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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 2017 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 2017 and the consolidated statement of financial position of the Group as at 31 December 2017 together with the comparative figures for the year ended 31 December 2016 as follows:

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

*For the year ended 31 December 2017*

	<i>Notes</i>	<b>2017</b> <i>HK\$’000</i>	2016 <i>HK\$’000</i>
Revenue	6	<b>3,409</b>	5,557
Other income	7	<b>178</b>	149
Gain/(loss) arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments		<b>78,357</b>	(31,915)
Impairment loss recognised in respect of available-for-sale financial assets		<b>(2,764)</b>	–
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss		<b>(28,133)</b>	(32,823)
Cumulative (loss)/gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets		<b>(450)</b>	403
Administrative expenses and other operating expenses		<b>(23,621)</b>	(24,546)
Finance costs	8	<b>(508)</b>	(3,895)

\* *For identification purposes only*

	<i>Notes</i>	<b>2017</b> <b><i>HK\$'000</i></b>	2016 <i>HK\$'000</i>
<b>Profit/(loss) before income tax</b>	<i>9</i>	<b>26,468</b>	(87,070)
Income tax expense	<i>10</i>	<u>—</u>	<u>—</u>
<b>Profit/(loss) for the year attributable to owners of the Company</b>		<u><b>26,468</b></u>	<u>(87,070)</u>
<b>Other comprehensive income</b>			
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Change in fair value of available-for-sale financial assets		<b>(27,033)</b>	(94,999)
Reclassification adjustments relating to available-for-sale financial assets disposed of		<b>450</b>	(403)
Reclassification adjustments relating to available-for-sale financial assets impaired of		<b>28,133</b>	32,823
Exchange differences arising on translation of foreign operations during the year		<u><b>(4)</b></u>	<u>—</u>
<b>Other comprehensive income/(loss) for the year</b>		<u><b>1,546</b></u>	<u>(62,579)</u>
<b>Total comprehensive income/(loss) for the year attributable to owners of the Company</b>		<u><b>28,014</b></u>	<u>(149,649)</u>
<b>Earnings/(loss) per share</b>	<i>11</i>		
Basic and diluted ( <i>HK cents</i> )		<u><b>3.78</b></u>	<u>(19.02)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	<i>Notes</i>	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,719	2,308
Intangible assets		5,785	5,785
Available-for-sale financial assets		137,693	138,627
Deposit paid for investment		–	904
		<u>145,197</u>	<u>147,624</u>
<b>Current assets</b>			
Prepayments		464	125
Other receivables		51,021	36
Deposits paid		94	37
Amount due from a related company		1,727	–
Financial assets at fair value through profit or loss		339,954	393,821
Cash and cash equivalents		7,017	7,016
		<u>400,277</u>	<u>401,035</u>
<b>Current liabilities</b>			
Accruals and other payables		6,202	37,115
Loan from a director	13	10,000	10,000
Obligation under a finance lease		192	323
		<u>16,394</u>	<u>47,438</u>
<b>Net current assets</b>		<u>383,883</u>	<u>353,597</u>
<b>Total assets less current liabilities</b>		<u>529,080</u>	<u>501,221</u>
<b>Non-current liabilities</b>			
Obligation under a finance lease		–	192
Other financial liability – non-convertible bond		9,862	9,825
		<u>9,862</u>	<u>10,017</u>
<b>Net assets</b>		<u>519,218</u>	<u>491,204</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		7,003	7,003
Reserves		512,215	484,201
<b>Total equity</b>		<u>519,218</u>	<u>491,204</u>
<b>Net asset value per share (HK\$)</b>		<u>0.74</u>	<u>0.70</u>

## NOTES

*For the year ended 31 December 2017*

### 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 2016 (Bermuda time) (or 22 December 2016 (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, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollar ("**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 issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") 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 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the “**new and revised HKFRSs**”) issued by the HKICPA, which are effective for the Group’s financial year beginning from 1 January 2017. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle relating to amendments to HKFRS 12 <i>Disclosure of Interests in Other Entities</i>

##### ***HKFRS 7 (Amendments) Disclosure Initiative***

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendment require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in the financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior years. Apart from the additional disclosure in the financial statements, the application of these amendments has had no impact on the Group’s financial statements.

