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## 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 2015 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 31st December 2015 and the consolidated statement of financial position of the Group as at 31st December 2015 together with the comparative figures for the year ended 31st December 2014 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31st December 2015*

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Revenue	6	<b>8,980</b>	1,759
Other income	7	<b>471</b>	–
Reversal of impairment loss recognised in respect of deposits paid in prior year		–	1,500
Loss arising in change in fair value of financial assets at fair value through profit or loss		<b>(49,789)</b>	(2,213)
Impairment loss recognised in respect of available-for-sale financial assets		<b>(43)</b>	(4,779)
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss		<b>(14,641)</b>	(5,221)
Cumulative (loss)/gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets		<b>(4,093)</b>	74
Gain on disposal of subsidiaries		<b>19,569</b>	–
Administrative expenses and other operating expenses		<b>(17,703)</b>	(8,367)
Finance costs	8	<b>(6,804)</b>	(357)

\* *For identification purposes only*

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Loss before income tax</b>	<i>9</i>	<b>(64,053)</b>	(17,604)
Income tax expense	<i>10</i>	<u>—</u>	<u>—</u>
<b>Loss for the year attributable to owners of the Company</b>		<u><b>(64,053)</b></u>	<u>(17,604)</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value of available-for-sale financial assets		<b>40,977</b>	4,884
Reclassification adjustments relating to available-for-sale financial assets disposed of		<b>4,093</b>	(74)
Reclassification adjustments relating to available-for-sale financial assets impaired of		<b>14,641</b>	5,221
Exchange differences arising on translation of foreign operations during the year		<b>(24)</b>	(43)
Reclassification adjustments relating to foreign operations disposed of during the year		<u><b>(65)</b></u>	<u>—</u>
<b>Other comprehensive income for the year</b>		<u><b>59,622</b></u>	<u>9,988</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<u><b>(4,431)</b></u>	<u>(7,616)</u>
			(restated)
<b>Loss per share</b>	<i>11</i>		
Basic and diluted ( <i>HK cent(s)</i> )		<u><b>(32.44)</b></u>	<u>(26.95)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2015

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,811	41
Intangible assets		2,720	2,720
Available-for-sale financial assets		191,440	85,541
		<u>195,971</u>	<u>88,302</u>
<b>Current assets</b>			
Prepayments		439	766
Other receivables		4,812	4,907
Deposits paid		32	–
Financial assets at fair value through profit or loss		371,075	56,046
Cash and cash equivalents		20,882	104,632
		<u>397,240</u>	<u>166,351</u>
<b>Current liabilities</b>			
Accruals and other payables		4,337	6,726
Unsecured loan	13	87,000	80,000
Obligation under a finance lease		313	–
Amount due to a director		–	2,000
Amount due to a related company		–	5
		<u>91,650</u>	<u>88,731</u>
<b>Net current assets</b>		<u>305,590</u>	<u>77,620</u>
<b>Total assets less current liabilities</b>		<u>501,561</u>	<u>165,922</u>
<b>Non-current liabilities</b>			
Obligation under a finance lease		515	–
Other financial liability – non-convertible bond		9,788	9,751
		<u>10,303</u>	<u>9,751</u>
<b>Net assets</b>		<u><u>491,258</u></u>	<u><u>156,171</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		350,706	77,935
Reserves		140,552	78,236
<b>Total equity</b>		<u><u>491,258</u></u>	<u><u>156,171</u></u>
<b>Net asset value per share (HK\$)</b>		<u><u>0.35</u></u>	<u><u>0.50</u></u>

*Notes:*

**1. GENERAL INFORMATION**

The Company was domiciled in Hong Kong and incorporated in the Cayman Islands on 21st April 1998, as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. On 21st December 2015 (Bermuda time) (or 22nd December 2015 (Hong Kong time)), the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company under the law 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 1611, 16/F, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("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") are principally 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, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") 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 requirement of Hong Kong Companies Ordinance.

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) ("new CO") regarding preparation of financial statements and directors' reports and audits became effective for the Company for the financial year ended 31st December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual financial statements have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the financial statements for the financial year ended 31st December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31st December 2014 are presented or disclosed in the financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Companies Ordinance or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these financial statements.

### **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 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 REVISED HKFRSs

In the current year, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning from 1st January 2015. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle

##### ***Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions***

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on the Group's financial statements as the Group does not have defined benefit plans.

