GLOBAL MASTERMIND
環 球 大 通

GLOBAL MASTERMIND HOLDINGS LIMITED
環球大通集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8063

2016 First Quarterly Report

*For identification purposes only

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This report, for which the directors (the "Directors") of Global Mastermind Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Global Mastermind Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") recorded a loss attributable to owners of the Company of HK$22,461,000 for the three months ended 31 March 2016 (for the three months ended 31 March 2015: HK$4,856,000), representing basic loss per share of HK1.73 cents (for the three months ended 31 March 2015: HK0.64 cents).

Revenue and profitability

For the three months ended 31 March 2016, the consolidated revenue of the Group amounted to HK$9,559,000, representing a decrease of 35.8% as compared to HK$14,882,000 for the three months ended 31 March 2015. The decrease was mainly attributed to the expiry of hotel rooms supply agreement with effect from 1 January 2016. As such, no revenue was generated from the sales of hotel rooms in the current period.

The revenue arising from travel business in Singapore consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products. Meetings, Incentives, Conventions and Exhibitions ("MICE") customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

The revenue arising from travel agency operation in Hong Kong consists of rendering travel agency services related to air ticketing and air/hotel packages.

Approximately 96.6% or HK$9,230,000 of the total revenue was derived from the provision of travel related products and services of which HK$8,883,000 and HK$347,000 was generated from the market in Singapore and Hong Kong respectively.

The money lending business opened up a new income stream for the Group and the interest income revenue derived from the provision of money lending services amounted to HK$316,000 for the period under review (for the three months ended 31 March 2015: Nil).

At the end of the reporting period, the Group revalued its equities portfolio at market prices and recognised an unrealised loss of HK$1,744,000 (for the three months ended 31 March 2015: Nil) arising on change in fair value of financial assets at fair value through profit or loss. Together with a loss of approximately HK$2,484,000 (for the three months ended 31 March 2015: Nil) generated from the sale of financial assets during the period under review, the total amount of the financial assets at fair value recognised to profit or loss was HK$4,228,000 (for the three months ended 31 March 2015: Nil).

Other income

Other income for the three-month period ended 31 March 2016 amounted to HK$1,607,000 representing an increase of 48.1% as compared to HK$1,085,000 for the corresponding period last year. Such increase was mainly contributed by the increase in management and administrative income to HK$545,000 in the current period (for the three months ended 31 March 2015: HK$135,000).

Expenditure

For the reporting period, staff costs amounted to HK$11,757,000 (for the three months ended 31 March 2015: HK$10,375,000). Depreciation and amortisation expenses amounted to HK$2,423,000 (for the three months ended 31 March 2015: HK$2,650,000). Other expenses amounted to HK$4,178,000 (for the three months ended 31 March 2015: HK$3,877,000).

Impairment loss on available-for-sale investments

For the period under review, the decrease in the fair value of the investment in 60,000,000 shares of China Star Entertainment Limited, which was classified as available-for-sale investments, amounted to HK$11,400,000 (for the three-month period ended 31 March 2015: HK$19,500,000) was recognized in investments revaluation reserve. Due to a significant decline in the fair value of such investment below its cost, an impairment loss amounting to HK$11,400,000 (for the three months ended 31 March 2015: Nil) was reclassified from the investments revaluation reserve to profit or loss at the end of the reporting period.

Finance costs

For the three months ended 31 March 2016, finance costs of HK$5,000 (for the three months ended 31 March 2015: HK$102,000) was attributed to the interest on short term bank borrowings.

BUSINESS REVIEW

Development of new business

On 4 February 2016, Global Mastermind Financial Services Limited ("Global Mastermind Financial Services"), an indirect wholly-owned subsidiary of the Company was granted a licence to carry on business as a money lender in Hong Kong by the relevant department of the Government of the Hong Kong Special Administrative Region.