Except as disclosed above, the application of other new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

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

HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures <sup>2</sup>
HKAS 40 (Amendments)	Transfer of Investment Property <sup>1</sup>
HKFRS (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle except HKFRS 12 (Amendments) <sup>1</sup>
HKFRS (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>2</sup>
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
HKFRS 4 (Amendments)	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i> <sup>1</sup>
HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation <sup>2</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 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

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

## 5. SEGMENT INFORMATION

The chief operating decision-maker (the “CODM”) has been identified as the Company’s executive directors. The Group’s principal activity is engaged in investment in listed and unlisted companies. The CODM 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\$1,719,000 (2016: HK\$2,308,000) and HK\$5,785,000 (2016: HK\$5,785,000) 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 2017 and 31 December 2016.

## 6. REVENUE

	2017 <i>HK\$’000</i>	2016 <i>HK\$’000</i>
Dividend income	2,917	4,953
Interest income	492	604
	<u>3,409</u>	<u>5,557</u>

## 7. OTHER INCOME

	2017 <i>HK\$’000</i>	2016 <i>HK\$’000</i>
Net foreign exchange gain	36	–
Others	142	149
	<u>178</u>	<u>149</u>



## 8. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on:		
Unsecured loan	–	3,454
Other financial liability		
– non-convertible bond	237	237
Finance lease	10	20
Other interest expenses to financial institutions	261	184
	<u>508</u>	<u>3,895</u>

## 9. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Auditors' remuneration:		
– Audit services	380	380
– Non-audit services	11	10
	391	390
Depreciation of property, plant and equipment	576	422
Loss on written off of property, plant and equipment	17	–
(Gain)/loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments	(78,357)	31,915
Net foreign exchange (gain)/loss	(36)	501
Operating lease rental in respect of premises	34	341
	<u>34</u>	<u>341</u>

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

	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Realised (gain)/loss 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	<b>(222,712)</b>	(297,256)
<i>Less:</i> Carrying amounts of financial assets at fair value through profit or loss classified as held for trading investments disposed of	<u><b>195,732</b></u>	<u>302,531</u>
	<b>(26,980)</b>	5,275
Unrealised (gain)/loss on financial assets at fair value through profit or loss classified as held for trading investments disposed of	<u><b>(51,377)</b></u>	<u>26,640</u>
	<u><b>(78,357)</b></u>	<u>31,915</u>

## 10. INCOME TAX EXPENSE

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

No provision for Hong Kong Profits Tax has been made as the Group incurred tax losses or the taxable profits was wholly absorbed by estimated tax losses brought forward from prior years.

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

## 11. EARNINGS/(LOSS) PER SHARE

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Earnings/(loss)</b>		
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share (profit/(loss) for the year attributable to owners of the Company)	<u><u>26,468</u></u>	<u><u>(87,070)</u></u>
	2017 <i>'000</i>	2016 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u><u>700,334</u></u>	<u><u>457,740</u></u>

The basic and diluted earnings/(loss) per share are the same for both years.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic earnings/(loss) per share calculation for the year ended 31 December 2017 and 31 December 2016, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted earnings/(loss) per share for both years.

## 12. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 December 2017 and 31 December 2016, nor has any dividend been proposed by the board of directors subsequent to the end of the reporting period.

### 13. 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 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 is constituted as a connected transaction of the Company which fully exempted from shareholders’ approval, annual review and all disclosure requirements under the Listing Rules.

During the year ended 31 December 2017, the Group did not repay or refinance the loan from a director.

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

### 14. INVESTMENT

Pursuant to the requirements stipulated in Chapter 21.12(a) of the Listing Rules, the Group discloses its list of all investments with a value greater than 5% of the Group’s gross assets and at least 10 largest investments at 31 December 2017 and 31 December 2016 respectively as follows:

