SANDI

CHINA SANDI HOLDINGS LIMITED
中國三迪控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00910)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board (the "Board") of directors (the "Directors") of China Sandi Holdings Limited (the "Company") announces the annual consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015 together with the comparative figures for the year ended 31 March 2014:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Continuing operations:			
Revenue	*4*	**132,964**	130,798
Other income	*4*	**4,459**	1,722
Other net gains and losses	*6*	**66,451**	(25,592)
Fair value (loss)/gain on an investment property		**(380,264)**	557,925
Fair value loss on derivative financial instrument		**(1,257)**	(3,273)
Impairment loss on available-for-sale investments		**(155)**	–
Loss on early redemption of convertible notes		**(56,530)**	–
Staff costs		**(9,308)**	(10,940)
Depreciation of property, plant and equipment		**(1,606)**	(1,696)
Other operating expenses		**(33,459)**	(43,943)
Finance costs	*7*	**(77,811)**	(110,582)
(Loss)/profit before income tax	*9*	**(356,516)**	494,419
Income tax credit/(expense)	*8*	**89,992**	(142,589)
(Loss)/profit for the year from continuing operations		**(266,524)**	351,830
Discontinued operations:			
Loss for the year from discontinued operations	*10*	**–**	(791,095)
Loss for the year		**(266,524)**	(439,265)

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:	*12*		
Exchange differences on translating foreign operations		**44,547**	44,711
Fair value (loss)/gain on available-for-sale financial assets		**(8,066)**	2,170
Reclassification adjustment upon disposal of subsidiaries		**–**	(689,230)
Reclassification to profit or loss		**155**	–
Other comprehensive income for the year, after tax		**36,636**	(642,349)
Total comprehensive income for the year		**(229,888)**	(1,081,614)
Loss attributable to:			
Owners of the Company		**(266,506)**	(439,261)
Non-controlling interests		**(18)**	(4)
		(266,524)	(439,265)
Total comprehensive income attributable to:			
Owners of the Company		**(230,309)**	(1,081,236)
Non-controlling interests		**421**	(378)
		(229,888)	(1,081,614)
(Loss)/earnings per share	*13*		
From continuing and discontinued operations:			
— Basic		**HK(24) cents**	HK(40) cents
— Diluted		**HK(24) cents**	HK(32) cents
From continuing operations:			
— Basic		**HK(24) cents**	HK32 cents
— Diluted		**HK(24) cents**	HK31 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Biological assets		–	–
Investment property		**3,985,783**	4,295,700
Property, plant and equipment		**4,712**	6,118
Construction in progress		–	–
Intangible assets		–	–
Available-for-sale investments		–	8,066
Derivative financial instrument		–	3,617
Total non-current assets		**3,990,495**	4,313,501
Current assets			
Trade receivables	*14*	**1,683**	4,313
Prepaid lease payments		–	–
Other receivables, deposits and prepayments		**156,630**	156,882
Investments held for trading		**141,017**	94,321
Cash and cash equivalents		**15,626**	449,170
Total current assets		**314,956**	704,686
Total assets		**4,305,451**	5,018,187
Current liabilities			
Trade payables	*17*	**10,888**	15,554
Other payables and accruals		**87,455**	70,360
Amounts due to related parties	*19(b)(i)*	**14,075**	9,668
Bank and other borrowings		**115,625**	41,209
Tax payable		–	3,527
Total current liabilities		**228,043**	140,318
Net current assets		**86,913**	564,368
Total assets less current liabilities		**4,077,408**	4,877,869

	Notes	**2015** ***HK$'000***	2014 *HK$'000*
Non-current liabilities			
Convertible notes payable		**–**	330,802
Deferred taxation		**727,042**	800,804
Bank and other borrowings		**629,877**	732,368
Total non-current liabilities		**1,356,919**	1,863,974
Net assets		**2,720,489**	3,013,895
Capital and reserves attributable to owners of the Company			
Share capital	*15*	**6,871**	6,871
Reserves		**2,685,945**	2,980,554
Equity attributable to owners of the Company		**2,692,816**	2,987,425
Non-controlling interests		**27,673**	26,470
Total equity		**2,720,489**	3,013,895

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of registered office and principal place of business of the Company are disclosed in corporate information to the annual report.

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries are engaged in holding of property for investment and rental purpose and property development.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2014

The Group has adopted the following new/revised HKFRSs (which include all HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Impairment of Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) 21	Levies

The adoption of the new/revised HKFRSs in the current year has had no material effect on the Group's consolidated financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's operations, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortization[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[3]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will be resulted.