##### ***Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle***

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24 *Related Party Disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

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

HKAS 1 (Amendments)	Disclosure Initiative <sup>1</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants <sup>1</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle <sup>1</sup>
HKFRS 9	Financial Instrument <sup>3</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
HKFRS11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.

<sup>2</sup> Effective for first annual HKFRS financial statements beginning on or after 1st January 2016, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

### ***HKFRS 9 Financial Instruments***

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirement of HKFRS 9 are described below:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* 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 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 and selling financial assets, and that have contractual terms that give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting 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 the 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.



The directors anticipate that the application of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. However, in the opinion of the directors, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

### ***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(s)
- 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.

The directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors do not anticipate that the application of other new and revised HKFRSs will have material impact on these financial statements.

## 5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The Group's principal activity is 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 available-for-sale financial assets included property, plant and equipment and intangible assets of approximately HK\$1,811,000 (2014: HK\$41,000) and HK\$2,720,000 (2014: 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 dividend income and interest income are derived from Hong Kong and the People's Republic of China (the "PRC").

## 6. REVENUE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividend income	8,602	1,743
Interest income	378	16
	<u>8,980</u>	<u>1,759</u>

## 7. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net foreign exchange gain	404	–
Others	67	–
	<u>471</u>	<u>–</u>

## 8. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on:		
Unsecured loan	5,718	189
Other financial liability		
– non-convertible bond	237	168
Finance lease	2	–
Other interest expenses to financial institution	847	–
	<u>6,804</u>	<u>357</u>

## 9. LOSS BEFORE INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss before income tax is arrived at after charging/(crediting):		
Auditors' remuneration		
– Annual audit	322	320
– Non-audit services	–	49
	322	369
Depreciation of property, plant and equipment	170	187
Loss on disposal of property, plant and equipment	–	13
Net foreign exchange (gain)/loss	(404)	11
Operating lease charges on office premises	686	243
	<u>686</u>	<u>243</u>

## 10. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years.

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

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in PRC for the period from 1st January 2015 to the respective date of disposal of PRC subsidiaries and for the year ended 31st December 2014.

## 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(64,053)</u>	<u>(17,604)</u>
	2015 <i>'000</i>	2014 <i>'000</i> (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>197,442</u>	<u>65,329</u>

The weighted average number of ordinary shares for the year ended 31st December 2015 and 31st December 2014 for the purposes of calculating basic and diluted loss per share have been retrospectively adjusted for the issuance of new shares upon open offer and capital reorganisation which took place on 14th January 2015 and 12th January 2016. Accordingly, the basic and diluted loss per share for the year ended 31st December 2014 have been restated.

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 31st December 2015 and 31st December 2014, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

## 12. DIVIDENDS

No dividend was paid or proposed during the years ended 31st December 2015 and 2014, nor has any dividend been proposed since the end of the reporting period.

## 13. UNSECURED LOAN

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Unsecured loan	<u>87,000</u>	<u>80,000</u>

The unsecured loan is unsecured, interest bearing at 8% per annum (2014: 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. DISPOSAL OF SUBSIDIARIES

*For the year ended 31st December 2015*

### **Disposal of Billion City Investment Limited (“Billion City”)**

On 23rd 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:**

	<i>HK\$'000</i>
Cash received	<u>30,000</u>

**Analysis of assets and liabilities over which control was lost:**

	<i>HK\$'000</i>
Net liabilities disposed of:	
Available-for-sale financial statements	8,093
Cash and cash equivalents	14
Shareholder's loan	<u>(14,981)</u>
Net liabilities disposed of	<u><u>(6,874)</u></u>

**Gain on disposal of subsidiary:**

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

**Net cash inflow arising on disposal:**

	<i>HK\$'000</i>
Cash consideration received	30,000
Less: Cash and bank balances disposed	<u>(14)</u>
Net cash inflow	<u><u>29,986</u></u>

### **Disposal of Ocean Power Limited (“Ocean Power”)**

On 29th 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:**

	<i><b>HK\$’000</b></i>
Cash received	<u><u>3,000</u></u>

#### **Analysis of assets and liabilities over which control was lost:**

	<i><b>HK\$’000</b></i>
Net liabilities disposed of:	
Available-for-sale financial statements	3,226
Prepayment and other receivables	1,076
Cash and cash equivalents	29
Other payables	(235)
Shareholder’s loan	<u>(5,378)</u>
Net liabilities disposed of	<u><u>(1,282)</u></u>

