華人策略控股有限公司

Chinese Strategic Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 8089)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of Chinese Strategic 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 ("**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 announcement is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days and on the Company website at www.chinesestrategic.com from the date of its publication.

The board of directors (the "**Board**") of Chinese Strategic Holdings Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2016, together with the comparative audited figures for the year 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**8,738**	10,191
Cost of sales		**(271)**	(346)
Gross profit		**8,467**	9,845
Other income and gains	*5*	**16,090**	3,702
Administrative expenses		**(103,302)**	(88,925)
Changes in fair values of investment properties, net		**5,215**	(400)
Changes in fair values of investments held for trading		**(9,177)**	(63,794)
(Loss) gain on disposals of investments held for trading		**(69,431)**	34,466
Changes in fair values of convertible instruments designated as financial assets at fair value through profit or loss		**(6,229)**	308
Changes in fair values of derivative financial liabilities		**–**	(4,525)
Gain arising from derecognition of derivative financial liabilities		**8,125**	3,156
Gain (loss) on disposal of a subsidiary		**2,340**	(2,432)
Gain on deemed disposal of subsidiaries		**5**	–
Loss on deregistration of a subsidiary		**–**	(1,042)
Loss on early redemption of convertible loan notes		**(1,315)**	–
Loss on settlement of other payables		**(1,063)**	–
Gain on bargain purchase		**–**	2,818
Impairment loss on loan and interest receivables		**(5,227)**	–
Impairment loss on other receivables		**(169,517)**	–
Share of gains (losses) of associates		**14**	(218)
Share of profit of a joint venture		**11,323**	11,229
Operating loss		**(313,682)**	(95,812)
Finance costs	*6*	**(35,019)**	(26,047)
Loss before tax		**(348,701)**	(121,859)
Income tax expense	*7*	**(213)**	(2,467)
Loss for the year	*8*	**(348,914)**	(124,326)

	Notes	**2016** **HK$'000**	2015 HK$'000
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**(5)**	(5,356)
Release of translation reserve upon disposal of subsidiaries		**–**	(6,100)
Fair value gain on available-for-sale financial assets		**1,552**	2,484
Share of translation reserve of a joint venture		**(10,665)**	(7,772)
Other comprehensive expense for the year, net of income tax		**(9,118)**	(16,744)
Total comprehensive expense for the year		**(358,032)**	(141,070)
(Loss) profit for the year attributable to:			
Owners of the Company		**(350,928)**	(126,304)
Non-controlling interests		**2,014**	1,978
		(348,914)	(124,326)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(360,046)**	(141,609)
Non-controlling interests		**2,014**	539
		(358,032)	(141,070)
Loss per share	*10*		
Basic (HK cents)		**(34.47) cents**	(16.48) cents
Diluted (HK cents)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Plant and equipment		**5,365**	7,467
Convertible instruments designated as financial assets at fair value through profit or loss		**17,184**	45,080
Prepaid lease payment – non-current portion		**19,501**	20,329
Investment properties		**111,240**	94,900
Interests in associates		**176**	162
Interest in a joint venture		**166,278**	165,620
Club debentures		**2,690**	2,690
Available-for-sale financial assets		**45,682**	44,130
		368,116	380,378
CURRENT ASSETS			
Loan and interest receivables	*11*	**71,789**	61,693
Amount due from an associate		**10,026**	–
Convertible instruments designated as financial assets at fair value through profit or loss		**21,667**	4,200
Prepayments, deposits and other receivables		**70,501**	265,525
Prepaid lease payment – current portion		**389**	390
Investments held for trading		**222,868**	413,950
Bank balances and cash		**34,489**	46,952
		431,729	792,710
CURRENT LIABILITIES			
Accruals and other payables		**29,132**	22,389
Borrowings		**149,807**	168,426
Derivative financial liabilities		**–**	8,125
Convertible loan notes		**–**	52,895
Obligations under finance leases – current portion		**658**	382
Tax liabilities		**12,052**	12,052
		191,649	264,269
NET CURRENT ASSETS		**240,080**	528,441
TOTAL ASSETS LESS CURRENT LIABILITIES		**608,196**	908,819
NON-CURRENT LIABILITIES			
Bond payables		**50,000**	50,000
Obligations under finance leases – non-current portion		**1,154**	1,006
Deferred tax liabilities		**1,180**	967
		52,334	51,973
NET ASSETS		**555,862**	856,846
CAPITAL AND RESERVES			
Share capital		**1,149**	982
Reserves		**524,480**	827,645
Equity attributable to owners of the Company		**525,629**	828,627
Non-controlling interests		**30,233**	28,219
TOTAL EQUITY		**555,862**	856,846

Notes

1. GENERAL

Chinese Strategic Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 18 May 2000. The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and its principal place of business is located at 2nd Floor, SBI Centre, Nos. 54-58 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is investment holding.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") that are mandatorily effective for an accounting period that begins on or after 1 January 2016. These amendments have been applied by the Group for the first time in the current year unless otherwise specified. The impacts of these amendments are described below.