#### At 31 December 2017

Name of equity securities	Percentage of equity interest held %	Net assets attributable to the Company HK\$’000	Cost of investment HK\$’000	Market value at 31 December 2017 HK\$’000	Dividend received HK\$’000
<i>Equity securities in Hong Kong</i>					
Affluent Partners Holdings Limited	2.21	7,804	29,341	46,138	–
Brockman Mining Limited <sup>#</sup>	3.22	14,463	44,597	30,520	–
China Information Technology Development Limited	3.33	17,804	26,435	25,838	–
China State Construction International Holdings Limited	0.04	16,012	21,619	22,996	301
CST Group Limited (formerly known as NetMind Financial Holdings Limited)	1.29	81,290	27,030	20,500	–
Frontier Services Group Limited	1.70	6,605	24,462	40,482	–
Huayi Tencent Entertainment Company Limited <sup>#</sup>	1.34	11,746	102,974	64,255	–
Kingston Financial Group Limited	0.07	14,768	36,608	75,000	250
Tai United Holdings Limited	0.63	32,490	33,841	33,239	1,087
Yunfeng Financial Group Limited	0.25	10,561	80,287	32,700	–
			<u>427,194</u>	<u>391,668</u>	

<sup>#</sup> Investment was classified as available-for-sale financial assets

At 31 December 2016

Name of equity securities	Percentage of equity interest held %	Net assets attributable to the Company HK\$'000	Cost of investment HK\$'000	Market value at 31 December 2016 HK\$'000	Dividend received HK\$'000
<i>Equity securities in Hong Kong</i>					
Huayi Tencent Entertainment Company Limited <sup>#</sup>	1.14	11,444	95,076	72,286	–
Yunfeng Financial Group Limited	0.28	12,444	98,035	37,765	–
Kingston Financial Group Limited	0.07	13,231	36,608	33,500	200
Standard Chartered PLC	Less than 0.01	18,867	11,503	10,637	–
China State Construction International Holdings Limited	0.03	7,701	34,964	15,753	765
Brockman Mining Limited <sup>#</sup>	3.22	14,631	44,597	36,192	–
Frontier Services Group Limited	2.00	7,979	24,462	25,671	–
China Information Technology Development Limited	3.33	19,454	26,435	26,978	–
CST Group Limited (formerly known as NetMind Financial Holdings Limited)	1.29	97,240	27,030	30,000	–
Tai United Holdings Limited	1.39	10,443	68,634	78,877	–
			467,344	367,659	

<sup>#</sup> Investment was classified as available-for-sale financial assets

*Notes:*

- (a) Affluent Partners Holdings Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 01466). Affluent Partners Holdings Limited is principally engaged in purchasing, processing, designing, production and wholesaling and distribution of pearls and jewellery products and operation of strategic investment and financial service segment.

For the six months ended 30 September 2017, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$13,171,000 and its unaudited consolidated net assets was approximately HK\$353,607,000.

- (b) Brockman Mining Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00159). Brockman Mining Limited is principally engaged in iron mine acquisition, exploration and development in Western Australia and exploitation, processing and sales of copper ore concentrate in the PRC.

For the six months ended 31 December 2017, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$16,953,000 and its unaudited consolidated net assets was approximately HK\$448,851,000.

- (c) China Information Technology Development Limited was incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 08178). China Information Technology Development Limited is principally engaged in the sales of computer hardware and the provision of software development, system integration, as well as technical support and maintenance services and leasing of in-house developed computer hardware.

For the year ended 31 December 2017, the audited consolidated loss attributable to the owners of the company was approximately HK\$112,456,000 and its audited consolidated net assets was approximately HK\$535,291,000.

- (d) China State Construction International Holdings Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 03311). China State Construction International Holdings Limited is principally engaged in the infrastructure project investments, facade contracting business and infrastructure operation, building construction, civil and foundation engineering works.

For the year ended 31 December 2017, the audited consolidated profit attributable to the owners of the company was approximately HK\$5,490,091,000 and its audited consolidated net assets was approximately HK\$38,462,911,000.

- (e) CST Group Limited (formerly known as NetMind Financial Holdings Limited) was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00985). CST Group Limited is principally engaged in the exploration, mining and sales of minerals, investment in financial instruments, investment in properties, money lending businesses, operation of e-logistics platforms.

For the six months ended 30 September 2017, the unaudited consolidated profit attributable to the owners of the company was approximately US\$49,573,000 and its unaudited net assets was approximately US\$806,612,000.

- (f) Frontier Services Group Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00500). Frontier Services Group Limited is principally engaged in provision of aviation and logistics services and the provision of online financial market information.

For the year ended 31 December 2017, the audited consolidated loss attributable to the owners of the company was approximately HK\$223,760,000 and its audited consolidated net assets was approximately HK\$387,941,000.

