expenses, other gains/(losses), net, other income, finance income/(cost), net and income tax expense are not included in the segment results. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the Group's chief operating decision makers.

	Year ended December 31, 2018			
	Air ticket distribution HK$'000	**Travel business process management HK$'000**	**Travel products and services HK$'000**	**Total HK$'000**
Revenue from external customers	**94,598**	**25,562**	**29,021**	**149,181**
Time of revenue recognition				
At a point in time	**94,598**	**25,562**	**4,212**	**124,372**
Over the time	**—**	**—**	**24,809**	**24,809**
	94,598	**25,562**	**29,021**	**149,181**
Segment results	**51,785**	**14,744**	**1,259**	**67,788**
Other gain, net				**456**
Administrative expenses				**(50,266)**
Finance income, net				**405**
Share of net loss of joint ventures				**(2,668)**
Profit before income tax				**15,715**
Income tax expense				**(4,620)**
Profit for the year				**11,095**
Other segment items:				
Depreciation and amortisation	**1,332**	**761**	**952**	**3,045**
Capital expenditure	**2,134**	**1,218**	**1,523**	**4,875**

	Year ended December 31, 2017			
	Air ticket distribution HK$'000	Travel business process management HK$'000	Travel products and services HK$'000	Total HK$'000
Revenue from external customers	92,863	28,849	32,150	153,862
Time of revenue recognition				
At a point in time	92,863	28,849	3,953	125,665
Over the time	—	—	28,197	28,197
	92,863	28,849	32,150	153,862
Segment results	45,267	17,905	2,333	65,505
Other income				15
Other losses, net				(808)
Administrative expenses				(46,354)
Finance costs, net				(461)
Profit before income tax				17,897
Income tax expense				(5,532)
Profit for the year				12,365
Other segment items:				
Depreciation and amortisation	1,071	509	492	2,072
Capital expenditure	2,657	1,262	1,219	5,138

Revenue from external parties contributing 10% or more of the total revenues of the Group is as follows:

	Year ended December 31,	
	2018	2017
	HK$'000	HK$'000
Company A	**24,340**	23,297
Company B	*	29,423

* Represents the amount of revenue from such customer which is less than 10% of the total revenue of that year.

There is no material inter-segment revenue.

The Group's revenue by geographical locations (as determined by the area or country in which the Group operates) is analysed as follows:

	Year ended December 31,	
	2018	2017
	HK$'000	HK$'000
Canada	**120,023**	142,946
United States	**29,158**	10,916
	149,181	153,862

The following is an analysis of the carrying amounts of the Group's assets analysed by geographical area in which the assets are located:

	As at December 31,	
	2018	2017
	HK$'000	HK$'000
Canada	**149,860**	173,381
United States	**38,831**	23,978
Hong Kong	**80,406**	—
	269,097	197,359

All non-current assets, other than deferred income tax assets of approximately HK$157,000 (2017: HK$155,000) and investment in joint ventures of approximately HK$12,332,000 for the year ended December 31, 2018 (2017: nil), are located in Canada and Hong Kong respectively.

4 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	Year ended December 31,	
	2018	2017
	HK$'000	HK$'000
Other income		
Insurance pay out	**—**	15
Other gains/(losses), net		
Foreign exchange gain/(loss)	**371**	(808)
Gain on disposal of property, plant and equipment	**85**	—
	456	(808)

5 EXPENSES BY NATURE

	Year ended December 31, 2018 HK$'000	2017 HK$'000
Cost of package tours and tickets	**24,194**	28,111
Employee benefit expenses (including directors' emoluments)	**52,093**	55,380
Office, telecommunication and utility expenses	**3,539**	3,689
Operating lease rental payments	**2,862**	2,468
Advertising and promotion	**3,191**	4,269
Credit card fees	**1,280**	920
Auditor's remuneration		
- Audit service	**2,002**	237
- Non-audit service	**599**	17
Depreciation of property, plant and equipment	**1,762**	1,354
Amortisation of intangible assets	**2,489**	1,456
Legal and professional fees	**1,021**	202
Service fees	**8,191**	8,119
Listing expenses	**18,068**	19,571
Others	**10,368**	8,918
Total cost of sales, selling and administrative expenses	**131,659**	134,711