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to Hong Kong Accounting Standard ("HKAS") 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycles

Except as described below, the application of the amendments to 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 consolidated financial statements.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments provide guidance on how to account for the acquisition of a joint operations that constitute a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards should be applied. The amendments also require that a joint operator to disclose the relevant information required by HKFRS 3 and other standards for business combinations. The amendments have been applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute business as defined in HKFRS 3) occurring from the beginning of the current year.

The same requirements should applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The Group did not have any such transactions in the current year and hence the application of these amendments has had no impact on the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that an entity need not provide a specific disclosure required by a HKFRS if the information resulting form that disclosure is not material (even if the HKFRS contains a list of specific requirements or describes them as minimum requirements). The amendments also give guidance on the bases of aggregating and disaggregating information for disclosure purposes. The amendments emphasise that an entity should consider whether to provide additional disclosures when compliance with the specific requirements in HKFRSs is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance. Furthermore, the amendments require that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As required by the amendments, the share of other comprehensive income of associates and joint ventures had been separately presented and had been separated into (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. Other than such a change in presentation, the application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments states that such a presumption can only be rebutted in the following two limited circumstances:

- when the intangible asset is expressed as a measure of revenue; or

- when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

With regard to the Group's property, plant and equipment, the Group did not use revenue-based depreciation method and hence the amendments have not have any impact on the Group's financial position and financial performance. Rather, the Group has been using the straight-line method for depreciation and amortisation for its property, plant and equipment.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments mainly clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. Also, given that the Company is a listed entity, the consolidation exception set out in the amendments will not be applicable to the Company and hence the application of these amendments has had no impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

Firstly, the amendments to HKFRS 5 introduce specific guidance for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply.

Secondly, the amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

Thirdly, the amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead. The Group did not have any defined benefit scheme.

The application of these amendments has had no effect on the Group's consolidated financial statements.

New and amendments to HKFRSs in issued but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2017

3. REVENUE

Revenue represents the aggregate of rental income, interest income from loan financing and dividend income from investments held for trading during the year. The following is an analysis of the Group's revenue:

	2016	2015
	HK$'000	*HK$'000*
Rental income	**2,474**	4,375
Interest income from the provision of loan financing	**6,241**	5,815
Dividend income from investments held for trading	**23**	1
	8,738	10,191

4. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable and operating segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Properties investments – investment in properties for rental income purpose

2. Securities trading – trading of securities and dividend income from investments held for trading

3. Loan financing – provision of financing services

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

	2016	2015
	HK$'000	*HK$'000*
Segment revenue		
– Properties investments	**2,474**	4,375
– Securities trading	**23**	1
– Loan financing	**6,241**	5,815
	8,738	10,191
Segment profit (loss)		
– Properties investments	**15,709**	9,994
– Securities trading	**(94,336)**	(35,838)
– Loan financing	**3,458**	5,022
	(75,169)	(20,822)
Unallocated corporate expenses	**(78,463)**	(84,187)
Unallocated corporate income	**16,090**	3,702
Changes in fair values of convertible instruments designated as financial assets at fair value through profit or loss	**(6,229)**	308
Changes in fair values of derivative financial liabilities	**–**	(4,525)
Gain arising from derecognition of derivative financial liabilities	**8,125**	3,156
Impairment loss on loan and interest receivables	**(5,227)**	–
Impairment loss on prepayments, deposits and other receivables	**(169,517)**	–
Share-based payment expenses	**(12,524)**	–
Gain (loss) on disposal of a subsidiary	**2,340**	(9)
Loss on deregistration of a subsidiary	**–**	(1,042)
Loss on early redemption of convertible loan notes	**(1,315)**	–
Loss on settlement on other payables	**(1,063)**	–
Gain on bargain purchase	**–**	2,492
Gain on deemed disposal of subsidiary	**5**	–
Share of gains (losses) of associates	**14**	(218)
Finance costs	**(25,768)**	(20,714)
Loss before tax	**(348,701)**	(121,859)

Segment revenue reported above represents revenue generated from external customers. There was no intra-segment sale in the current year.

