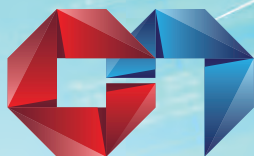


First  
Quarterly  
Report  
**2017**



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)

\*For identification purposes only

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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

The Group recorded loss attributable to owners of the Company of HK\$4,346,000 for the three months ended 31 March 2017 (for the three months ended 31 March 2016: HK\$22,461,000), representing basic loss per share of HK0.12 cent (for the three months ended 31 March 2016: basic loss per share of HK1.73 cents). The decrease in loss attributable to owners of the Company was mainly contributed by the increase in interest income derived by money lending business; the absence of impairment loss on available-for-sale investments; and the positive results on securities investment during the three months ended 31 March 2017.

#### Revenue and profitability

For the three months ended 31 March 2017, the consolidated revenue of the Group amounted to HK\$11,472,000 (31 March 2016: HK\$7,075,000), comprised of (i) service income from provision of travel related products and services of HK\$7,870,000 (31 March 2016: HK\$9,230,000); (ii) interest income from money lending business of HK\$3,112,000 (31 March 2016: HK\$316,000); and (iii) net realised gain on securities investment of HK\$490,000 (31 March 2016: net realised loss of HK\$2,471,000), representing an increase of about 62.1% as compared to the corresponding period of last year. The increase was mainly contributed by interest income derived by money lending business and the net realised gain on securities investment.

The revenue arising from travel business consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including air-tickets, 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 air-tickets, 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.

During the period under review, approximately 68.6% or HK\$7,870,000 (for the three months ended 31 March 2016: HK\$9,230,000) of the total revenue was derived from the provision of travel related products and services of which HK\$7,507,000 (for the three months ended 31 March 2016: HK\$8,883,000) and HK\$363,000 (for the three months ended 31 March 2016: HK\$347,000) was generated from the market in Singapore and Hong Kong respectively.

The interest income revenue derived from the provision of money lending services amounted to HK\$3,112,000 during the period under review (for the three months ended 31 March 2016: HK\$316,000), representing approximately 27.1% of the total revenue.

For treasury management business, net realized gain of HK\$490,000 was generated from securities investment (31 March 2016: net realised loss of HK\$2,471,000).

### **Other income**

Other income for the three months ended 31 March 2017 amounted to HK\$2,345,000, representing an increase of 45.9% as compared to HK\$1,607,000 for the corresponding period of last year. Such increase was mainly contributed by increase in management and administrative income and incentive income.

## **Expenditure**

For the reporting period, staff costs amounted to HK\$11,136,000 (for the three months ended 31 March 2016: HK\$11,757,000). Depreciation and amortisation expenses amounted to HK\$3,417,000 (for the three months ended 31 March 2016: HK\$2,423,000). Other expenses amounted to HK\$3,776,000 (for the three months ended 31 March 2016: HK\$4,178,000).

## **Share of profit of a joint venture**

On 30 July 2013, the Group entered into an agreement with a venturer to form a joint venture which principally engages in the business of operating as tours and travel agents in Malaysia at a cash consideration of HK\$14 million and the transaction was completed on 31 August 2013. Since then, the Group has been entitled to receive a management fee which was equivalent to 90% of the profit before taxation of its Malaysia travel business.

During the three months ended 31 March 2017, the Group shared a profit from the joint venture amounting to HK\$187,000 (for the three months ended 31 March 2016: HK\$17,000).

## **Finance costs**

The finance costs of HK\$121,000 (for the three months ended 31 March 2016: HK\$5,000) was attributed to the interest on short term bank borrowings and bank overdrafts during the reporting period.

## **BUSINESS REVIEW**

### **Travel business**

During the period under review, the performance of the segment in travel business was not satisfactory. Fierce competition in the industry exerted pressure on the Group's travel business in Singapore led to a decrease in the revenue of travel business to HK\$7,870,000 in the current period (for the three months ended 31 March 2016: HK\$9,230,000).

### **Money lending business**

#### ***Discloseable transaction in relation to the provision of financial assistance***

On 9 March 2017, a loan agreement was entered into between Global Mastermind Financial Services Limited ("Global Mastermind Financial Services"), an indirect wholly-owned subsidiary of the Company, as lender and an independent third party, as borrower, pursuant to which Global Mastermind Financial Services had conditionally agreed to grant a revolving loan facilities up to a principal amount of HK\$50 million to the borrower for a term of 12 months from the date on which the loan agreement becoming unconditional with an interest rate of 10% per annum. As all of the relevant applicable percentage ratios in respect of the grant of the facilities under the loan agreement was more than 5% but less than 25%, the grant of the facilities under the loan agreement constituted a discloseable transaction 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 announcement dated 9 March 2017.