#### **Loss on disposal of subsidiaries:**

	<i><b>HK\$’000</b></i>
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	<u>(5,378)</u>
<b>Loss on disposal of subsidiaries</b>	<u><u>(1,074)</u></u>

**Net cash inflow arising on disposal:**

	<i>HK\$'000</i>
Cash consideration received	3,000
Less: Cash and bank balances disposed	<u>(29)</u>
<b>Net cash inflow</b>	<b><u><u>2,971</u></u></b>

**Disposal of Excellent Base Development Limited (“Excellent Base”)**

On 29th 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:**

	<i>HK\$'000</i>
Cash received	<u><u>3,000</u></u>

**Analysis of assets and liabilities over which control was lost:**

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



**Loss on disposal of subsidiaries:**

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

**Net cash inflow arising on disposal:**

	<i>HK\$'000</i>
Cash consideration received	3,000
Less: Cash and bank balances disposed	<u>(27)</u>
<b>Net cash inflow</b>	<b><u><u>2,973</u></u></b>

**15. EVENTS AFTER THE REPORTING PERIOD**

- (a) On 30th September 2015, the Company announced that the reorganisation of the share capital of the Company involving the share consolidation, the capital reduction and the share subdivision was proposed to be implemented upon the change of domicile becoming effective (the "Capital Reorganisation") which involves the following:

***Share Consolidation***

On 30th September 2015, the Company announced that every four issued and unissued existing shares of the Company was proposed to be consolidated into one consolidated share (the "Consolidated Share") (the "Share Consolidation").

***Capital Reduction and Share Subdivision***

On 30th September 2015, the Company announced that:

- (i) the total number of Consolidated Shares in the issued share capital of the Company was proposed to be rounded down to a whole number by canceling any fraction in the issued share capital of the Company arising from the Share Consolidation;

- (ii) the issued share capital of the Company was proposed to be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 ((i) and (ii) were collectively called the “Capital Reduction”);
- (iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Share of HK\$1.00 each was proposed to be sub-divided into 100 new shares of HK\$0.01 each (the “New Share”) (the “Share Subdivision”);
- (iv) the credit arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation; and (ii) the reduction of the paid-up capital of the Company was proposed to be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (v) the amount standing to the credit of the contributed surplus account was proposed to be applied to set off the accumulated losses of the Company in full and be applied in any other manner as may be permitted under the Bye-laws and all applicable laws of Bermuda.

The Capital Reorganisation become effective on 12th January 2016. Details of the Capital Reorganisation were set out in the Company’s announcements dated 30th September 2015, 19th October 2015, 22nd October 2015, 22nd December 2015 and 12th January 2016.

- (b) On 29th February 2016, the Company announced that up to 70,128,000 shares at a placing price of HK\$0.4 per placing share was proposed to be placed to independent third parties through a placing agent, on a best effort basis (the “Placing”). The net proceeds from the Placing are approximately HK\$26.84 million which is intended to be used for investment of the financial instruments available in Hong Kong financial markets. The Placing was completed on 17th March 2016 and 70,128,000 shares have been allotted and issued. Details of the Placing were set in the announcements of the Company dated 29th February and 17th March 2016.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business and investment review**

As at 31st December 2015, the major investments of the Group were approximately HK\$561,958,000 of a portfolio of listed equity securities and approximately HK\$557,000 of direct investment in unlisted equity securities. The investment portfolio of the Group comprises equity securities in Hong Kong, Canada, the United States of America and China.

Dividend from listed equity investments during the year was approximately HK\$8,602,000.

### ***Change of Company Name and Short Name***

On 30th September 2015, the Company announced that the English name of the Company was proposed to be changed from “Mastermind Capital Limited” to “Global Mastermind Capital Limited” and the Chinese name of the Company for identification purposes only to be adopted “環球大通投資有限公司” to replace “慧德投資有限公司” (the “Change of Company Name”). The Change of Company Name had become effective on 2nd December 2015. Details of the Change of Company Name were set out in the Company’s announcements dated 30th September 2015, 19th October 2015, 22nd October 2015 and 22nd December 2015, the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the extraordinary meeting of the Company (the “EGM”) dated 23rd November 2015. The English stock short name of the Company for trading in the shares of the Company on the Stock Exchange will be changed from “MASTERMIND CAP” to “GLOBAL M CAP” and a Chinese stock short name “環球大通投資” will be adopted for trading in the Shares on the Stock Exchange both with effect from 9:00 a.m. on 29th December 2015.