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs, directors' emoluments, changes in fair values of convertible instruments designated as financial assets at fair value through profit or loss ("**FVTPL**"), impairment loss on loan and interest receivable, prepayments, deposits and other receivables, share-based payment expenses, loss on early redemption of convertible loan notes, loss on settlement on other payable, gain arising from derecognition and changes in fair values of derivative financial liabilities, impairment loss recognised in respect of other receivables, certain loss on disposal of subsidiaries, loss on deregistration of a subsidiary, certain gain on bargain purchase, share of (gains) losses of associates and certain finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2016	2015
	HK$'000	*HK$'000*
Segment assets		
– Properties investments	**112,747**	261,190
– Securities trading	**225,167**	417,622
– Loan financing	**109,375**	44,615
Total segment assets	**447,289**	723,427
Unallocated corporate assets	**352,556**	449,661
Consolidated assets	**799,845**	1,173,088
Segment liabilities		
– Properties investments	**69,981**	58,926
– Securities trading	**15,269**	94,695
– Loan financing	**135**	16
Total segment liabilities	**85,385**	153,637
Unallocated corporate liabilities	**158,598**	162,605
Consolidated liabilities	**243,983**	316,242

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than AFS financial assets, certain plant and equipment, prepaid lease payment, interests in associates, club debentures, convertible instruments designated as financial assets at FVTPL, certain loan and interest receivables, bank balances and cash and certain prepayments, deposits and other receivables; and

- all liabilities are allocated to operating segments other than certain accruals and other payables, certain borrowings, derivative financial liabilities, convertible loan notes, obligations under finance leases, tax liabilities, bond payables and deferred tax liabilities.

Other segment information

For the year ended 31 December 2016

	Properties investments *HK$'000*	**Securities trading** *HK$'000*	**Loan financing** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Amounts included the measure of segment profit or loss or segment assets:					
Depreciation on plant and equipment	**1**	**6**	**–**	**2,642**	**2,649**
Additions to plant and equipment	**4**	**–**	**–**	**1,137**	**1,141**
Share of profit of a joint venture	**(11,323)**	**–**	**–**	**–**	**(11,323)**
Fair value (gain) loss on:					
– investments properties	**(5,215)**	**–**	**–**	**–**	**(5,215)**
– investments held for trading	**–**	**9,177**	**–**	**–**	**9,177**
Loss on disposals of investments held for trading	**–**	**69,431**	**–**	**–**	**69,431**
Gain on disposal of a subsidiary	**–**	**–**	**–**	**(2,340)**	**(2,340)**
Gain on deemed disposal of a subsidiary	**–**	**–**	**–**	**(5)**	**(5)**
Finance costs	**–**	**9,251**	**–**	**25,768**	**35,019**

For the year ended 31 December 2015

	Properties investments *HK$'000*	Securities trading *HK$'000*	Loan financing *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included the measure of segment profit or loss or segment assets:					
Depreciation on plant and equipment	92	–	4	2,513	2,609
Additions to plant and equipment	–	–	16	2,253	2,269
Share of profit of a joint venture	(11,229)	–	–	–	(11,229)
Fair value loss on:					
– investment properties	400	–	–	–	400
– investments held for trading	–	63,794	–	–	63,794
Gain on disposals of investments held for trading	–	(34,466)	–	–	(34,466)
Gain on bargain purchase	(326)	–	–	(2,492)	(2,818)
Loss on disposal of subsidiaries	2,423	–	–	9	2,432
Finance costs	–	5,333	–	20,714	26,047
Amounts regularly provided to the chief operating decision makers but not included in the measure of segment profit or loss or segment assets:					
Changes in fair values of convertible instruments designated as financial assets at FVTPL	–	(1,755)	–	1,447	(308)

Geographical information

The Group's operations are located in the PRC, Hong Kong and the Commonwealth of the Northern Mariana Islands ("**CNMI**").

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets, excluded those financial instruments, is presented based on the geographical location of the assets:

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**8,738**	8,260	**119,471**	105,219
PRC	**–**	1,931	**166,278**	165,620
CNMI	**–**	–	**19,501**	20,329
	8,738	10,191	**305,250**	291,168

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**N/A***	1,032
Customer B[2]	**–**	3,911
Customer C[1]	**–**	1,801
Customer D[1]	**1,020**	1,020
Customer E[2]	**3,842**	N/A

[1] Revenue from properties investments

[2] Revenue from loan financing

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME AND GAINS

The analysis of the Group's other income and gains are as follow:

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**3**	4
Gain on disposal of plant and equipment	**–**	470
Interest on convertible instruments designated as financial assets at FVTPL	**156**	187
Others *(Note)*	**15,931**	3,041
	16,090	3,702

Note: Included in other revenue for the year ended 31 December 2016 is an amount of approximately HK$15,678,000 regarding gain on settlement of other receivables of HK$32,000,000 with listed shares.

