GLOBAL MASTERMIND CAPITAL LIMITED
環球大通投資有限公司*

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

(Stock Code: 905)

ANNOUNCEMENT OF 2016 FINAL RESULTS

The Board of Directors (the "Board") of Global Mastermind Capital Limited (the "Company") presents the annual consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016 and the consolidated statement of financial position of the Group as at 31 December 2016 together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** ***HK$'000***	2015 *HK$'000*
Revenue	*6*	**5,557**	8,980
Other income	*7*	**149**	471
Loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investment		**(31,915)**	(49,789)
Impairment loss recognised in respect of available-for-sale financial assets		**–**	(43)
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss		**(32,823)**	(14,641)
Cumulative gain/(loss) reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets		**403**	(4,093)
Gain on disposal of subsidiaries	*15*	**–**	19,569
Administrative expenses and other operating expenses		**(24,546)**	(17,703)
Finance costs	*8*	**(3,895)**	(6,804)

* *For identification purposes only*

	Note	2016 HK$'000	2015 HK$'000
Loss before income tax	*9*	**(87,070)**	(64,053)
Income tax expense	*10*	**–**	–
Loss for the year attributable to owners of the Company		**(87,070)**	(64,053)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets		**(94,999)**	40,977
Reclassification adjustments relating to available-for-sale financial assets disposed of		**(403)**	4,093
Reclassification adjustments relating to available-for-sale financial assets impaired of		**32,823**	14,641
Exchange differences arising on translation of foreign operations during the year		**–**	(24)
Reclassification adjustments relating to foreign operations disposed of during the year		**–**	(65)
Other comprehensive (loss)/income for the year		**(62,579)**	59,622
Total comprehensive loss for the year attributable to owners of the Company		**(149,649)**	(4,431)
		HK$'000	*HK$'000*
Loss per share	*11*		
Basic and diluted *(HK cent(s))*		**(19.02)**	(32.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,308**	1,811
Intangible assets		**5,785**	2,720
Deposit paid for investment		**904**	–
Available-for-sale financial assets		**138,627**	191,440
		147,624	195,971
Current assets			
Prepayments		**125**	439
Other receivables		**36**	4,812
Deposits paid		**37**	32
Financial assets at fair value through profit or loss		**393,821**	371,075
Cash and cash equivalents		**7,016**	20,882
		401,035	397,240
Current liabilities			
Accruals and other payables		**37,115**	4,337
Unsecured loan	*13*	**–**	87,000
Loan from a director	*14*	**10,000**	–
Obligation under a finance lease		**323**	313
		47,438	91,650
Net current assets		**353,597**	305,590
Total assets less current liabilities		**501,221**	501,561
Non-current liabilities			
Obligation under a finance lease		**192**	515
Other financial liability – non-convertible bond		**9,825**	9,788
		10,017	10,303
Net assets		**491,204**	491,258
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**7,003**	350,706
Reserves		**484,201**	140,552
Total equity		**491,204**	491,258
Net asset value per share *(HK$)*		**0.70**	0.35

Notes:

1. GENERAL INFORMATION

The Company was domiciled in Hong Kong and incorporated in the Cayman Islands on 21 April 1998, as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. On 21 December 2015 (Bermuda time) (or 22 December 2015 (Hong Kong time), the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company under the Companies Act of Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is situated at Unit 3107, 31/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The financial statements are presented in Hong Kong Dollor ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

The principal activity of the Company and its subsidiaries (collectively referred to as the "Group") principally engaged in investment in listed and unlisted companies.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

3. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning from 1 January 2016. A summary of the new and amendments HKFRSs applied by the Group is set out as follows:

HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisition of Interest in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

HKAS 7 (Amendments)	Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[2]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]

[1] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[4] Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirement of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows and selling financial assets, that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Group's financial instruments and risk management policies at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria).