### ***Change of Domicile***

On 30th September 2015, the Company announced that the domicile of the Company was proposed to be changed from Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda (the “Change of Domicile”). The Change of Domicile became effective on 21st December 2015 (Bermuda Time) (or 22nd December 2015 (Hong Kong time)). Details of the Change of Domicile were set out in the Company’s announcements dated 30th September 2015, 19th October 2015, 22nd October 2015 and 22nd December 2015, the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23rd November 2015.

### ***Adoption of Memorandum of Continuance and New Bye-laws***

On 30th September 2015, the Company announced that the memorandum of continuance of the Company was proposed to be adopted and to take effect upon continuation of the Company in Bermuda (the “Memorandum of Continuance”) and a new set of bye-laws of the Company was proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda (the “New Bye-laws”) in compliance with Bermuda laws to replace the existing memorandum of association and the articles of association of the Company. The Memorandum of Continuance and the New Bye-laws had been adopted by the Company with effect from 21st December 2015 (Bermuda Time) (or 22nd December 2015 (Hong Kong time)). Details of the adoption of the Memorandum of Continuance and the New Bye-laws were set out in the Company’s announcements dated 30th September 2015, 19th October 2015, 22nd October 2015 and 22nd December 2015, the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23rd November 2015.

### ***Cancellation of Share Premium Account***

On 30th September 2015, the Company announced that share premium account of the Company was proposed to be cancelled and transferred to the credits arising from such cancellation to an existing account of the Company designated as the contributed surplus account of the Company before the Change of Domicile (the “Cancellation of Share Premium Account”). The Cancellation of Share Premium Account was approved on the EGM dated 23rd November 2015. Details of the Cancellation of Share Premium Account were set out in the Company’s announcements dated 30th September 2015, 19th October 2015 and 22nd October 2015 the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23rd November 2015.

## ***Capital Reorganisation***

On 30th September 2015, the Company announced that the reorganisation of the share capital of the Company involving the share consolidation, the capital reduction and the share subdivision was proposed to be implemented upon the Change of Domicile becoming effective (the “Capital Reorganisation”) which involves the following:

### ***Share Consolidation***

On 30th September 2015, the Company announced that every four issued and unissued existing shares of the Company was proposed to be consolidated into one consolidated share (the “Consolidated Share”) (the “Share Consolidation”).

### ***Capital Reduction and Share Subdivision***

On 30th September 2015, the Company announced that:

- (i) the total number of Consolidated Shares in the issued share capital of the Company was proposed to be rounded down to a whole number by canceling any fraction in the issued share capital of the Company arising from the Share Consolidation;
- (ii) the issued share capital of the Company was proposed to be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 ((i) and (ii) were collectively called the “Capital Reduction”);
- (iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Share of HK\$1.00 each was proposed to be sub-divided into 100 new shares of HK\$0.01 each (the “New Share”) (the “Share Subdivision”);
- (iv) the credit arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation; and (ii) the reduction of the paid-up capital of the Company was proposed to be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and

- (v) the amount standing to the credit of the contributed surplus account was proposed to be applied to set off the accumulated losses of the Company in full and be applied in any other manner as may be permitted under the Bye-laws and all applicable laws of Bermuda.

The Capital Reorganisation become effective from 9:00 a.m. (Hong Kong time) on 12th January 2016. Details of the Capital Reorganisation were set out in the Company's announcements dated 30th September 2015, 19th October 2015, 22nd October 2015, 22nd December 2015 and 12th January 2016, the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23rd November 2015.

### ***Change in Board Lot Size***

On 30th September 2015, the Company announced that the board lot size of the shares of the Company for trading on the Stock Exchange was proposed to be changed from 32,000 existing shares of the company to 16,000 New Shares (the "Change in Board Lot Size"). The Change in Board Lot Size was effective from 9:00 a.m. on 12th January 2016. Details of the Change in Board Lot Size were set out in the Company's announcements dated 30th September 2015, 19th October 2015, 22nd October 2015, 22nd December 2015 and 12th January 2016, the circular of the Company dated 23rd October 2015 and the announcement of the Company relating to the poll results of the EGM dated 23rd November 2015.