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings	**491**	643
Other loans	**18,608**	11,240
Bond payables	**3,800**	7,505
Convertible loan notes at effective interest rates	**2,790**	1,296
Obligations under finance leases	**79**	30
Margin accounts	**9,251**	5,333
	35,019	26,047

7. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	2,156
Over-provision in prior year	**–**	(106)
	–	2,050
Deferred taxation	**213**	417
	213	2,467

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years ended 31 December 2016 and 2015.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years ended 31 December 2016 and 2015.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

8. LOSS FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Staff costs including directors' emoluments:		
Salaries and allowances	**30,539**	32,406
Contributions to retirement benefits scheme	**624**	750
Share-based payment expenses	**6,399**	–
	37,562	33,156
Auditor's remuneration		
– Current year	**780**	780
– Under provided for the previous year	**21**	–
Depreciation of plant and equipment	**2,649**	2,609
Amortisation of prepaid lease payment	**388**	388
Impairment loss of prepaid lease payment	**441**	–
Loss on written-off of plant and equipment	**594**	426
Minimum lease payments under operating leases	**7,345**	7,460
Development cost	**–**	1,553
Legal and professional fees	**13,196**	7,644
Share-based payment expenses – consultants	**6,125**	–
Consultancy fees	**7,841**	12,310
Gross rental income	**(2,474)**	(4,375)
Less: outgoings (included in cost of sales)	**271**	346
Net rental income	**(2,203)**	(4,029)

9. DIVIDEND

No dividend was paid or proposed for ordinary shares of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2015: Nil).

10. LOSS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(350,928)**	(126,304)
Effect of dilutive potential ordinary shares – Interest expense on convertible loan notes	**N/A**	N/A
Loss for the purpose of diluted loss per share	**(350,928)**	(126,304)

	2016	2015
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,018,133**	766,346
Effect of dilutive potential ordinary shares	**N/A**	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,018,133**	766,346

The computation of diluted loss per share for the years ended 31 December 2016 and 31 December 2015 does not assume the exercise of the Company's share options, the options to subscribe convertible bonds and the conversion of the Company's outstanding convertible loan notes, since it would result in a decrease in loss per share for the year which is regarded as anti-dilutive.

11. LOAN AND INTEREST RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Fixed rate loan and interest receivables arising from loan financing business *(Note a)*:		
Secured loan and interest receivables	**196,685**	183,541
Unsecured loan and interest receivables	**3,427**	48,508
Less: accumulated impairment loss recognised	**(143,816)**	(187,649)
	56,296	44,400
Other loan and interest receivables:		
Amount due from a former subsidiary *(Note b)*	**151,980**	151,980
Other unsecured loan receivable *(Note c)*	**1,800**	1,800
Other secured loan and interest receivable *(Note d)*	**20,879**	20,879
	174,659	174,659
Less: accumulated impairment loss recognised	**(159,166)**	(157,366)
	15,493	17,293
	71,789	61,693

Notes:

(a) As at 31 December 2016, the secured loan and interest receivables arising from loan financing business are secured by listed equity shares, unlisted shares, private car and properties located in Hong Kong and bear interest at fixed interest rate ranging from 10% to 20% (2015: 10% to 30%) per annum.

As at 31 December 2016, the unsecured loan and interest receivables arising from loan financing business bear interest at fixed interest rate at 12% (2015: 10% to 14%) per annum.

The following table illustrates the ageing analysis, based on the loan drawn down date, of the loan and interest receivables (net of accumulated impairment loss) arising from loan financing business outstanding at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Less than 3 months	**34,039**	–
More than 3 months but less than 6 months	**–**	36,449
More than 12 months	**22,257**	7,951
	56,296	44,400

The Group's loan financing customers included in the loan and interest receivables are due for settlement at the dates specified in the respective loan agreements.

The ageing analysis of loan and interest receivables which were past due but not impaired is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 3 months	**22,257**	–
More than 3 months but less than 6 months	**–**	–
More than 6 months but less than 12 months	**–**	4,397
	22,257	4,397

Included in the Group's loan and interest receivables balances are debtors with aggregate carrying amount of approximately HK$22,257,000 (2015: HK$4,397,000) which are past due but not impaired as at 31 December 2016. The Group holds properties and listed securities as collateral over those balances. Management believes that no impairment is necessary in respect of these balances as those borrowers repay the loan continuously and there has not been a significant change in the credit quality and the balances are considered fully recoverable.

During the years ended 31 December 2016 and 2015, impairment loss of approximately HK$3,427,000 (2015: Nil) on loan and interest receivables was recognised in the consolidated statement of profit or loss and other comprehensive income.

The Group held certain equity securities listed on the Stock Exchange with fair value of approximately HK$12,167,400 (2015: HK$11,520,000) as at 31 December 2016 as collateral over the secured loan and interest receivables.

The movement of accumulated impairment loss of the loan and interest receivables during the reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
At 1 January	**187,649**	212,289
Addition	**3,427**	–
Written off	**(47,260)**	(24,640)
At 31 December	**143,816**	187,649

Included in the impairment loss recognised at 31 December 2016 was individually impaired loan and interest receivables with a carrying amount of approximately HK$143,816,000 (2015: HK$187,649,000) before impairment.

(b) Amount due from a former subsidiary is unsecured, non-interest bearing and repayable on demand. The balance has been fully impaired.

(c) Other unsecured loan receivable is unsecured and the amount of HK$1,800,000 was fully impaired during the year.