- (g) Huayi Tencent Entertainment Company Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00419). Huayi Tencent Entertainment Company Limited is principally engaged in investment and production of films and television series, provision of online health management services for diabetic patients through its cloud health management platform “Kangxun Xuatang”, provision of offline healthcare and wellness services through the operation of a healthcare and wellness center “Beijing Bayhood No.9 Club”.

For the year ended 31 December 2017, the audited consolidated loss attributable to the owners of the company was approximately HK\$103,669,000 and its audited consolidated net assets was approximately HK\$875,958,000.

- (h) Kingston Financial Group Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 01031). Kingston Financial Group Limited is principally engaged in provision of brokerage, underwriting and placements services for dealings in securities on recognised stock exchanges, provision of credits services in margin and initial public offering financing, provision of corporate finance advisory services, futures brokerage and asset management services, operation of hotels and provision of hotel management services, operation of restaurants in hotels, operation of casino in hotels and trading of listed securities.

For the six months ended 30 September 2017, the unaudited consolidated profit attributable to the owners of the company was approximately HK\$908,887,000 and its unaudited net assets was approximately HK\$20,105,305,000.

- (i) Tai United Holdings Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00718). Tai United Holdings Limited is principally engaged in investment in securities, trading of metal-related products in London Metal Exchange, the sales of specific petrochemical products and the provision of related value-added services, mining and production of tungsten resources in Mongolia and sales of medical equipment in China.

For the year ended 31 December 2017, the audited consolidated profit attributable to the owners of the company was approximately HK\$312,096,000 and its audited consolidated net assets was approximately HK\$5,183,006,000.

- (j) Yunfeng Financial Group Limited was incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong (stock code: 00376). Yunfeng Financial Group Limited is principally engaged in provision of brokerage services in exchange markets in Hong Kong, Shanghai and overseas, provision of placing and underwriting of securities and provision of finance consultancy and advisory services

For the six months ended 30 June 2017, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$236,699,000 and its unaudited consolidated net assets was approximately HK\$4,265,643,000.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business and investment review**

As at 31 December 2017, the major investments of the Group were approximately HK\$438,047,000 of a portfolio of listed equity securities and debt securities and approximately HK\$39,600,000 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\$2,917,000.

### **Financial review**

During the year, the Group recorded a profit attributable to owners of the Company of approximately HK\$26.5 million for the year ended 31 December 2017, compared to the audited loss attributable to owners of the Company of approximately HK\$87.1 million (for the year end 31 December 2016). A turnaround of the Group's performance is primarily attributable to the change from loss arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments for the year ended 31 December 2016 of approximately HK\$31.9 million to gain arising in change in fair value of financial assets at fair value through profit or loss classified as held for trading investments for the year ended 31 December 2017 of approximately HK\$78.4 million.

### **Financial position**

As at 31 December 2017, the Group had cash and cash equivalents of approximately HK\$7,017,000 (2016: HK\$7,016,000).

As at 31 December 2017, the Group had other financial liability non-convertible bond, obligation under a finance lease and loan from a director of approximately HK\$9,862,000 (2016: HK\$9,825,000), approximately HK\$192,000 (2016: HK\$515,000) and approximately HK\$10,000,000 (2016: HK\$10,000,000) respectively.

The gearing ratio (total debts/total equity) at 31 December 2017 was 3.9% (2016: 4.1%). Total debts included loan from a director, obligation under a finance lease and other financial liability non-convertible bond.



As at 31 December 2017, the Group had net current assets of approximately HK\$383,883,000 as compared to approximately HK\$353,597,000 as at 31 December 2016.

As at 31 December 2017, the current ratio of the Group was 24.42 as compared to 8.45 as at 31 December 2016.

### **Investment**

The details of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 31 December 2017 and 31 December 2016 respectively are set out in note 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 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.

During the year ended 31 December 2017, the Group did not repay or refinance the loan from a director.

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

### **Share Capital and Capital Structure**

During the year ended 31 December 2017, the Company did not make any change on the share capital and capital structure. As at 31 December 2017, the Company had 700,333,925 shares of HK\$0.01 each in issue (31 December 2016: 700,333,925 shares).

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

The Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2017.

### **Charges on assets**

As at 31 December 2017, the Group's obligation under a finance lease is secured by the lessor's charge over the leased asset with the carrying amount of approximately HK\$547,000 (2016: HK\$740,000).