6 FINANCE INCOME/(COSTS), NET

	Year ended December 31, 2018 HK$'000	2017 HK$'000
Finance income		
- Interest income	**1,049**	554
Finance costs		
- Interest expense on loans from shareholders	**—**	(448)
- Interest expense on bank borrowings	**(644)**	(567)
	(644)	(1,015)
Finance income/(costs), net	**405**	(461)

7 INCOME TAX EXPENSE

Canadian corporate income tax has been provided at the rate of 26.5% for the year ended December 31, 2018 (2017: 26.5%) on the Group's respective taxable income. United States federal income tax has been provided at the rate of 21% for the year ended December 31, 2018 (2017: 34%) on the Group's respective taxable income and the United States state and city tax has been calculated on the estimated assessable profit at 8.85% for the year ended December 31, 2018 (2017: 9.78%).

On December 22, 2017, the 2017 Tax Cuts and Jobs Act ("**Tax Act**") was enacted into law making significant changes to the Internal Revenue Code. Changes include, but not limited to, a decrease in the federal income tax rate for tax years beginning after December 31, 2017, the transition of the U.S. international taxation from a worldwide tax system to a territorial system and a one-time transition tax on the mandatory deemed repatriation of foreign earnings. The Group is required to recognise the effect of the tax law changes in the year of enactment, such as re-measuring the deferred tax assets and liabilities as well as reassessing the net realisability of the deferred tax assets and liabilities of the company in the United States. Management has assessed the impact of the Tax Act and does not expect to have any material impact to the Group.

	Year ended December 31,	
	2018	2017
	HK$'000	HK$'000
Current income tax		
- Canadian corporate income tax	**10,024**	7,927
- United States federal income tax	**42**	1,310
- United States state income tax	**156**	420
- (Over)/under provision in prior years	**(550)**	709
Deferred income tax	**(5,052)**	(4,834)
Income tax expense	**4,620**	5,532

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods stated in note 11 below. In determining the weighted average number of ordinary shares, 900,000,000 shares of the Company, which resulted from the issue and allotment of 900,000,000 shares by the Company in connection with the Reorganisation had been treated as if such shares were issued on January 1, 2017.

	Year ended December 31,	
	2018	2017
Profit attributable to owners of the Company (HK$'000)	**11,095**	12,365
Weighted average number of ordinary shares in issue (Number of shares in thousand)	**1,053,699**	900,000
Basic and diluted earnings per shares (HK cents)	**1.1**	1.4

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share. For the years ended December 31, 2018 and 2017, the Group has no dilutive potential ordinary shares.

9 DIVIDEND

On March 28, 2019, the Board resolved to propose a final dividend in respect of the year ended December 31, 2018 of 0.46 HK cents per share, amounting to a total dividend of HK$5,520,000. Such dividend is subject to the approval by the shareholders of the Company (the "**Shareholders**") at the annual general meeting to be held on May 28, 2019. This proposed dividend is not reflected as a dividend payable in the consolidated financial information.

10 TRADE RECEIVABLES

	As at December 31, 2018 HK$'000	As at December 31, 2017 HK$'000
Incentive commission receivables	**14,378**	27,329
Other trade receivables	**2,040**	899
	16,418	28,228

Trade receivables primarily represent incentive commission receivables from airlines. The payment periods from customers generally range from 30 to 60 days.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The aging analysis of trade receivables based on initiation date is as follows:

	As at December 31, 2018 HK$'000	As at December 31, 2017 HK$'000
0 to 60 days	**16,304**	27,746
61 to 120 days	**—**	228
121 to 180 days	**—**	90
181 to 365 days	**114**	164
	16,418	28,228