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 *Leases*, HK(IFRIC) — Int 4 *Determining whether an Arrangement contain a Lease*, HK(SIC) — Int 15 *Operating Lease — Incentives* and HK(SIC) — Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 *Leases*. Under HKFRS 16, leases are recorded on the consolidated statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the consolidated statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer).

HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed to the notes to the financial statements. The directors of the Company do not expect the application of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Except as described above, the directors of the Company do not anticipate that the application of other new and amendments to HKFRSs issued but not yet effective will have material impact on the Group's financial performance and financial positions.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The Group's principal activity is engaged in investment in listed and unlisted companies. The executive directors regard it as a single business segment and no segment information is presented.

At the end of the reporting period, non-current assets with the exception of AFS financial assets included property, plant and equipment and intangible assets of approximately HK$2,308,000 (2015: HK$1,811,000) and HK$5,785,000 (2015: HK$2,720,000) which are located in Hong Kong. The Company's place of domicile is in Hong Kong which is determined based on the location of central management.

The Group's revenue are mainly derived from Hong Kong during the year ended 31 December 2016 and 2015.

6. REVENUE

	2016	2015
	HK$'000	*HK$'000*
Dividend income	**4,953**	8,602
Interest income	**604**	378
	5,557	8,980

7. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Net foreign exchange gain	**–**	404
Others	**149**	67
	149	471

8. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
Unsecured loan	**3,454**	5,718
Other financial liability		
– non-convertible bond	**237**	237
Finance lease	**20**	2
Other interest expenses to financial institution	**184**	847
	3,895	6,804

9. LOSS BEFORE INCOME TAX

	2016	2015
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Auditors' remuneration		
– Annual audit	**380**	322
– Non-audit services	**10**	–
	390	322
Depreciation of property, plant and equipment	**422**	170
Loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments	**31,915**	49,789
Net foreign exchange loss/(gain)	**501**	(404)
Operating lease rentals in respect of rental premises	**341**	686

An analysis of the loss arising in change in fair value financial assets at fair value through profit or loss classified as held for trading investments is as follows:

	2016	2015
	HK$'000	*HK$'000*
Realised loss/(gain) on disposal of financial assets at fair value through profit or loss classified as held for trading investments		
Proceeds from disposal of financial assets at fair value through profit or loss classified as held for trading investments	**(297,256)**	(243,706)
Less: Carrying amounts of financial assets at fair value through profit or loss classified as held for trading investments	**302,531**	218,454
	5,275	(25,252)
Unrealised loss on financial assets at fair value through profit or loss classified as held for trading investments	**26,640**	75,041
Loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investment.	**31,915**	49,789

10. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. The People's Republic of China (the "PRC") subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group had no assessable profit arising in or derived from Hong Kong.

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in or derived from PRC.

11. LOSS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(87,070)**	(64,053)

	2016	2015
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**457,740**	197,442

The weighted average number of ordinary shares for the year ended 31 December 2015 for the purposes of calculating basic and diluted loss per share have been adjusted for capital reorganisation which took place on 12 January 2016.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation for the year ended 31 December 2016 and 31 December 2015, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share for both years.

12. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 December 2016 and 2015, nor has any dividend been proposed by the board of directors subsequent to the end of the reporting period.

13. UNSECURED LOAN

	2016	2015
	HK$'000	*HK$'000*
Unsecured loan	**–**	87,000

At 31 December 2015, the unsecured loan is unsecured, interest bearing at 8% per annum and repayable on the falling 24 months from the drawdown date.

The unsecured loan contained a repayment on demand clause and therefore classified as current liability at the end of the reporting period.

14. LOAN FROM A DIRECTOR

On 30 November 2016, Mr. Mung Kin Keung ("Mr. Mung"), a director and shareholder of the Company, as a lender, and the Group, as a borrower, entered into a loan agreement pursuant to which Mr. Mung has agreed to grant a loan (the "Loan") to the Group with the amount of HK$10,000,000. The Loan is unsecured, interest free and repayable on demand. During the year ended 31 December 2016, the Group drawn down a Loan with the amount of HK$10,000,000. The Loan is constituted as a connect transaction of the Company which fully exempted from shareholders' approval, annual review and all disclosure requirements under the Listing Rules.

15. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2015

Disposal of Billion City Investment Limited ("Billion City")

On 23 April 2015, the Group had completed to dispose the entire equity interest in Billion City and a shareholder's loan of approximately HK$14,981,000 at a total consideration of HK$30,000,000. The net liabilities of Billion City, at the date of disposal were as follows:

Consideration transferred:

	HK$'000
Cash received	30,000

Analysis of assets and liabilities over which control was lost:

	HK$'000
Net liabilities disposed of:	
Available-for-sale financial assets	8,093
Cash and cash equivalents	14
Shareholder's loan	(14,981)
Net liabilities disposed of	(6,874)

Gain on disposal of a subsidiary:

	HK$'000
Consideration received	30,000
Net liabilities disposed of	6,874
Shareholder's loan assigned to the purchaser	(14,981)
Gain on disposal of a subsidiary	21,893

Net cash inflow arising on disposal:

	HK$'000
Cash consideration received	30,000
Less: Cash and bank balances disposed of	(14)
Net cash inflow	29,986

Disposal of Ocean Power Limited ("Ocean Power")

On 29 June 2015, the Group had completed to dispose the entire equity interest in Ocean Power and its subsidiary and a shareholder's loan of approximately HK$5,378,000 at a total consideration of HK$3,000,000. The net liabilities of Ocean Power, at the date of disposal were as follows:

Consideration transferred:

	HK$'000
Cash received	3,000

Analysis of assets and liabilities over which control was lost:

	HK$'000
Net liabilities disposed of:	
Available-for-sale financial assets	3,226
Prepayment and other receivables	1,076
Cash and cash equivalents	29
Other payables	(235)
Shareholder's loan	(5,378)
Net liabilities disposed of	(1,282)

Loss on disposal of subsidiaries:

	HK$'000
Consideration received	3,000
Net liabilities disposed of	1,282
Release of exchange reserve upon disposal of subsidiaries	22
Shareholder's loan assigned to the purchaser	(5,378)
Loss on disposal of subsidiaries	(1,074)

Net cash inflow arising on disposal:

	HK$'000
Cash consideration received	3,000
Less: Cash and bank balances disposed	(29)
Net cash inflow	2,971

Disposal of Excellent Base Development Limited ("Excellent Base")

On 29 June 2015, the Group had completed to dispose the entire equity interest in Excellent Base and its subsidiary and a shareholder's loan of approximately HK$3,158,000 at a total consideration of HK$3,000,000. The net assets of Excellent Base, at the date of disposal were as follows:

Consideration transferred:

	HK$'000
Cash received	3,000

Analysis of assets and liabilities over which control was lost:

	HK$'000
Net liabilities disposed of:	
Available-for-sale financial assets	3,224
Prepayment and other receivables	1,191
Cash and cash equivalents	27
Other payables	(149)
Shareholder's loan	(3,158)
Net assets disposed of	1,135

Loss on disposal of subsidiaries:

	HK$'000
Consideration received	3,000
Net assets disposed of	(1,135)
Release of exchange reserve upon disposal of subsidiaries	43
Shareholder loan assigned to the purchaser	(3,158)
Loss on disposal of subsidiaries	(1,250)

Net cash inflow arising on disposal:

	HK$'000
Cash consideration received	3,000
Less: Cash and bank balances disposed	(27)
Net cash inflow	2,973

MANAGEMENT DISCUSSION AND ANALYSIS

Business and investment review

As at 31 December 2016, the major investments of the Group were approximately HK$514,456,000 of a portfolio of listed equity securities and debt securities and approximately HK$17,992,000 of direct investment in unlisted equity securities. The investment portfolio of the Group mainly comprises equity securities in Hong Kong, Canada and the United States of America.