(d) As at 31 December 2016, the balance represented the principal loan amount of HK$10,038,000 and interest receivable of approximately HK$10,841,000, net of accumulated impairment loss of approximately HK$5,386,000, which is secured by a property located in Hong Kong and bear fixed interest rate at 20% per annum.

The movement of accumulated impairment loss of the other loan and interest receivables during the reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
At 1 January	**157,366**	151,980
Addition	**1,800**	–
Acquisition of a subsidiary	**–**	5,386
At 31 December	**159,166**	157,366

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in businesses of properties investments, securities trading and loan financing. The revenue of the Group for the year ended 31 December 2016 amounted to approximately HK$8,738,000, representing a decrease of 14.3% as compared with approximately HK$10,191,000 in the preceding financial year.

Properties Investments

The Group recorded a rental income of approximately HK$2,474,000 for the year ended 31 December 2016 (2015: approximately HK$4,375,000) through properties leasing. The decrease in rental income was mainly due to the disposal of two properties in Mainland China in August 2015. The property market in Hong Kong has experienced rebound in the price since the fourth quarter of 2016, the Group recorded a gain arising from fair value changes of investment properties of approximately HK$5,215,000 (2015: loss approximately HK$400,000).

As at 31 December 2016, the fair value of investment properties of the Group amounted to approximately HK$111,240,000 (31 December 2015: approximately HK$94,900,000).

Securities Trading

During the year of 2016, the Group intended to reduce the liabilities and faced a tight cashflow position. Through disposal of certain investments held for trading, it recorded a loss of approximately HK$69,431,000 (2015: gain approximately HK$34,466,000). With the volatile securities market, the Group recorded a loss arising from the fair value changes of investments held for trading of approximately HK$9,177,000 (2015: loss approximately HK$63,794,000).

As at 31 December 2016, the Group had investments held for trading amounted to approximately HK$222,868,000 (31 December 2015: approximately HK$413,950,000).

Investments with market value exceeding HK$20,000,000 as at 31 December 2016 are as follows:

Hong Kong market	Company	Industry	As at 31 December 2016 No. of shares held	 Approx. percentage of share holdings	For the year ended 31 December 2016 Stock price performance *(%)* *Approx.*	 Price range *(HK$)* *Approx.*
Main Board	Company A	Securities & Brokerage	293,066,000	7.26%	180.70%	0.085-0.365
Main Board	Company B	Shipping & Port Operation	259,270,000	2.17%	-47.83%	0.090-0.196
Main Board	Company C	Securities & Brokerage	12,900,000	1.94%	7.69%	0.990-3.390
Main Board	Company D	Securities & Brokerage	29,514,000	3.55%	-61.35%	0.335-2.200
GEM Board	Company E	Restaurants	239,930,875	9.08%	-91.48%	0.030-0.162

Loan Financing

During the year ended 31 December 2016, the loan financing business continued to tighten the credit policy and was recorded a slight improvement in its performance with a 7.3% increase in the interest income to approximately HK$6,241,000 from HK$5,815,000 in the preceding financial year. An impairment loss on loan and interest receivables of approximately HK$5,227,000 was recorded during the year ended 31 December 2016 (2015: Nil).

Financial Assets

The Group held an investment portfolio, classified as available-for-sale financial assets with carrying value of approximately HK$45,682,000 as at 31 December 2016 (31 December 2015: approximately HK$44,130,000) of which mainly an unlisted investment in funds of approximately HK$39,790,000 that are denominated in USD and managed by an international investment bank (2015: approximately HK$38,238,000). In view of the carrying value of the unlisted investment fund compared with its principal amount of HK$15,600,000, it is a good opportunity for the Group to capitalize its capital gain from the investment in available-for-sale financial assets to support the general working capital of the Group. In July 2016, a redemption instruction was served and the net proceeds from the redemption of approximately HK$40,898,000 was received on 17 February 2017.

The Group held certain unlisted instruments issued by a Hong Kong listed company, classified as convertible instruments designated as financial assets at fair value through profit or loss, amounted to approximately HK$38,851,000 as at 31 December 2016 (31 December 2015: approximately HK$45,080,000). The convertible instruments are measured at fair value at the reporting end date. In this regard, a loss arising from fair value changes of convertible instruments designated as financial assets at fair value through profit or loss of approximately HK$6,229,000 was recorded (2015: gain approximately HK$308,000).

The carrying value of the aforesaid investments, representing 10.6% of the total assets of the Group, is mark to market value and its performance is affected by Hong Kong stock market and global economic environment.

Financial Review

For the year ended 31 December 2016, the Group recorded a revenue of approximately HK$8,738,000 (2015: approximately HK$10,191,000), representing a decrease of approximately 14.3% as compared with the preceding financial year. The decrease in revenue was mainly due to a drop of 43.5% in rental income.

Administrative expenses for the year ended 31 December 2016 was approximately HK$103,302,000 (2015: approximately HK$88,925,000), representing an increase of 16.2% as compared with the preceding financial year. During the year, administrative expenses including share-based payment expenses of approximately HK$12,524,000 in respect of the share options granted on 23 March 2016 was recorded (2015: Nil).