As at December 31, 2018, trade receivables of HK$114,000 (2017: HK$482,000) was past due but not impaired. These primarily represent incentive commission receivables from airlines and based on past experience, the overdue amounts can be recovered. The aging analysis of these trade receivables, based on due date, is as follows:

	As at December 31,	
	2018	2017
	HK$'000	HK$'000
Overdue		
Less than 30 days	**—**	—
31 to 90 days	**—**	228
Over 90 days	**114**	254
	114	482

The carrying amounts of trade receivables approximate their fair values at each reporting date and are denominated in the following currencies:

	As at December 31,	
	2018	2017
	HK$'000	HK$'000
CAD	**10,959**	25,932
USD	**5,459**	2,296
	16,418	28,228

The maximum exposure to credit risk is the carrying amount of trade receivables and the Group does not have any receivables held as collateral or security.

11 SHARE CAPITAL AND OTHER RESERVE

(a) Share capital

	Number of ordinary shares ('000)	Nominal value of ordinary shares HK$'000
Authorised:		
Ordinary shares of HK$0.0001 each		
As at August 18, 2017 and December 31, 2018	**90,000,000**	**9,000**
Issued and fully paid:		
Ordinary shares of HK$0.0001 each		
At August 18, 2017 (date of incorporation) (i)	**1**	**1**
Issue of shares during Reorganisation (ii)	**899,999**	**89**
As at December 31, 2017	**900,000**	**90**
Issue of shares pursuant to the Share Offer (iii)	**300,000**	**30**
As at December 31, 2018	**1,200,000**	**120**

Notes:

(i) On August 18, 2017, the Company was incorporated under the laws of Ontario, Canada and registered by way of continuation in the Cayman Islands with an authorised share capital of an unlimited number of ordinary shares. Upon incorporation, one ordinary share of the Company was issued.

(ii) On October 9, 2017, the Company issued and allotted 899,999,999 shares of the Company to RT Group, AT Holdings and DC Holdings and offset against "other reserve".

(iii) In connection with the Company's listing on Main Board of the Stock Exchange of Hong Kong Limited on June 28, 2018, 300,000,000 new ordinary shares of HK$0.0001 each were issued at a price of HK$0.36 per share for a total cash consideration (before share issuance expenses) of HK$108,000,000, with net issuance costs amounted to approximately HK$19,752,000 being charged to the share premium account of the Company. Net share premium of approximately HK$88,248,000 was credited to equity.

(b) Other reserve

The other reserve presented in the consolidated statements of financial position represented the difference between the face value and the redemption value of the 10,000,000 Class A redeemable preference shares issued to the shareholders on September 1, 2011.

Upon completion of the exchange of redeemable preference shares into the ordinary shares of the Company on October 9, 2017 for Reorganisation (see Note 1 above), the carrying amount of redeemable preference shares amounting to HK$54,920,000 was recorded in other reserve.

12 TRADE PAYABLES

The ageing analysis of trade payables based on invoice date are as follows:

	As at December 31, 2018 HK$'000	As at December 31, 2017 HK$'000
0 to 30 days	**13**	24
31 to 60 days	**15**	1
61 to 90 days	**7**	—
	35	25

The carring amounts of the trade payables approximate their fair values as at December 31, 2018 and 2017 and all are denominated in CAD.

13 BANK BORROWINGS AND BANKING FACILITIES

(a) Bank borrowings

	As at December 31, 2018 HK$'000	As at December 31, 2017 HK$'000
Secured interest-bearing bank loans		
CAD denominated		
– Within 1 year	**—**	37,243

The weighted average interest rate in 2018 was at 3.4% (2017: 3.1%).

(b) Banking facilities

The Group has banking facilities available in the form of a demand non-revolving loan of HK$17,222,000 as at December 31, 2018 (2017: HK$68,478,000).

As at December 31, 2018 and 2017, the banking facilities were secured by trade and other receivables and cash and cash equivalents of the Group and a security subordination agreement in favour of one of the banks.