Dividend from listed equity investments during the year was approximately HK$4,953,000.

Financial review

During the year, the Group recorded a loss for the year attributable to owners of the Company of approximately HK$87.1 million, compared to loss for the year attributable to owners of the Company of approximately HK$64.1 million. Such increase in loss was mainly attributable to (i) the increase in impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss of approximately HK$18.2 million, (ii) the absence of gain on disposal of subsidiaries of approximately HK$19.6 million as recognized for the year ended 31 December 2015 and (iii) the increase in the administrative expenses and other operating expenses of approximately HK$6.8 million which partly offset the decrease in loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments of approximately HK$17.9 million.

Financial position

As at 31 December 2016, the Group had cash and cash equivalents of approximately HK$7,016,000 (2015: HK$20,882,000).

As at 31 December 2016, the Group had other financial liability – non-convertible bond, obligation under a finance lease, loan from a director and unsecured loan of approximately HK$9,825,000 (2015: HK$9,788,000), approximately HK$515,000 (2015: HK$828,000), approximately HK$10,000,000 (2015: nil), and nil (2015: HK$87,000,000) respectively.

The gearing ratio (total debt/total equity) at 31 December 2016 was 4.1% (2015: 19.9%). Total debt included other financial liability-non-convertible bond, obligation under a finance lease, loan from a director and unsecured loan.

As at 31 December 2016, the Group had net current assets of approximately HK$353,597,000, as compared to approximately HK$305,590,000 as at 31st December 2015.

As at 31 December 2016, the current ratio of the Group was 8.45 compared to 4.33 as at 31 December 2015.

Loan from a Director

On 30 November 2016, Mr. Mung Kin Keung ("Mr. Mung"), a director and shareholder of the Company, as a lender, and the Group, as a borrower, entered into a loan agreement pursuant to which Mr. Mung has agreed to grant a loan (the "Loan") to the Group with the amount of HK$10,000,000. The Loan is non-interest bearing and repayable on demand. During the year ended 31 December 2016, the Group drawn down a Loan with the amount of HK$10,000,000.

The loan from a director is unsecured, interest free and repayable on demand.

Share Capital and Capital Structure

Pursuant to an extraordinary general meeting (the "EGM") held on 23 November 2015, a capital reorganisation was duly passed in which every four issued shares of HK$0.25 each in the Company will be consolidated into one consolidated share of HK$1.00 each and the paid-up capital of the consolidated shares will be reduced from HK$1.00 each to HK$0.01 each by cancelling HK$0.99 thereof so as to form the reorganised shares of HK$0.01 each. The capital reorganisation was effective on 12 January 2016. Details of the capital reorganisation were set out in the Company's announcements dated 30 September 2015, 19 October 2015, 22 October 2015, 22 December 2015 and 12 January 2016, the circular of the Company dated 26 October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23 November 2015.

On 17 March 2016, the Company raised approximately HK$28.1 million before expenses by the way of placing (the "Placing") issuing an aggregate 70,128,000 placing shares at the placing price of HK$0.40 per placing share. The net proceeds from the Placing was approximately HK$26.9 million of which had been fully used for investment of the financial instruments available in Hong Kong financial markets. Details of the Placing were set out in the Company's announcements dated 29 February 2016 and 17 March 2016.

On 21 June 2016, the Company raised approximately HK$35.3 million before expenses by the way of subscription (the "Subscription") issuing 84,000,000 subscription shares at the subscription price of HK$0.42 per subscription share. The net proceeds from the Subscription was approximately HK$35.2 million of which had been fully used for investment of the financial instruments available in Hong Kong. Details of the Subscription were set out in the Company's announcements dated 8 June 2016 and 21 June 2016.