### ***Unsecured Loan***

On 9th October 2015, the Company as borrower and a licensed money lender as lender entered into a loan agreement in relation to an unsecured loan in principal of 87,000,000 granted by the lender with an interest rate of 8%.

### ***Refreshment of General Mandates to Issue and Repurchase and Refreshment to Scheme Mandate Limit***

On 18th January 2016, the Company proposed (i) the refreshment of the existing general mandate by way of granting the new general mandate (the “Refreshment of General Mandate”); (ii) the refreshment of the existing repurchase mandate by way of granting the new repurchase mandate (the “Refreshment of Repurchase Mandate”); and refreshment of the scheme mandate Limit under the share option scheme (the “Refreshment of Scheme Mandate Limit”). The Refreshment of General Mandate, the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit were approved at the special general meeting of the Company on 3rd February 2016. Details of the Refreshment of General Mandate, the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit were set out in the circular of the Company dated 18th January 2016 and the announcement of the Company relating to the poll results of the special general meeting of the Company dated 3rd February 2016.

### ***Placing***

On 29th February 2016, the Company announced that up to 70,128,000 shares at placing price of HK\$0.4 per placing share was proposed to be placed to independent third parties through a placing agent, on a best effort basis (the “Placing”). The gross proceeds from the Placing were HK\$28.05 million. The net proceeds from the Placing are approximately HK\$26.84 million which is intended to be used for investment of the financial instruments available in Hong Kong financial markets. The Placing was completed on 17th March 2016 and 70,128,000 shares have been allotted and issued. Details of the Placing were set in the announcements of the Company dated 29th February and 17th March 2016.

### **Financial review**

During the year, the Group recorded a loss attributable to owners of the Company of approximately HK\$64,053,000, compared to a loss attributable to owners of the Company of approximately HK\$17,604,000 in the corresponding period of 2014. The increase in loss was mainly due to (i) the increase in the loss arising in fair value change of financial assets at fair value through profit and loss and (ii) the increase in the impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss which partly offset the gain on disposal of subsidiaries.

## **Financial position**

As at 31st December 2015, the Group had cash and cash equivalents of approximately HK\$20,882,000 (2014: approximately HK\$104,632,000).

As at 31st December 2015, the Group had other financial liability, obligation under finance lease and unsecured loan of approximately 9,788,000 (2014: approximately HK\$9,751,000), approximately HK\$828,000 (2014: Nil) and approximately HK\$87,000,000 (2014: approximately HK\$80,000,000) respectively.

The gearing ratio (borrowings/total equity) at 31st December 2015 was 19.9% (2014: 57.5%). Borrowings included other financial liability, obligation under finance lease and unsecured loan.

As at 31st December 2015, the Group had net current assets of approximately HK\$305,590,000, as compared to approximately HK\$77,620,000 as at 31st December 2014.

As at 31st December 2015, the current ratio of the Group was 4.33 compared to 1.87 as at 31st December 2014.

## **Share Capital and Capital Structure**

On 14th January 2015, the Company raised approximately HK\$70.14 million before expenses by way of open offer issuing 155,869,300 offer shares at the subscription price of HK\$0.45 per offer share on the basis of one offer share for every two existing shares of the Company held on 15th December 2014, being the record date (the “First Open Offer”). The net proceeds from the First Open Offer was approximately HK\$67.34 million of which (a) approximately HK\$60.0 million were intended to be used for the investment in the long-term interest bonds or debentures which would provide a stable interest to the Group and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect Scheme; and (b) approximately HK\$7.34 million were intended to be used for general working capital for the payment of (i) staff costs of approximately HK\$5.0 million; and (ii) other operating expenses of approximately HK\$2.34 million of the Group with 12 month period.



On 17th June 2015, the Board announced to apply the net proceeds of HK\$60 million of the First Open Offer to the investment in the listed companies in Hong Kong in addition to the investment in the long-term interest bonds or debentures, including the high yield preference shares/bond issued by China's companies and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect scheme as originally intended. Details of change of change in use of proceeds was set out in the Company's announcement dated 17th June 2015.