The Group incurred finance costs of approximately HK$35,019,000 for the year ended 31 December 2016 (2015: approximately HK$26,047,000), which mainly comprised interest on interest bearing bank and other borrowings, margin accounts, issuance of convertible loan notes and bonds. The increase in the finance costs by 34.4% was mainly attributable to the increase in other borrowings.

The loss attributable to the owners of the Company for the year ended 31 December 2016 aggregated at approximately HK$350,928,000 (2015: approximately HK$126,304,000). Loss for the year was mainly attributable to the impairment loss on other receivables and loss on disposals of investments held for trading. The basic loss per share for the year ended 31 December 2016 was approximately HK34.47 cents (2015: HK16.48 cents).

Outlook

Despite anticipation of rising interest rates and market cool measurement imposed by government, there is a sharp surge in residential prices in the first quarter of 2017. It is generally expected that properties in Hong Kong are seen as good investments and there is still room for growth on prices. The management remains cautiously optimistic about the property market and will look for desirable property investment opportunities for the benefit of the Company and its shareholders.

Notwithstanding facing sustained strength of the US stock market in these recent months, Hong Kong securities market is affected by a variety of factors. Fund inflows is a major cause which affect and will have stronger impact on the performance of Hong Kong stock market. The management will remain cautious in the securities investment.

It will not be an easy market amid rising interest rates and political tensions both in the United States and Asia. The year of 2017 is challenging. Nevertheless, the Group will continue to explore the feasibility on the expansion into other business segments.

Interest in a Joint Venture

The Group's investment in the joint venture 長沙賽格發展有限公司 (Changsha Seg Development Co Limited) ("**Changsha Seg**") performed satisfactorily during the year ended 31 December 2016. The Group's share of result of Changsha Seg amounted to approximately HK$11,323,000 for the year ended 31 December 2016 (2015: approximately HK$11,229,000). The net assets of Changsha Seg was approximately HK$274,758,000 (2015: approximately HK$273,540,000).

Changsha Seg is principally engaged in rental of office premises and a shopping mall in Changsha, the People's Republic of China that is situated at a prime location near the Changsha Railway Station. The Group has been working closely with its partner, Shenzhen Seg Co. Ltd., a company listed on the Shenzhen Stock Exchange, as well as the other shareholders of Changsha Seg, in respect of its operation and development.

Fund Raising Activities

On 29 February 2016, the Company and the placing agent entered into a placing agreement (as revised and supplemental by the supplemental placing agreement on 31 March 2016). Subsequently, a second supplemental placing agreement was entered into to supersede the placing agreement in entirety on 2 June 2016 which was revised and supplemental by the third supplemental placing agreement on 27 July 2016, to place the convertible bond (the "**Revised New CB**") in principal amount of up to HK$495,600,000. The Revised New CB, upon full conversion, are convertible into 1,180,000,000 new shares at the Revised New CB conversion price of HK$0.42 per share which shall be allotted and issued by the Company under specific mandate ("**Revised New CB Placing**"). The maximum gross proceeds from the Revised New CB Placing will be HK$495,600,000. As the condition precedent to the Revised New CB Placing had not been fulfilled on or before the overall completion date on 30 October 2016, the Revised New CB Placing lapsed thereon.

Details of the Revised New CB Placing are set out in the announcements of the Company dated 2 March 2016, 31 March 2016, 3 June 2016, 27 July 2016, 29 July 2016 and 1 November 2016 and the circular of the Company dated 16 June 2016.

On 17 October 2016, the Company and the placing agent entered into the placing agreement pursuant to which the Company has conditionally agreed to place, through the placing agent on a best effort basis, a maximum of 150,000,000 placing shares at a price of HK$0.24 per placing share to not less than six placees under the general mandate. The placing was completed on 27 October 2016. The net proceeds from the placing amounted to approximately HK$34,980,000 and was used for administrative expenses and settlement of the outstanding operation payables of the Group for the year ended 31 December 2016.

Details of the placing are set out in the announcements of the Company dated 17 October 2016 and 27 October 2016.

Liquidity and Financial Resources

The Group principally finances its operations through a combination of shareholders' equity, internally generated cash flows and borrowings.

As at 31 December 2016, the Group had cash and cash equivalent of approximately HK$34,489,000 (31 December 2015: approximately HK$46,952,000) and had interest-bearing borrowings of approximately HK$149,807,000 (31 December 2015: approximately HK$168,426,000).

As at 31 December 2016, the gearing ratio (measured as total liabilities to total assets) was approximately 30.5% (31 December 2015: approximately 27%).