The banking facilities are also secured by a guarantee from a Canadian Crown corporation, an enterprise wholly owned by the Government of Canada, in the amount of HK$63,223,000 as at December 31, 2018 (2017: HK$56,028,000).

The Group has an unutilised demand non-revolving loan facility of HK$17,222,000 as at December 31, 2018 (2017: HK$31,235,000).

The Group was in compliance with all banking covenants as at December 31, 2018 and 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider in Canada, founded in 1976 and with more than 40 years of operating history. The principal businesses of the Group include (i) air ticket distribution in which it distributes air tickets to travel agents and travelers and issue air tickets directly on behalf of contracted airlines; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, as well as other travel products and services to travel agents and travelers.

2018 was a crucial year to the business development of the Group. The shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by way of international offering and the Hong Kong public offering (collectively, the "**Share Offer**") on June 28, 2018 (the "**Listing Date**"). The listing has marked a milestone for the Group and has opened up brand-new opportunities for its future growth. A public listing status will also improve the Group's capital strength, raise its corporate profile as well as enhance its competitive edge.

During the year under review, the Group's performance was fair considering some challenges across its business segments. The total revenue of the Group decreased by approximately 3.1%, from HK$153.9 million in 2017 to HK$149.2 million in 2018, which was mainly due to lower revenue generated from travel business process management segment and travel products and services segment. Excluding the non-recurring listing expenses and deferred income tax impact, the Group's adjusted profit for the year decreased by approximately 9.0%, from HK$26.8 million in 2017 to HK$24.4 million in 2018, which was mainly attributable to a fair value loss of HK$2.7 million recorded on the investment in the shares of the JV Company.

Air Ticket Distribution

Air ticket distribution business segment continued to be the largest revenue contributor of the Group. Segment revenue was up by approximately 1.8%, from HK$92.9 million in 2017 to HK$94.6 million in 2018, and accounted for approximately 63.4% of the total revenue of the Group. As one of the International Airport Transportation Association (IATA) accredited travel agents in Canada and one of the Airlines Reporting Corporation (ARC) accredited travel agents in the United States, the Group is qualified to obtain ticketing authority to issue air tickets of all available flights (origins and destinations) on behalf of IATA member airlines and ARC member airlines and secure private fare deals directly from them. As of December 31, 2018, the Group had ticketing authority for more than 150 airlines and private fare deals with around 70 airlines, including top airlines based in Canada, the United States and China.

Travel Business Process Management

The Group continued to provide a range of travel business process management including air ticket transaction processing, customer contact, BSP/ARC settlement and reconciliation, software development and travel licensing, compliance and other administrative matters to its customers. Segment revenue generated from travel business process management decreased by approximately 11.1%, from HK$28.8 million in 2017 to HK$25.6 million in 2018, and accounted for approximately 17.1% of the total revenue of the Group. Such decrease was mainly due to the cease of provision of travel business process management services to a customer in 2017. The management has continued to expand the Group's customer base by initiating sales efforts targeting travel agents that share similar profile and market positioning as its existing customers. During the year ended December 31, 2018, the Group had been providing travel business process management services to 10 travel agents which include some of well-known global brands.

Travel Products and Services

The Group continued to offer package tours and other travel products and services to more than 200 cities in over 40 countries in Asia, Europe, Middle East, North America and South American to its customers. Segment revenue generated from travel products and services decreased by approximately 9.9%, from HK$32.2 million in 2017 to HK$29.0 million in 2018, and accounted for approximately 19.5% of the total revenue of the Group. Such decrease was mainly due to decreased sales volume of package tours.

Other Business Development

On October 25, 2018, CTEH Ventures Limited (the "**CTEH Ventures**"), a wholly-owned subsidiary of the Company, and WWPKG Management Company Limited ("**WWPKG Management**") entered into a JV agreement (the "**JV agreement**") in relation to the subscription of shares of Triplabs (BVI) Company Limited (the "**JV Company**"). For details, please refer to the announcement of the Company dated October 25, 2018.