During the reporting period, the Group's money lending business generated interest income on loans of HK\$3,112,000 (for the three months ended 31 March 2016: HK\$316,000). The increase was attributable to the increase in the average monthly balance of loan receivables. The average monthly balance of loan receivables increased from HK\$60,000,000 in the three months ended 31 March 2016 to HK\$145,570,000 in the three months ended 31 March 2017. During the period under review, the Group granted new loans in the aggregate principal amount of HK\$47,126,000 to its customers and received prepayment and repayment of HK\$209,000 from its customers. At the end of the reporting period, the directors assessed the collectability of loans receivables. As there was no objective evidence that the Group would not be able to collect all amounts due, no impairment loss on loans receivables was recognised.

### **Treasury management business**

During the period under review, the Group acquired Hong Kong equities with market value of HK\$9,319,000. In addition, the Group disposed Hong Kong equities with market value of HK\$24,664,000 (for the three months ended 31 March 2016: HK\$20,347,000) with a carrying amount of financial assets at fair value through profit or loss plus transaction costs of HK\$24,174,000 (for the three months ended 31 March 2016: HK\$22,831,000). Adding the dividend income from securities investment of Nil (for the three months ended 31 March 2016: HK\$13,000), the Group's trading of financial assets at fair value through profit or loss recorded a net realised gain of HK\$490,000 (for the three months ended 31 March 2016: a net realised loss of HK\$2,471,000). At 31 March 2017, the Group remeasured its equity portfolio at market prices and recorded an unrealised gain of HK\$274,000 (for the three months ended 31 March 2016: an unrealised loss of HK\$1,744,000) arising on change in fair value of financial assets at fair value through profit or loss.

## OUTLOOK

Following the grant of licences for Securities Business and Advising on Securities Business by Securities and Futures Commission to the Group in April 2017 (details of which are set out in the section headed “EVENTS AFTER THE REPORTING PERIOD”), it is expected that the new business in financial services will be in full operation in the third quarter of 2017 and open up a new and stable income stream to the Group.

## EVENTS AFTER THE REPORTING PERIOD

On 10 April 2017, Global Mastermind Securities Limited (“Global Mastermind Securities”), an indirect wholly-owned subsidiary of the Company, was granted licences to carry on (i) dealing in securities business (operation of which is Type 1 regulated activity under the Securities and Futures Ordinance (the “SFO”), the “Securities Business”); and (ii) advising on securities business (operation of which is Type 4 regulated activity under the SFO, the “Advising on Securities Business”).

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2017 and up to the date of this report.





## REPORT ON REVIEW OF QUARTERLY FINANCIAL INFORMATION

# Deloitte.

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TO THE BOARD OF DIRECTORS OF GLOBAL MASTERMIND HOLDINGS LIMITED

### INTRODUCTION

We have reviewed the quarterly financial information of Global Mastermind Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 10 to 18, which comprises the condensed consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2017, and certain explanatory notes. The directors of the Company are responsible for the preparation and presentation of this quarterly financial information in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on this quarterly financial information based on our review, and to report our conclusion 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 quarterly financial information 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 quarterly financial information are not prepared, in all material respects, in accordance with the basis of preparation as set out in note 1 to the quarterly financial information.

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

11 May 2017

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

FOR THE THREE MONTHS ENDED 31 MARCH 2017

		Three months ended 31 March	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
	NOTES		
Service income from provision of travel related products and services		7,870	9,230
Interest income from money lending business	3	3,112	316
Net realised gain (loss) on securities investment	4	490	(2,471)
Unrealised gain (loss) on securities investment		274	(1,744)
Other income	5	2,345	1,607
Staff costs		(11,136)	(11,757)
Depreciation and amortisation expenses		(3,417)	(2,423)
Other expenses		(3,776)	(4,178)
Impairment loss on available-for-sale investments	6	-	(11,400)
Finance costs	7	(121)	(5)
Share of profit of a joint venture		187	17
Loss before tax		(4,172)	(22,808)
Income tax (expense) credit	8	(174)	347
<b>Loss for the period</b>		<b>(4,346)</b>	<b>(22,461)</b>