## **Foreign exchange exposure**

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

## **Contingent liabilities**

The Group had no contingent liabilities as at 31 December 2017 (2016: 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 16 employees, 2 executive directors and 3 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 mandatory provident fund schemes. 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\$13,972,000 (2016: HK\$13,343,000).

## **Prospects**

In 2017, worldwide asset notched up healthy returns, and we believe that 2018 will be rather different. The market had been fairly steady in 2017, and volatility had been depressed in all assets classes. With so many asset classes pricing at a high valuation, the Board believes that a 5% – 10% correction might be around the corner, however, the Board is not extremely worry about the expected correction, as major economic indicators looks positive.

The Board will start to reconfigure the portfolio and focus on assets which offer healthy growth over mid to long term, but also gives us the opportunity to maximize our return in the short future.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting (“AGM”) of the Company will be held on 7 June 2018. The notice of AGM will be sent to shareholders at least 20 clear business days before AGM.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Thursday, 7 June 2018, the register of member of the Company will be closed from Monday, 4 June 2018 to Thursday, 7 June 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s Hong Kong branch share registrar, at Level 22, Tricor Secretaries Limited Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 1 June 2018.

## **CHANGES IN DIRECTORS’ INFORMATION**

The changes in information on Directors since the date of the 2016 annual report of the Company, which is required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules, is set out below:–

### **Biographical details**

<b>Name</b>	<b>Details of Changes</b>
Mr. Mung Bun Man, Alan	appointed as an non-executive director of CWT International Limited (formerly known as HNA Holding Group Co. Limited) (Stock Code: 521) with effect from 5 September 2017.
Mr. Mung Kin Keung	appointed as an executive director and vice chairman of the board of director of Hong Kong International Construction Investment Management Group Co., Limited (Stock Code: 687) with effect from 1 February 2018.

## **INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all 3 Independent Non-executive Directors, namely Mr. Poon Wai Hoi, Percy, Mr. Fung Wai Ching and Mr. Lei Seng Fat in accordance with Rules 3.13 of the Listing Rules.

The Board has reviewed the independence of all Independent Non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-executive Directors has been impaired up to the date of this announcement.

## **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 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as the code of conduct for dealing in securities of the Company by the directors of the Company (the “**Directors**”). All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2017. To ensure Directors’ dealings in the securities of the Company (the “**Securities**”) are conducted to notify designated executive directors in writing and obtain a written acknowledgement from the designated executive directors prior to any dealings the Securities.

## **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.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Board, the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the “**Code**”) in Appendix 14 of the Listing Rules during the year except for the following deviations:

#### **Code provision A.4.1**

Code provision A.4.1 of the Code provides that the non-executive directors should be appointed for a specific term and subject to re-election. Mr. Poon Wai Hoi, Percy, the independent non-executive Director, is not appointed for a specific term but is subject to retirement from office by rotation and re-election at least once every three years in accordance with the bye-laws of the Company (the “Bye-laws”). As such, the Board considers that such provision is sufficient to meet the underlying objective of this code provision.

#### **Code provision D.1.4**

Code provision D.1.4 of the CG Code provides that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors (except Mr. Mung Kin Keung, Mr. Lei Seng Fat and Mr. Fung Wai Ching). However, the Directors shall be subject to retirement by rotation in accordance with the Bye-laws. In any event, all Directors, including those without a letter of appointment, must retire by rotation in the manner prescribed under the Bye-laws, and on re-election of the retiring Directors, shareholders of the Company are given information that is reasonably necessary for them to make an informed decision on the reappointment of the relevant Directors. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

## **Code provision E.1.2**

The code provision E.1.2 of the 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 of the Company held on 9 June 2017 (the “2017 AGM”). However, arrangements including the attendance of another member of the Board had been in place to ensure the 2017 AGM was in order.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed with management in conjunction with the external auditors of the Group’s consolidated financial statements for the year ended 31 December 2017, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls and financial reporting matters of the Group for the year ended 31 December 2017.

## **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 2017 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.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no material subsequent event undertaken by the Group after 31 December 2017.

## **PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2017 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange (*www.hkexnews.hk*) and the Company (*www.irasia.com/listco/hk/mastermindcap/*) and the 2017 Annual Report containing all the information required by the Listing Rules will be dispatched to shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 March 2018

*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. LEI Seng Fat, Mr. FUNG Wai Ching and Mr. POON Wai Hoi, Percy.*