On 19 December 2016, the Company raised approximately HK$87.5 million before expenses by the way of subscription (the "Subscription") issuing 195,500,000 subscription shares at the subscription price of HK$0.45 per subscription share. The net proceeds from the Subscription was approximately HK$87.5 million of which had been fully used for investment of the financial instruments available in Hong Kong financial markets. Details of the Subscription were set out in the Company's announcements dated 17 October 2016, 14 December 2016 and 19 December 2016 and the circular dated 28 November 2016.

Material Acquisitions and Disposals of Subsidiaries

The Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2016.

Charges on assets

As at 31 December 2016, there were no charges on the Group's assets (2015: nil).

Foreign exchange exposure

Most of the investments and the business transactions of the Group are denominated in Hong Kong dollars. The Board believes the foreign exchange exposure is minimal.

Contingent liabilities

The Group had no contingent liabilities as at 31 December 2016 (2015: nil).

Employees and remuneration policy

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance, qualification, experience and the remuneration policies are reviewed on a regular basis.

There are twelve employees, two executive directors and three independent non-executive directors. Remuneration policies are reviewed in accordance with the market situation and the performance of individual directors from time to time. In addition to salaries, the Group provides employee benefits such as medical insurance and provident funds. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The Group's total staff costs (including directors' emoluments) for the year under review amounted to approximately HK$13,343,000 (2015: HK$8,738,000).

Prospects

Entering the first half of 2017, worldwide economics has shown signs of improvement, and most importantly China's macro-economy had showed signs of improvement in the second half of 2016. We believe 2016 will be the cyclical bottom, and as 2017 starts, the prospect begins to improve.

With the improvement of market environment, the Board will remain focus on undervalued assets and companies which offer healthy growth over mid to long term, but also gives us the opportunity to maximize our return in the short future.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited 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 HLB Hodgson Impey Cheng Limited on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management and the external auditor of the Group's consolidated financial statements for the year ended 31 December 2016, the accounting principles and practices adopted and discussed auditing, risk management and internal controls and financial reporting matters.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Listing Rules during the year except for the following deviations:

Code provision A.4.1

The code provision A.4.1 of the CG Code states that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company (the "INEDs") are not appointed for a specific term but are subject to retirement by rotation at the Company's annual general meetings in accordance with the bye-laws of the Company (the "Bye-laws"). As at each annual general meeting, one-third of the directors of the Company (or such number as nearest to but not less than one-third) must retire by rotation, each of the directors of the Company is effectively appointed for a term of approximately three years or less.

Each INED has, pursuant to the guidelines set out in Rule 3.13 of the Listing Rules, confirmed he/she is independent of the Company and the Company also considers that they are independent. The term of office of each INED is not more than three years from date of appointment subject to the requirement that one-third of all the directors shall retire from office by rotation at each annual general meeting pursuant to the Bye-laws.

Code provision A.6.7

The code provision A.6.7 of the CG Code states that INED should also attend general meetings and develop a balanced understanding of the views of shareholders.

Due to personal commitment, an INED, Mr. Fung Wai Ching, was unable to attend the special general meetings of the Company held on 3 February 2016 and 14 December 2016.

Code provision E.1.2

The code provision E.1.2 of the CG code states that the chairman of the Board should attend the annual general meeting of the Company.

Due to the other business commitment, the chairman of the Board, Mr. Mung Kin Keung, was unable to attend the Annual General Meeting. However, arrangements including the attendance of another member of the Board had been in place to ensure the Annual General Meeting was in order.

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") set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by directors and by relevant employees (as defined in the Code). All directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code during the year.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be despatched to the shareholders as well as published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By Order of the Board
Global Mastermind Capital Limited
Mung Kin Keung
Chairman

Hong Kong, 28 March 2017

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. MUNG Kin Keung (Chairman) and Mr. MUNG Bun Man, Alan; and three independent non-executive Directors, namely, Mr. MAN Kong Yui, Mr. FUNG Wai Ching and Mr. POON Wai Hoi, Percy.