Capital Structure

As at 31 December 2016, the Company's issued share capital was HK$1,148,783 (31 December 2015: HK$982,494), divided into 1,148,783,425 shares (31 December 2015: 982,494,000 shares) of HK$0.001 each. During the year ended 31 December 2016, the Company allotted and issued 3,000,000 new shares, 13,289,425 new shares and 150,000,000 new shares upon the exercise of share option, pursuant to loan agreement and placing agreement respectively.

Capital Commitments

As at 31 December 2016 and 31 December 2015, the Group did not have any capital commitments.

Contingent Liabilities

As at 31 December 2016 and 31 December 2015, the Group did not have any material contingent liability.

Charges on Assets

As at 31 December 2016, loan receivable, investment properties and certain investments held for trading with an aggregate carrying value of approximately HK$193,455,000 (31 December 2015: approximately HK$309,117,000) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group.

Significant Investment

Save as disclosed in this announcement, the Group did not have any other significant investment during the year ended 31 December 2016.

Exposure to Fluctuation in Exchange Rates and Related Hedges

The reporting currency adopted by the Group is Hong Kong dollars ("**HK$**"). The majority of the Group's sales, receivables and expenditures are denominated in HK$, United States dollars ("**USD**") or Renminbi ("**RMB**"). HK$ is closely linked with USD. Although the exchange rate of HK$ against RMB had steadily depreciated during the year under review, the Directors do not consider that the Group is exposed to any material foreign currency exchange risk. No hedging or other similar device has been implemented. However, the Directors will constantly monitor the Group's foreign exchange exposure and implement foreign currency hedging measures should the need arises.

Material Acquisitions and Disposals

On 25 February 2016, 北京華鼎滙金投資有限責任公司 (Beijing Huading Huijin Investment Company Limited*) as vendor, Selected Team Limited, a wholly-owned subsidiary of the Company as purchaser and the Company (collectively the "**Parties**") entered into a sale and purchase agreement, pursuant to which the vendor conditionally agreed to sell and the purchaser conditionally agreed to acquire, through a wholly foreign owned enterprise, the 51% equity interest in 金地毯(北京)文化傳媒有限公司 (Gold Carpet (Beijing) Culture Media Limited*) ("**Gold Carpet**") at the consideration of HK$120,000,000.

* *For identification purposes only*

On 2 March 2016, an addendum to the sale and purchase agreement was entered into pursuant to which the purchaser agreed to advance a sum of HK$10,000,000 within five days as deposit for the shareholder's loan to Gold Carpet upon execution of the addendum. As at 31 December 2016, the Parties are in discussion and negotiation on the schedule of refund of deposit.

On 29 April 2016, the Parties entered into a supplemental sale and purchase agreement (the "**Supplemental Agreement**"), pursuant to which the Parties agreed that completion shall not be subject to any conditions precedent and completion shall take place upon the execution of the Supplemental Agreement. The Parties further agreed that the purchaser shall issue an exchangeable note to the vendor to settle the consideration in its entirety. The vendor may exercise its right under the exchangeable note to exchange the exchangeable note for the convertible bonds. The convertible bonds in the principal amount of HK$120,000,000, upon full conversion, are convertible into 240,000,000 new shares of the Company at the conversion price of HK$0.5 per conversion share. On the same date, completion took place and the exchangeable note was issued.

In the event that the vendor exercises its exchange right under the exchangeable note to exchange the exchangeable note for the convertible bonds, the Company will seek approval for, among other things, the specific mandate from the shareholders of the Company at the special general meeting of the Company.

Details of the acquisition are set out in the announcements of the Company dated 25 February 2016, 2 March 2016, 27 April 2016, 28 April 2016, 29 April 2016 and 20 July 2016.

Litigations

Fameway Finance Limited ("**Fameway**"), a wholly-owned subsidiary of the Company carrying on business as a licensed money lender in Hong Kong, has, as previously disclosed, instituted six (6) sets of proceedings in the Court of First Instance of the High Court of Hong Kong to claim for recovery against the respective borrowers concerned, and has obtained judgments in all such claims. Out of these six (6) claims, five (5) of them have been effectively disposed of while Fameway is embarking on enforcement procedures in the remaining claim in reliance on legal advice.

In a separate litigation matter which has also been previously reported, the Company and King Perfection Limited ("**King Perfection**") have obtained judgment in a separate matter but one of the judgment debtors has been wound up. The Company and King Perfection will rely on legal advice for further conduct and for protection of their interest.

In relation to the litigation matter in which the Company was sued as the 2nd Defendant under HCA 701 of 2013, the Plaintiff's application to amend its Amended Statement of Claim has been outstanding because the Plaintiff has not taken any step to restore the hearing of the application.

Gain Millennia Limited ("**Gain Millennia**"), an indirect wholly-owned subsidiary of the Company, has, as previously reported, filed complaint for breach of contract in the Superior Court for the Commonwealth of the Northern Mariana Islands ("**CNMI**") against Hong Kong Entertainment (Overseas) Investments Limited ("**Hong Kong Entertainment**"). Judgment by Default has been entered against Hong Kong Entertainment on 28 March 2016, and Gain Millennia will rely on legal advice for any possible enforcement.