(c) Early adoption of Listing Rule regarding to New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance, Cap. 622 came into effect for the first time, during the current financial year. The adoption of the requirements has primarily impacted the presentation and disclosure of certain information in the consolidated financial statements. These changes mainly include the presentation of the Company's statement of financial position as a note disclosure instead of a primary statement, updating any references to the Companies Ordinance to refer to the current Companies Ordinance and replacing certain terminology no longer used in the Companies Ordinance with terminology used in HKFRS.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment property and financial instruments which are measured at fair value as explained in the accounting policies set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment".

(c) Functional and presentation currency

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

4. REVENUE AND OTHER INCOME

Revenue represents income generated from the principal activities of the Group. Revenue and other income recognised during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Revenue		
Rental income	**48,967**	46,728
Property management and related fee income	**83,997**	84,070
	132,964	130,798
Other income		
Bank interest income	**557**	814
Dividend income from listed investments	**1,062**	908
Interest income from debts securities	**2,840**	–
	4,459	1,722
	137,423	132,520
Discontinued operations:		
Revenue		
Sale of forestry products	**–**	40
Other income		
Bank interest income	**–**	99
Government grant income	**–**	3,721
Others	**–**	19
	–	3,839
	–	3,879

5. SEGMENTAL INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has identified three reportable segments, the business of ecological forestry operation, property investment and property development. During the year ended 31 March 2014, the ecological forestry business was presented as discontinued operations which details were set out in note 10 to the result announcement. The ecological forestry business was disposed of on 28 March 2014. The following summary describes the operations in each of the Group's reportable segments:

Continuing operations:

— Property investment business — letting properties and providing property management services

— Property development business — development of properties

Discontinued operations:

— Ecological forestry business — sale of forestry goods and products

During the years ended 31 March 2015 and 2014, there are no inter-segment transactions made. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit/(loss) that is used by the chief operating decision-maker for assessment of segment performance.

i. Business Segments

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

	Continuing operations				Discontinued operations			
	Property investment business		Property development business		Ecological forestry business		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from:								
External sales	**132,964**	130,798	**–**	–	**–**	40	**132,964**	130,838
Inter-segment sales	**–**	–	**–**	–	**–**	–	**–**	–
Reportable segment revenue	**132,964**	130,798	**–**	–	**–**	40	**132,964**	130,838
Reportable segment (loss)/profit	**(343,447)**	579,904	**(36)**	(7)	**–**	(791,095)	**(343,483)**	(211,198)
Interest revenue	**12**	446	**–**	126	**–**	99	**12**	671
Interest expense	**(66,218)**	(74,322)	**–**	–	**–**	(5,095)	**(66,218)**	(79,417)
Depreciation and amortisation	**(568)**	(661)	**–**	–	**–**	(3,465)	**(568)**	(4,126)
Release of prepaid lease payment	**–**	–	**–**	–	**–**	(16,580)	**–**	(16,580)
Loss arising from changes in fair value less costs to sell of biological assets	**–**	–	**–**	–	**–**	(518,934)	**–**	(518,934)
Fair value (loss)/gain on an investment property	**(380,264)**	557,925	**–**	–	**–**	–	**(380,264)**	557,925

Assets and liabilities information

	Continuing operations					
	Property investment business		Property development business		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**4,004,122**	4,308,432	**153,941**	149,904	**4,158,063**	4,458,336
Addition to non-current assets	**1,971**	14,064	**–**	–	**1,971**	14,064
Segment liabilities	**1,568,351**	1,661,694	**–**	–	**1,568,351**	1,661,694

ii. Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**132,964**	130,838
Elimination of inter-segment revenue	**–**	–
Consolidated revenue	**132,964**	130,838

	2015	2014
	HK$'000	*HK$'000*
Loss before income tax		
Reportable segment (loss)/profit	**(343,483)**	579,897
Segment loss from discontinued operations	**–**	(791,095)
Fair value gain on investments held for trading	**37,479**	19,323
Net realised gain/(loss) on disposal of investments held for trading	**28,972**	(44,915)
Finance costs	**(11,594)**	(36,260)
Fair value loss on derivative financial instrument	**(1,257)**	(3,273)
Impairment loss on available-for-sale investments	**(155)**	–
Loss on early redemption of convertible notes	**(56,530)**	–
Unallocated corporate expenses	**(9,948)**	(20,353)
Consolidated loss before income tax expense	**(356,516)**	(296,676)

	2015	2014
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**4,158,063**	4,458,336
Non-current financial assets	**–**	11,683
Cash at bank	**654**	444,645
Investments held for trading	**141,017**	94,321
Unallocated corporate assets	**5,717**	9,202
Consolidated total assets	**4,305,451**	5,018,187

	2015	2014
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**1,568,351**	1,661,694
Convertible notes payables	**–**	330,802
Unallocated corporate liabilities	**16,611**	11,796
Consolidated total liabilities	**1,584,962**	2,004,292

iii. Geographical information

During the years 2015 and 2014, the Group's major operations and assets are situated in the People's Republic of China ("PRC") in which all of its revenue was derived.

iv. Major customers

There are no customer contributing over 10% of the Group's turnover for the year ended 31 March 2015 and 2014.