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

FOR THE THREE MONTHS ENDED 31 MARCH 2017

		<b>Three months ended 31 March</b>	
	<i>NOTE</i>	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
<b>Other comprehensive income (expense) for the period</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation		<b>5,825</b>	9,575
Share of exchange difference of a joint venture		<b>219</b>	1,431
Fair value loss on available-for-sale investments		–	(11,400)
Reclassification adjustment upon impairment on available-for-sale investments		–	11,400
		<b>6,044</b>	11,006
<b>Total comprehensive income (expense) for the period</b>		<b>1,698</b>	(11,455)
<b>Loss for the period attributable to owners of the Company</b>		<b>(4,346)</b>	(22,461)
<b>Total comprehensive income (expense) attributable to owners of the Company</b>		<b>1,698</b>	(11,455)
<b>Loss per share (HK cent(s))</b>			
<b>Basic</b>	9	<b>(0.12)</b>	(1.73)

## **NOTES TO THE QUARTERLY FINANCIAL INFORMATION**

*FOR THE THREE MONTHS ENDED 31 MARCH 2017*

### **1. BASIS OF PREPARATION**

The quarterly financial information has 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 quarterly financial information does not include all the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016.

The principal accounting policies applied in preparing this quarterly financial information are set out in note 2.

During the year ended 31 December 2016, the directors performed a review of the content and presentation of the 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 Group's 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 2017 has been revised and the comparatives have been revised in order to conform with the presentation adopted in the quarterly financial information. 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 this quarterly financial information have been computed in accordance with HKFRSs issued by the HKICPA applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The accounting policies used in the quarterly financial information for the three months ended 31 March 2017 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

The quarterly financial information has been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Amendments to HKFRSs that are mandatorily effective for the current period

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

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses

The application of the amendments to HKFRSs in the current period has had no material impact on the financial performance for the current and prior periods and/ or disclosures set out in the quarterly financial information.

## 3. INTEREST INCOME FROM MONEY LENDING BUSINESS

The Group generated revenue of HK\$3,112,000 (for the three months ended 31 March 2016: HK\$316,000) from money lending business during the period.

## 4. NET REALISED GAIN (LOSS) ON SECURITIES INVESTMENT

Net realised gain (loss) on securities investment represents the disposal gain (loss) of securities investment and dividend income, which is arising from trading of financial assets at fair value through profit or loss recorded on a net basis, details of which are as follows:

	<b>Three months ended 31 March</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Realised gain (loss) on financial assets at fair value through profit or loss:		
Proceeds from sale of financial assets at fair value through profit or loss	<b>24,664</b>	20,347
Carrying amount of financial assets at fair value through profit or loss plus transaction costs	<b>(24,174)</b>	(22,831)
	<b>490</b>	(2,484)
Dividend income from securities investments	-	13
	<b>490</b>	(2,471)

**5. OTHER INCOME**

	<b>Three months ended 31 March</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Management and administrative income	<b>1,083</b>	545
Incentive income	<b>958</b>	590
Exchange gain	<b>89</b>	–
Interest income	<b>58</b>	8
Employment credits from government grant	<b>31</b>	463
Miscellaneous income	<b>126</b>	1
	<b>2,345</b>	1,607

**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 months ended 31 March 2017: nil) 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 (for the three months ended 31 March 2017: nil) had been recognised during the three months ended 31 March 2016 which was reclassified from the investments revaluation reserve to profit or loss.

**7. FINANCE COSTS**

	<b>Three months ended 31 March</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Interest on short term bank borrowings	<b>54</b>	5
Interest on bank overdrafts	<b>67</b>	–
	<b>121</b>	5

## 8. INCOME TAX (EXPENSE) CREDIT

### Three months ended 31 March

	<b>2017</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2016 <i>HK\$'000</i> (Unaudited)
The tax (expense) credit comprises:		
Hong Kong Profits Tax – current period	<b>(512)</b>	–
Deferred taxation – current period	<b>338</b>	347
	<b>(174)</b>	347

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 had been made for the three months ended 31 March 2016 as the Company and its subsidiaries either incurred tax losses or the estimated assessable profit was 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:

	<b>2017</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2016 <i>HK\$'000</i> (Unaudited)
<b>Loss</b>		
Loss for the purposes of basic loss per share	<b>(4,346)</b>	(22,461)



9. **LOSS PER SHARE** *(Continued)*

	<b>Three months ended 31 March</b>	
	<b>2017 '000 (Unaudited)</b>	<b>2016 '000 (Unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic loss per share <i>(Note)</i>	<b>3,552,417</b>	1,302,294