Major acquisition in relation to the acquisition of property holding companies

On 29 January 2016, Giant Code Limited (the "Purchaser"), a direct wholly-owned subsidiary of the Company, entered into a non-legally binding letter of intent (the "LOI A") with vendor A (the "Vendor A"), who is an independent third party, in relation to the acquisition of 100% shareholding (the "Hope Master Sale Share") and shareholder's loan (the "Hope Master Sale Loan") in Hope Master Investments Limited ("Hope Master") which holds a property located at Unit

3107, 31/F., Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the "Property A") and a non-legally binding letter of intent (the "LOI B") with vendor B (the "Vendor B"), who is an independent third party, in relation to the acquisition of 100% shareholding (the "Famous Flamingo Sale Share") and shareholder's loan (the "Famous Flamingo Sale Loan") in Famous Flamingo Limited ("Famous Flamingo") which holds a property located at Unit 3108 and 3109, 31/F., Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the "Property B"). Pursuant to the terms of the LOI A and the LOI B, HK$10,000,000 had been paid by the Purchaser to each of Vendor A and Vendor B as refundable deposits.

On 4 March 2016, the Purchaser entered into an acquisition agreement (the "Hope Master Acquisition Agreement") with Vendor A, pursuant to which Vendor A conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Hope Master Sale Share and the Hope Master Sale Loan, at the aggregate consideration of HK$63,370,687.10. On the even date, the Purchaser entered into an acquisition agreement (the "Famous Flamingo Acquisition Agreement") with Vendor B, pursuant to which Vendor B conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Famous Flamingo Sale Share and the Famous Flamingo Sale Loan, at the aggregate consideration of not exceeding HK$73,600,000.00 (collectively, the "Acquisition"). An additional HK$10,000,000 had been paid by the Purchaser to each of Vendor A and Vendor B as refundable deposits upon signing of the Hope Master Acquisition Agreement and the Famous Flamingo Acquisition Agreement.

As one of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Hope Master Acquisition Agreement and the Famous Flamingo Acquisition Agreement in aggregate exceeds 25% but less than 100%, the Acquisition constituted a major acquisition on the part of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. As at the date of this report, the Company is in the process of preparing the circular in relation to the Acquisition. Details of the Acquisition were set out in the Company's announcement dated 4 March 2016.

Completion of the New Rights Issue

On 29 February 2016, the Company issued 1,529,144,700 new shares by way of rights issue at the subscription price of HK$0.10 per rights share on the basis of two rights shares for every one existing share held on the record date (the "New Rights Issue"). The net proceeds from the New Rights Issue after deducting all relevant expenses was estimated to be approximately HK$146.5 million. Details of the New Rights Issue were set out in a circular dated 24 December 2015 and the prospectus dated 28 January 2016.

Discloseable transaction in relation to the provision of financial assistance

On 7 March 2016, a loan agreement was entered into between Global Mastermind Financial Services as lender and Mr. Ho Hon Keung Terry ("Mr. Ho"), an independent third party, as borrower, pursuant to which Global Mastermind Financial Services has conditionally agreed to grant a loan in the principal amount of HK$60 million to Mr. Ho for a term of two years from the date of drawdown with an interest rate of 8% per annum. As all of the relevant applicable percentage ratios in respect of the grant of the loan under the loan agreement was more than 5% but less than 25%, the grant of the loan under the loan agreement constituted a discloseable transaction on the part of the Company and was only subject to the announcement requirement under Chapter 19 of the GEM Listing Rules. Details of the loan agreement were set out in the Company's announcements dated 7 and 8 March 2016.

Future business strategies

The Company is in the process of submitting application for the relevant licenses required for asset management business and expects that such licenses will be granted in the fourth quarter of 2016.

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable investment opportunities and projects in other areas characterised by stable cash inflows.

EVENTS AFTER THE REPORTING PERIOD

Provision of financial assistance

On 3 May 2016, Global Mastermind Financial Services as the lender entered into a revolving loan facilities agreement (the "Mason Loan Agreement") with Mason Capital Limited ("Mason") as the borrower. Pursuant to the Mason Loan Agreement, Global Mastermind Financial Services agreed to grant the secured loan of HK$59 million to Mason for a term of 24 months at interest rate of 10.0% per annum. Koffman Greater China Limited, the sole shareholder of Mason, has pledged all issued shares in Mason and a personal guarantee has been provided by the beneficial owner of Mason in favour of Global Mastermind Financial Services as a security against all the obligations of Mason in the Mason Loan Agreement. Interest is payable on monthly basis and the loan principal and any outstanding interest accrued is payable at the end of the loan term. Mason drew down a sum of HK$59 million on 10 May 2016. Mason is an independent third party and not connected with the Group. The Group financed the loan partly by the net proceeds from the issue of 1,529,144,700 rights shares under the rights issue as completed on 29 February 2016 and partly with its internal resources. Details of the above were disclosed in the Company's announcements dated 3 May 2016.