As at December 31, 2018, the JV Company had investments in startup companies that engaged in tourism and travel technology related businesses including (i) travel metasearch engines for flight tickets; (ii) data-centric advertising solutions; (iii) vacation photography booking platform; (iv) property standardisation and management system for budget and midscale hotels and guest houses; and (v) artificial intelligence powered influencer marketing program. Through operating the JV Company, the management expects to expand the scope of business to tourism and travel technology and other businesses closely related to the Group's core businesses, so as to enhance its future earning capability and potential.

FUTURE PROSPECT

The Group will continue to execute its business strategy to strengthen the position as a well-established air ticket consolidator, travel business process management provider and travel products and services provider in North America and create long-term shareholder value.

Air Ticket Distribution

Air ticket consolidators will pay more attention to technological developments and make more use of technologies such as e-commerce and big data for business development and management. The Group will continue to expand its air ticket distribution business segment by (i) developing tailor-made booking platforms and mobile booking applications in simplified and traditional Chinese for ethnic agencies; (ii) setting up customer services for Mandarin and Cantonese speaking travel agents to support the operational needs of new booking platforms; (iii) opening two regional offices to conduct sales and marketing activities to attract new customers; and (iv) upgrading the website to include online air ticket booking function and develop mobile booking applications for travelers.

Travel Business Process Management

With increasing business volumes and diversified business processes, travel business process management providers will need to employ additional technological tools such as advanced software and automation to effectively analyze data and improve the efficiency and accuracy of their services. The Group plans to purchase service level management software for productivity management and measurement, which will help it to optimize internal resources, access the overall efficiency and enhance its competitiveness in this business segment.

Travel Products and Services

Customized travel products are expected to continue to be increasingly popular in North America, as they are designed to better accommodate to customers' special requirements and minimize the burden of the end-customers. The Group will continue to roll out customized travel products to cater to travelers' needs.

FINANCIAL REVIEW

REVENUE

The following table sets forth the components of the revenue by business segment for the years:

	Year ended December 31,			
	2018		2017	
	HK$'000	**%**	HK$'000	%
Air ticket distribution	**94,598**	**63.40%**	92,863	60.40%
Travel business process management	**25,562**	**17.10%**	28,849	18.70%
Travel products and services	**29,021**	**19.50%**	32,150	20.90%
Total	**149,181**	**100.0%**	153,862	100.0%

Our Group's revenue decreased by HK$4.7 million or approximately 3.1%, from HK$153.9 million for the year ended December 31, 2017 to HK$149.2 million for the year ended December 31, 2018. Such decrease was mainly attributable to lower revenue generated from travel business process management segment and travel products and services segment, mitigated by the higher revenue from air ticket distribution segment.

Air Ticket Distribution

The revenue from air ticket distribution segment increased by HK$1.7 million, or approximately 1.8%, from HK$92.9 million for the year ended December 31, 2017 to HK$94.6 million for the year ended December 31, 2018. Such increase was mainly attributable to the growth in the transaction volume and gross sales proceeds of selling air tickets.

Travel Business Process Management

The revenue from travel business process management segment decreased by HK$3.2 million or approximately 11.1%, from HK$28.8 million for the year ended December 31, 2017 to HK$25.6 million for the year ended December 31, 2018. Such decrease was mainly attributable to the cease of provision of travel business process management service to a customer in 2017 and mitigated by increased services volume and level in respect of the transaction processing services for the existing customers.

Travel Products and Services

The revenue from travel products and services segment decreased by HK$3.2 million or approximately 9.9%, from HK$32.2 million for the year ended December 31, 2017 to HK$29.0 million for the year ended December 31, 2018. Such decrease in the revenue from sales of package tours was mainly attributable to the decreased sales volume of package tours.

Gross Profit and Gross Profit Margin

The gross profit increased by HK$5.6 million or approximately 5.7%, from HK$98.1 million for the year ended December 31, 2017 to HK$103.7 million for the year ended December 31, 2018.