*Note:* For the three months ended 31 March 2016, 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 2017 and 2016 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 2017 (for the three months ended 31 March 2016: 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	Investments revaluation reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2017 (audited)	35,524	859,253	32,589	-	(32,258)	(292,737)	602,371
Loss for the period	-	-	-	-	-	(4,346)	(4,346)
Other comprehensive income for the period	-	-	-	-	6,044	-	6,044
Total comprehensive income (expense) for the period	-	-	-	-	6,044	(4,346)	1,698
At 31 March 2017 (unaudited)	35,524	859,253	32,589	-	(26,214)	(297,083)	604,069
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)
Other comprehensive income for the period	-	-	-	-	11,006	-	11,006
Total comprehensive income (expense) for the period	-	-	-	-	11,006	(22,461)	(11,455)
Issue of ordinary shares ( <i>Note</i> )	15,291	131,949	-	-	-	-	147,240
At 31 March 2016 (unaudited)	22,937	714,533	32,589	-	(17,437)	(259,406)	493,216

*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 on 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 TRANSACTIONS

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

Relationship	Nature of transaction	Three months ended 31 March	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Related companies (Note)	Management and administrative income	<b>1,083</b>	87

*Note:* Mr. Mung Hon Ting, Jackie, a close family member of Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan, both of them are directors of the Company, and Mr. Mung Kin Keung have beneficial interests in the related companies.

**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 2017, 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**

<b>Name of Director</b>	<b>Capacity/ Nature of interests</b>	<b>Number of ordinary shares of the Company held</b>	<b>Approximate percentage of the issued ordinary share capital of the Company (Note 2)</b>
Mr. Mung Kin Keung <i>(Note 1)</i>	Held by controlled corporation	532,000,000	14.98%
Mr. Mung Bun Man, Alan <i>(Note 1)</i>	Held by controlled corporation	532,000,000	14.98%
Mr. Tse Ke Li	Beneficial owner	1,150,000	0.03%

*Notes:*

- (1) Excellent Mind Investments Limited ("Excellent Mind") beneficially owns 532,000,000 ordinary shares of the Company. Excellent Mind is owned as to 60.00% by Mr. Mung Kin Keung and 40.00% 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.
- (2) The percentage is calculated on the basis of 3,552,417,050 shares in issue as at 31 March 2017.

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 2017.

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

As at 31 March 2017, 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 ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company <i>(Note 3)</i>
China Healthwise Holdings Limited	Beneficial owner	800,000,000	22.52%
Excellent Mind Investments Limited <i>(Note 1)</i>	Beneficial owner	532,000,000	14.98%
Mr. Mung Kin Keung <i>(Note 1)</i>	Held by controlled corporation	532,000,000	14.98%
Mr. Mung Bun Man, Alan <i>(Note 1)</i>	Held by controlled corporation	532,000,000	14.98%

<b>Name of shareholder</b>	<b>Capacity/ Nature of interests</b>	<b>Number of ordinary shares of the Company held</b>	<b>Approximate percentage of the issued ordinary share capital of the Company</b> <i>(Note 3)</i>
Smart Concept Enterprise Limited <i>(Note 2)</i>	Beneficial owner	358,700,000	10.10%
Mr. Yuen Hoi Po <i>(Note 2)</i>	Held by controlled corporation	358,700,000	10.10%

*Notes:*

1. These shares are held by Excellent Mind Investments Limited ("Excellent Mind"), which is owned as to 60.00% by Mr. Mung Kin Keung and 40.00% by Mr. Mung Bun Man, Alan, both of them are executive Directors, who are deemed to be interested in all the shares in which Excellent Mind is interested by virtue of the SFO.
2. These shares are held by Smart Concept Enterprise Limited ("Smart Concept"), which is wholly owned by Mr. Yuen Hoi Po, who is deemed to be interested in all the shares in which Smart Concept is interested by virtue of the SFO.
3. The percentage is calculated on the basis of 3,552,417,050 shares in issue as at 31 March 2017.

Other than as disclosed above, the Company has not been notified of any interests in the Company's issued shares as at 31 March 2017 as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Save as disclosed above, as at 31 March 2017 and to the best knowledge of the Directors, there was no person had an interest or short position in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO.

## COMPETING INTERESTS

During the three months ended 31 March 2017, 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 2017.

## 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 2017.

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, 11 May 2017

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