On 31st December 2015, the net proceeds of the First Open Offer of approximately HK\$6.0 million was used for investment in bond, approximately HK\$54.0 million was used for the purchase of shares of Hong Kong listed companies and approximately HK\$7.34 million was used as working capital.

On 13th May 2015, the Company announced the proposal to raise not less than approximately HK\$280.56 million and not more than approximately HK\$281.27 million before expenses by issuing not less than 935,215,800 offer shares and not more than 937,564,736 offer shares at the subscription price of HK\$0.30 per offer share on the basis of two offer shares for every one existing share held on the record date (the "Second Open Offer"). The Company intended to use the proceeds for future investment activities when such investment opportunities arise. The offer shares not taken up under the open offer was fully underwritten by China Tian Di Xing Logistics Holdings Limited, a company which is owned as to 99.99% by Mr. Mung Kin Keung and an underwriter. The Second Open Offer was completed on 25th August 2015 and 935,215,800 offer shares were issued at HK\$0.30 per offer share. Details of the Second Open Offer were set out in the Company's announcements dated 13th May 2015, 5th June 2015, 19th June 2015, 25th June 2015, 21st July 2015 and 24th August 2015, the Company's circular dated 25th June 2015 and the Company's prospectus dated 3rd August 2015.

On 10th November 2015, the Company announced that the net proceeds from the Second Open Offer of approximately HK\$72 million was applied to invest in financial instruments available in local or international financial markets in addition to the PRC financial markets. Details of change of change in use of proceeds was set out in the Company's announcement dated 10th November 2015.

On 31st December 2015, the net proceeds of the Second Open Offer has been used for investment in financial instruments available in listed companies in Hong Kong.

On 13th May 2015, the Company announced that the board lot size of the shares of the Company for trading on the Stock Exchange was proposed to be changed from 16,000 shares to 32,000 shares which was effective from 9:00 a.m. on Tuesday, 25th August 2015. Details of the change in board lot size of the shares of the Company were set out in the Company's announcements dated 13th May 2015, 5th June 2015, 19th June 2015 and 25th June 2015.

### **Material Acquisitions and Disposals of Subsidiaries**

On 23rd April 2015 a disposal agreement entered into between the Company, as the vendor and Mr. Cao Yingfeng, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Billion City Investment Limited at a cash consideration of HK\$30,000,000.

On 29th June 2015 a disposal agreement entered into between the Company, as the vendor and Miss Zhang Jin, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Ocean Power Limited at a cash consideration of HK\$3,000,000.

On 29th June 2015 a disposal agreement entered into between the Company, as the vendor and Mr. Kong Chunhong, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Excellent Base Development Limited at a cash consideration of HK\$3,000,000.

Save as disclosed above, the Group did not have material acquisition and disposal of subsidiaries.

### **Charges on assets**

As at 31st December 2015, there were no charges on the Group's assets (2014: 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 31st December 2015 (2014: Nil).

## **Employees and remuneration policy**

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

There are ten employees, two executive directors and three independent non-executive directors. Remuneration policies are reviewed by the remuneration committee in accordance with the market situation and the performance of individual directors from time to time.

The Group's total staff costs (including directors' emoluments) for the year under review amounted to approximately HK\$8,738,000 (2014: approximately HK\$3,989,000).

## **Prospects**

Entering the first half of 2016, a series of factors had led to uncertainties on the global market. Although we believe the market will likely be volatile in the short future, we remain positive to embrace the opportunities and challenges ahead. The Board will carefully monitor the market dynamics and identify securities that are undervalued, which offer healthy growth over mid to long term.

## **REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2015 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 has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of annual results and consolidated financial statements for the year ended 31st December 2015.

## **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. Poon Wai Hoi, Percy, was unable to attend the extraordinary general meeting of the Company held on 21st July 2015.

Due to personal commitment, two INEDs, Mr. Poon Wai Hoi, Percy and Mr. Fung Wai Ching, were unable to attend the extraordinary general meeting of the Company held on 23rd November 2015.

### **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.

### **Code provision A.2.1**

The code provision A.2.1 states that the role of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Tang Hao has resigned as an executive director and the chief executive officer of the Company with effect from 31st March 2014. The position of chief executive officer remained vacant until Mr. Mung Bun Man, Alan was appointed as the chief executive officer of the Company on 9th February 2015.

## **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, 29th March 2016

*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.*