The gross profit margin increased by approximately 5.7% from approximately 63.8% in 2017 to approximately 69.5% in 2018. The increase was primarily attributable to the increasingly higher portion of the revenue from air ticket distribution segment in 2018 which derived higher profit margins as compared to the travel products and services segment.

Selling Expenses

The selling expenses slightly increased by HK$0.8 million or approximately 4.5%, from HK$17.7 million for the year ended December 31, 2017 to HK$18.5 million for the year ended December 31, 2018, which was mainly due to increase in share of amortization of intangible assets during the year.

Administrative Expenses

The administrative expenses increased by HK$6.4 million or approximately 10.4%, from HK$61.3 million for the year ended December 31, 2017 to HK$67.7 million for the year ended December 31, 2018, which was mainly due to the increase in legal and professional fees and auditor's remuneration incurred following the listing and the increase in discretionary bonuses awarded to the Group's employees in recognition of their efforts and contributions.

Income Tax Expense

The Group recorded income tax expense of HK$4.6 million for the year ended December 31, 2018 as compared with HK$5.5 million for the year ended December 31, 2017. The effective tax rate remained relatively stable at approximately 29.4%.

Profit For The Year

As a result of the cumulative effect of the foregoing, profit of the Group decreased by HK$1.3 million or approximately 10.5%, from HK$12.4 million for the year ended December 31, 2017 to HK$11.1 million for the year ended December 31, 2018.

Excluding the non-recurring listing expenses and deferred income tax impact, the Group's adjusted profit for the year ended December 31, 2018 was approximately HK$24.4 million.

FINANCIAL RESOURCES AND LIQUIDITY

During the year ended December 31, 2018, the Group's primary source of funding included its own working capital, the net proceeds from the listing and the credit facilities provided by the Group's principal bank in Canada.

Net cash generated from operating activities was HK$0.4 million in 2018, as compared with net cash generated from operating activities of HK$1.0 million in 2017. Net cash generated from investing activities was HK$24.4 million in 2018, as compared with net cash used in investing activities of HK$6.8 million in 2017, respectively. Net cash generated from financing activities in 2018 was HK$53.1 million, as compared with net cash used in financing activities of HK$1.8 million in 2017.

As at December 31, 2018, the Group's cash and cash equivalents amounted to HK$138.3 million which includes the net proceeds from the Share Offer of HK$49.7 million, representing an increase of approximately 111.5% from HK$65.4 million as at December 31, 2017.

The Group's gearing ratio is calculated based on total debt divided by the shareholders' equity at the end of the financial year and multiplied by 100%. As at December 31, 2018, the Group recorded a net cash position and its gearing ratio is zero. Taking into consideration of the Group's current bank balances and cash, together with the credit facilities available and the expected cash flow from operations, it is anticipated that the Company should have adequate financial resources to meet its ongoing operating and development requirements.

Net current assets

As at December 31, 2018, the Group had net current assets of HK$120.9 million as compared with net current assets of HK$49.5 million as at December 31, 2017.

CONTINGENT LIABILITIES

As at December 31, 2018, the Group did not have any material contingent liabilities or guarantees.

CAPITAL EXPENDITURE AND COMMITMENTS

The total capital expenditure incurred for the year ended December 31, 2018 was approximately HK$6.8 million, which was mainly used in purchase of property, plant and equipment and intangible assets. The Group had no material planned capital expenditures and capital commitments as of the end of the year ended December 31, 2018.

PLEDGE OF ASSETS

As of December 31, 2017, the Group had restricted term deposit of HK$45.0 million held as security to the bank for the letters of guarantee issued to IATA. The restricted term deposit was released on February 2, 2018.

As of December 31, 2017, the Group had government bond issued by the Canadian government of HK$1.4 million. The bond is held as a security pledge for the operating permits required under the Quebec Travel Agents Act by the OPC. The interest rate for the bond is 2.2% with a maturity date of December 1, 2018 and under renewal process as of December 31, 2018.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS

On October 25, 2018, CTEH Ventures, a wholly-owned subsidiary of the Company, and WWPKG Management formed the JV Company. For details, please refer to the announcement of the Company dated October 25, 2018. As at December 31, 2018, the JV Company had investments in startup companies that engaged in tourism technology related business.