Change of use of proceeds from the New Rights Issue

On 3 May 2016, the Company announced to re-allocate (i) approximately HK$20.0 million of the net proceeds raised from the New Rights Issue from the purpose of investment in the securities in Hong Kong; and (ii) approximately HK$20.0 million of the net proceeds raised from the New Rights Issue from the purpose of development of the provision of financial services, including the asset management business and the future development of other Group's business in that segment to finance part of the Mason Loan Agreement.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
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TO THE BOARD OF DIRECTORS OF GLOBAL MASTERMIND HOLDINGS LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Global Mastermind Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 10 to 19, which comprises the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2016, and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion on these condensed consolidated financial statements solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with the basis of the preparation as set out in note 1 to the condensed consolidated financial statements.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

12 May 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2016

		Three months ended 31 March	
	NOTES	**2016** **HK$'000** **(Unaudited)**	2015 HK$'000 (Unaudited)
Revenue and income			
Service income from provision of travel and related products and services		**9,230**	9,695
Sales of hotel rooms		**–**	5,187
Interest income from money lending business	*3*	**316**	–
Dividend income from financial assets at fair value through profit or loss		**13**	–
Financial assets at fair value	*4*	**–**	–
Total revenue and income		**9,559**	14,882
Costs of revenue and income			
Costs of sale of hotel rooms		**–**	(4,715)
Financial assets at fair value	*4*	**(4,228)**	–
Total costs of revenue and income		**(4,228)**	(4,715)
Other income	*5*	**1,607**	1,085
Staff costs		**(11,757)**	(10,375)
Depreciation and amortisation expenses		**(2,423)**	(2,650)
Other expenses		**(4,178)**	(3,877)
Impairment loss on available-for-sale investments	*6*	**(11,400)**	–
Finance costs	*7*	**(5)**	(102)
Share of profit of a joint venture		**17**	335
Loss before tax		**(22,808)**	(5,417)
Income tax credit	*8*	**347**	561
Loss for the period		**(22,461)**	(4,856)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the three months ended 31 March 2016

	NOTES	Three months ended 31 March 2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Other comprehensive income (expense) for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operation		**9,575**	(8,619)
Share of exchange difference of a joint venture		**1,431**	(192)
Fair value loss on available-for-sale investments		**(11,400)**	(19,500)
Reclassification adjustment upon impairment on available-for-sale investments		**11,400**	–
Total comprehensive expense for the period		**(11,455)**	(33,167)
Loss for the period attributable to owners of the Company		**(22,461)**	(4,856)
Total comprehensive expense attributable to owners of the Company		**(11,455)**	(33,167)
Loss per share (HK cents)	*9*		
Basic		**(1.73)**	(0.64)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2016

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements do not include all the information required for a complete set of Hong Kong Financial Reporting Standards financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015.

The principal accounting policies applied in preparing these condensed consolidated financial statements are set out in note 2.

During the year ended 31 December 2015, the Directors performed a review of the content and presentation of the condensed consolidated financial statements and considered that it is more appropriate to begin with components on revenue and income and cost of revenue and income, which would be more relevant to the understanding of users of the Groups condensed consolidated financial statements.

Consequently, the presentation of the condensed consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2016 has been revised and the comparatives have been revised in order to conform with the presentation adopted in the condensed consolidated financial statements. The changes in presentation of the condensed consolidated statement of profit or loss and other comprehensive income do not have any impact on the Group's loss for the period or the calculation of the Group's loss per share.

2. PRINCIPAL ACCOUNTING POLICIES

The amounts included in these condensed consolidated financial statements have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

The accounting policies used in the condensed consolidated financial statements for the three months ended 31 March 2016 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

The condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs and interpretation issued by the HKICPA.