The Company will announce or disclose the conduct of litigation matters and/or outcome of enforcement wherever appropriate or necessary.

Advance to an Entity

On 15 February 2015 and 24 March 2015, HKE and Tinian Entertainment Co., Ltd ("**TEC**"), a former indirect wholly-owned subsidiary of the Company, entered into a provisional operating agreement and operating agreement respectively ("**Operating Agreement**") under which HKE intended to lease to TEC and TEC intended to lease from HKE, the leased property comprising of the Dynasty Hotel and the relevant assets at the occupation fees of approximately HK$133,000,000. Upon the entering into the Operating Agreement, TEC has paid HKE a refundable deposit of HK$50,000,000, which has been set off with part of the rental prepayment repayable by HKE.

Following to the term sheet of 7 April 2016 and the restructuring agreement of 29 April 2016 regarding the restructuring of the Hotel-Casino Complex, the total outstanding amount due from HKE to GML and TEC and other moneys payable by HKE to GML and/or its affiliated companies is HK$164,737,720 (the "**GML Outstanding Amount**"). Pursuant to the restructuring agreement, a new company incorporated by Mr. Chen Chien Yeh ("**NewCo**") shall issue a convertible bonds in a principal sum of US$21,150,002 to GML or its nominee as a full and final settlement of the GML Outstanding Amount. On 29 June 2016, a supplemental agreement was entered into to extend the long stop date of the restructuring agreement from 30 June 2016 to 30 September 2016. As at 31 December 2016, the net amount due and owing by HKE in the aggregate sum is HK$164,624,000.

An intense tropical cyclone attacked Tinian, CNMI, in mid-2015 and severely damaged the international airport and other infrastructure of Tinian, CNMI, Since then, visitors to the island dropped substantially. The Casino was suspended and the hotel closed down eventually in March 2016. Therefore, the management decided to take a prudent approach and make full impairment of the GML Outstanding Amount.

Details are set out in the announcements of the Company dated 23 February 2015, 3 March 2015 and 20 April 2015, 7 April 2016, 29 April 2016, 11 May 2016 and 29 June 2016.

Employee Information and Remuneration Policy

The Group had 48 employees (31 December 2015: 58 employees) in Hong Kong and Mainland China as at 31 December 2016. During the year ended 31 December 2016, the Group incurred staff costs (including Directors' emoluments) of approximately HK$37,562,000 (2015: approximately HK$33,156,000).

The emoluments of the Directors are recommended by the remuneration committee, and approved by the Board, as authorized by the shareholders of the Company in the annual general meeting of the Company, having regard to the respective Directors' skills, knowledge and involvement in the Company's affairs. None of the Directors are involved in deciding their own remuneration.

The employees are remunerated with basic salary, discretionary bonus and share options with reference to corporate and individual's performance during the year. The Group offers competitive remuneration package, including medical and retirement benefits, to eligible employees. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account factors, such as market conditions as well as corporate and individual's performance during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (Appendix 15) to the GEM Listing Rules (the "**CG Code**") for the year ended 31 December 2016 except for the following deviation:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Throughout the year, the Company did not appoint a chief executive. The Board will keep reviewing the current structure from time to time and appoint candidate with suitable knowledge, skill and experience as chief executive of the Company, if identified.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Code of Conduct**"). Following a specific enquiry, all Directors confirmed that they have complied with the Code of Conduct throughout the year ended 31 December 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes of information on Directors are as follows:

Mr. Mok Tsan San resigned as executive director of Chinese Food and Beverage Group Limited (stock code: 8272), a company listed on the GEM of the Stock Exchange with effect from 1 January 2017.

Ms. Yuen Wai Man was appointed as independent non-executive director of China Eco-Farming Limited (stock code: 8166), a company listed on the GEM of the Stock Exchange with effect from 1 September 2016.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the GEM Listing Rules. As at the date of this announcement, the Audit Committee comprises all independent non-executive Directors, namely, Ms. Yuen Wai Man, Mr. Wang Chin Mong and Mr. Chow Fu Kit Edward. Ms. Yuen Wai Man is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the Company's annual reports and financial statements, interim reports, quarterly reports and risk management and internal control systems and to provide comments thereon to the Board.

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the year ended 31 December 2016 and has provided comments thereon.

On behalf of the Board
Chinese Strategic Holdings Limited
Lam Kwok Hing Wilfred
Chairman and Executive Director

Hong Kong, 17 March 2017

As at the date hereof, the Company's executive Directors are Mr. Lam Kwok Hing Wilfred, J.P., (Chairman), Ms. Chan Shui Sheung Ivy and Mr. Mok Tsan San; and the independent non-executive Directors are Ms. Yuen Wai Man, Mr. Wang Chin Mong and Mr. Chow Fu Kit Edward.