Save for the above, no other material acquisition and disposal of subsidiaries and affiliated companies were conducted by the Group for the year ended December 31, 2018.

EVENT AFTER THE REPORTING PERIOD

There are no significant events subsequent to the end of the reporting period which would materially affect the Group's operating and financial performance as of the date of this announcement.

FOREIGN EXCHANGE RISKS

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in Canadian dollar, the Group's functional currency. The Group's policy requires the management to control the Group's foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of USD at acceptable exchange rate for meeting the payment obligations arising from business operations. A net foreign exchange gain of HK$0.4 million was recorded for the year ended December 31, 2018 and net foreign exchange loss of HK$0.8 million for the year ended December 31, 2017.

During the year ended December 31, 2018, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2018, the Group had a total of 136 employees as compared with 139 employees as at December 31, 2017, of which 133 were in Canada and 3 were in the United States of America. The total staff costs incurred by the Group for the year ended December 31, 2018 were HK$52.1 million as compared with HK$55.4 million for the year ended December 31, 2017. The Group will regularly review its remuneration policy and the benefits to its employees with reference to market practice and the performance of individual employees.

FINAL DIVIDEND

The Board resolved to recommend the payment of a final dividend of 0.46 HK cents per ordinary share for the year ended December 31, 2018. Based on 1,200,000,000 shares in issue as at the date of this announcement, it is expected that the total amount of final dividend payable to the share holders is HK$5,520,000 for the year ended December 31, 2018. The final dividend is subject to the approval of the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting of the Company (the "**AGM**") and the final dividend will be paid on June 25, 2019 to the Shareholders whose names appear on the register of members of the Company on June 11, 2019 (record date).

ANNUAL GENERAL MEETING

It is proposed that the AGM will be held on May 28, 2019. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed during the following period:

Latest time to lodge transfers documents for registration................ 4:30 p.m. on May 22, 2019

Closure of register of members...May 23, 2019 to May 28, 2019
(both days inclusive)

For determining the members' entitlement of the proposed final dividend, the register of members of the Company will be closed during the following period:

Latest time to lodge transfers documents for registration.................. 4:30 p.m. on June 4, 2019
Closure of register of members..June 5, 2019 to June 11, 2019
(both days inclusive)

For purposes mentioned above, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road North Point, Hong Kongs for registrations no later than the aforementioned latest time.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has adopted all applicable code provisions as set out in the Code on Corporate Governance Practices ("**CG Code**") as set out in Appendix 14 to the Listing Rules and has also put in place certain recommended best practices as set out in the CG Code.

The Board is of the opinion that the Company has complied with all applicable code provisions set out in the CG Code from the Listing Date and up to the date of this announcement.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2018.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") consists of three members, two of whom are independent non-executive Directors, being Mr. Sik Yuen Lau and Dr. Michael Edward Ricco, and one non-executive Director, being Dr. Kwok Chun Dennis Chu. The Audit Committee is chaired by Mr. Sik Yuen Lau. The annual results for the year ended December 31, 2018 of the Company have been reviewed by the Audit Committee. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed risk management and internal control with senior management members and is of the view that the results for the year ended December 31, 2018 are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct from the Listing Date and up to the date of this announcement.

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

Since the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended December 31, 2018 have been agreed by the Company's external auditor, PricewaterhouseCoopers LLP ("**PwC**"), to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of both the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.toureast.com). The annual report of the Company for the year ended December 31, 2018 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
CTEH INC.
Mrs. Rita Pik Fong Tsang
Chairperson and executive Director

Hong Kong, March 28, 2019

As at the date of this announcement, the executive Directors are Mrs. Rita Pik Fong Tsang and Ms. Annie Shuk Fong Tsu, the non-executive Director is Dr. Kwok Chun Dennis Chu, and the independent non-executive Directors are Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung and Mr. Sik Yuen Lau.