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle

The application of these amendments to HKFRSs in the current period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. INTEREST INCOME FROM MONEY LENDING BUSINESS

During the three months ended 31 March 2016, the Group commenced to develop a money lending business and generated interest income of HK$316,000 (for the three months ended 31 March 2015: nil).

4. FINANCIAL ASSETS AT FAIR VALUE

An analysis of the financial assets at fair value is as follows:

	Three months ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Realised loss on financial assets at fair value through profit or loss		
Proceeds from sale of financial assets at fair value through profit or loss	**20,347**	–
Carrying amount of financial assets at fair value through profit or loss plus transaction costs	**(22,831)**	–
	(2,484)	–
Unrealised loss on financial assets at fair value through profit or loss	**(1,744)**	–
	(4,228)	–

5. OTHER INCOME

	Three months ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Incentive income	**590**	362
Employment credits from government grants	**463**	568
Management and administrative income	**545**	135
Interest income	**8**	19
Miscellaneous income	**1**	1
	1,607	1,085

6. IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS

During the three months ended 31 March 2016, decrease in fair value of listed equity shares of China Star Entertainment Limited ("China Star") amounting to HK$11,400,000 (for the three month ended 31 March 2015: HK$19,500,000) was recognised in other comprehensive income under investments revaluation reserve. Due to a significant decline in the fair value of the investment in China Star below its cost, an impairment loss amounting to HK$11,400,000 has been recognised during the three month ended 31 March 2016 which was reclassified from the investments revaluation reserve to profit or loss.

7. FINANCE COSTS

	Three months ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on short term bank borrowings	**5**	–
Interest on advances drawn on trade receivables discounted with full recourse, repayable within one year	**–**	102
	5	102

8. INCOME TAX CREDIT

	Three months ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The tax credit comprises:		
Singapore Corporate Income Tax		
– Current period	**–**	–
– Overprovision in prior years	**–**	(205)
	–	(205)
Deferred taxation – current period	**(347)**	(356)
	(347)	(561)

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore. No provision for Singapore Corporate Income Tax has been made as the subsidiary operating in Singapore had no assessable profit for both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries either incurred tax losses or the estimated assessable profit is wholly absorbed by tax losses brought forward from prior years.

9. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the purposes of basic loss per share – Loss for the period attributable to owners of the Company	**(22,461)**	(4,856)

	Three months ended 31 March	
	2016	2015
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share *(note)*	**1,302,294**	764,572

note: Since there was no bonus element included in the rights issue completed in February 2016 (note 11), and therefore no adjustment was applied to the loss per share in this regard.

Diluted loss per share for the three months ended 31 March 2016 and 2015 are not presented as there were no dilutive potential ordinary shares in issue during both periods.

10. INTERIM DIVIDEND

No dividend was paid, declared or proposed during the three months ended 31 March 2016 (for the three months ended 31 March 2015: nil), nor has any dividend been proposed since the end of the reporting periods.

11. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital HK$'000	Share premium HK$'000	Distributable reserve HK$'000	Merger reserve HK$'000	Investments revaluation reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2016 (audited)	7,646	582,584	32,589	–	–	(28,443)	(236,945)	357,431
Loss for the period	–	–	–	–	–	–	(22,461)	(22,461)
Exchange differences arising on translation of foreign operation	–	–	–	–	–	9,575	–	9,575
Share of exchange difference of a joint venture	–	–	–	–	–	1,431	–	1,431
Fair value loss on available-for-sale investments	–	–	–	–	(11,400)	–	–	(11,400)
Reclassification adjustment upon impairment on available-for-sale investments	–	–	–	–	11,400	–	–	11,400
Total comprehensive income (expense) for the period	–	–	–	–	–	11,006	(22,461)	(11,455)
Rights issue *(note)*	15,291	131,949	–	–	–	–	–	147,240
At 31 March 2016 (unaudited)	22,937	714,533	32,589	–	–	(17,437)	(259,406)	493,216
At 1 January 2015 (audited)	7,646	582,584	32,589	5,000	67,500	(10,692)	(115,763)	568,864
Loss for the period	–	–	–	–	–	–	(4,856)	(4,856)
Exchange differences arising on translation of foreign operation	–	–	–	–	–	(8,619)	–	(8,619)
Share of exchange difference of a joint venture	–	–	–	–	–	(192)	–	(192)
Fair value loss on available-for-sale investments	–	–	–	–	(19,500)	–	–	(19,500)
Total comprehensive expense for the period	–	–	–	–	(19,500)	(8,811)	(4,856)	(33,167)
At 31 March 2015 (unaudited)	7,646	582,584	32,589	5,000	48,000	(19,503)	(120,619)	535,697

11. SHARE CAPITAL, SHARE PREMIUM AND RESERVES *(Continued)*

note: On 29 February 2016, the Company completed a rights issue of 1,529,144,700 rights shares at a subscription price of HK$0.10 per rights share on the basis of two rights share for every one existing ordinary share of the Company held by shareholders of the Company at the record date of 27 January 2016. The net proceeds from the rights issue, after deducting directly attributable costs were approximately HK$147.2 million. Details of the rights issue were disclosed in the Company's circular dated 24 December 2015, prospectus dated 28 January 2016 and announcements dated 8 October 2015 and 26 February 2016.

12. RELATED PARTY DISCLOSURES

During the periods, the Group entered into the following transactions with related parties:

Relationship	Nature of transaction	Three months ended 31 March 2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Related company	Management and administrative income	87	135

Note: The director of the Company, Mr. Mung Kin Keung, has beneficial interest in the related company.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in ordinary shares of HK$0.01 each of the Company

Name of Director	Capacity/ Mature of interests	Long position/ short position	Number of ordinary shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Mung Kin Keung *(Note)*	Interest of controlled corporation	Long position	532,000,000	23.19
Mr. Mung Bun Man, Alan *(Note)*	Interest of controlled corporation	Long position	532,000,000	23.19
Mr. Tse Ke Li	Beneficial owner	Long position	1,150,000	0.05

Note: These shares were registered in the name of and were beneficially owned by Excellent Mind Investments Limited ("Excellent Mind"), a company is owned as to 60% by Mr. Mung Kin Keung and 40% by Mr. Mung Bun Man, Alan, both of them are executive Directors. Therefore, they are deemed to be interested in all the shares in which Excellent Mind is interested by virtue of the SFO.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 March 2016.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 31 March 2016, the register of substantial shareholders/other persons maintained by the Company pursuant to section 336 of the SFO showed that the following shareholders, other than a Director or chief executive of the Company, had notified the Company of relevant interests in the issued share capital of the Company:

Long positions in the ordinary shares of HK$0.01 each of the Company

Name of Director	Capacity/ Nature of interests	Long position/ short position	Number of ordinary shares/held	Approximate percentage of the issued ordinary share capital of the Company
Charm City Developments Limited *(Note)*	Beneficial owner	Long position	153,936,000	6.71
Ms. Wang Chao Julia *(Note)*	Interest of controlled corporation	Long position	153,936,000	6.71

Note: These shares are held by Charm City Developments Limited ("Charm City"), which is wholly owned by Ms. Wang Chao Julia, who is deemed to be interested in all the shares in which Charm City is interested by virtue of the SFO.

Save as disclosed above, as at 31 March 2016, the Directors were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2016.

COMPETING INTERESTS

During the three months ended 31 March 2016, none of the Directors, the management shareholders of the Company nor their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Law Kwok Ho, Kenward (as chairman), Mr. Tsai Yung Chieh, David and Mr. Fung Wai Ching, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31 March 2016.

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

The Company has not redeemed any of its shares during the three months ended 31 March 2016.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period under review.

On behalf of the Board

Mung Bun Man, Alan
Executive Director

Hong Kong, 12 May 2016

As at the date of this report, the Board comprises Mr. Mung Kin Keung, Mr. Mung Bun Man, Alan, Mr. Tse Ke Li and Mr. Leung Wai Man as executive Directors, and Mr. Law Kwok Ho, Kenward, Mr. Tsai Yung Chieh, David and Mr. Fung Wai Ching as independent non-executive Directors.