6. OTHER NET GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Fair value gain on investments held for trading	**37,479**	19,323
Net realised gain/(loss) on disposal of investments held for trading	**28,972**	(44,915)
Net gain/(loss) on investments held for trading	**66,451**	(25,592)
Discontinued operations:		
Loss on disposal of property, plant and equipment	**–**	(440)
Net exchange gain	**–**	132
Others	**–**	251
	–	(57)

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Interest on bank and other borrowings	**66,217**	74,322
Imputed interest on convertible notes	**11,594**	36,260
	77,811	110,582
Discontinued operations:		
Imputed interest arising from the discounting of the consideration payables for the acquisitions of certain forest farms	**–**	5,095

8. INCOME TAX

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Current tax — PRC tax		
— Provision for the year	**–**	–
— Over provision in respect of prior year	**3,563**	–
	3,563	–
Deferred tax credit/(expense)	**86,429**	(142,589)
Income tax credit/(expense)	**89,992**	(142,589)

Hong Kong profits tax has been provided at 16.5% based on the estimated assessable profit for the current and prior years. No provision of Hong Kong profits tax was made as there was no assessable profits derived for both years.

The Group's subsidiaries in the PRC were subject to the PRC income tax.

The State Council released the Implementation Rules to the Corporate Income Tax Law on 6 December 2007 (the "Implementation Rules"). According to the Implementation Rules, an entity engaged in forestry business is entitled to full exemption from the PRC enterprise income tax commencing from 1 January 2008.

Pursuant to the Implementation Rules, Wan Fu Chun Forest Resources Development Company Limited ("WFC"), a wholly-owned subsidiary of the Group before disposal should be entitled to full exemption from the PRC enterprise income tax as it is operating in forestry business. However, WFC had not obtained the exemption approval from the PRC tax authority. Accordingly, WFC was subject to enterprise income tax rate of 25% for the year ended 31 March 2014.

Yunnan Shenyu New Energy Company Limited ("Yunnan Shenyu"), a wholly owned subsidiary of the Group before disposal, was also operating in forestry business during the year end 31 March 2014. Pursuant to the approval obtained from the relevant PRC tax authority, Yunnan Shenyu is entitled to a tax concession period whereby it is fully exempted from PRC enterprise income tax for the calendar year ended 31 December 2010. Yunnan Shenyu did not apply for tax exemption as it sustained loss for the year ended 31 March 2014.

Both WFC and Yunnan Shenyu were disposed of on 28 March 2014.

The applicable PRC enterprise income tax is 25% for 2014 and 2015 for other PRC subsidiaries.

The income tax expense for the year can be reconciled to the Group's (loss)/profit before income tax per the consolidated statement of profit or loss and other comprehensive income differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2015	2014
	HK$'000	*HK$'000*
Continued operations:		
(Loss)/profit before income tax	**(356,516)**	494,419
Tax calculated at Hong Kong profits tax rate of 16.5% (2014: 16.5%)	**(58,825)**	81,579
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(40,709)**	53,381
Tax effect of revenue not taxable for tax purposes	**(90)**	–
Tax effect of expense that are not deductible for tax purposes	**12,060**	6,698
Unrecognised temporary differences and tax losses	**1,135**	931
Over provision in prior year	**(3,563)**	–
Income tax (credit)/expense	**(89,992)**	142,589
Discontinued operations:		
Loss before income tax	**–**	(791,095)
Tax calculated at Hong Kong profits tax rate of 16.5%	**–**	(130,531)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	(47,305)
Tax effect of revenue not taxable for tax purposes	**–**	(140,573)
Tax effect of expense that are not deductible for tax purposes	**–**	287,728
Unrecognised temporary differences and tax losses	**–**	30,681
Income tax expense	**–**	–

9. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Auditor's remuneration	**490**	1,850
Minimum lease payments under operating leases on leasehold properties	**1,920**	1,861
Impairment on other receivable	**378**	–
Staff costs (including directors' emoluments):		
Wages and salaries	**8,859**	10,494
Retirement benefits scheme contribution	**449**	446
	9,308	10,940
Discontinued operations:		
Auditor's remuneration	**–**	478
Minimum lease payments under operating leases on leasehold properties	**–**	1,458
Staff costs (including directors' emoluments):		
Wages and salaries	**–**	4,900
Retirement benefits scheme contribution	**–**	924
	–	5,824

10. DISCONTINUED OPERATIONS

On 27 September 2013 and 25 October 2013, the Company entered into a share transfer agreement and a supplemental agreement with the purchaser, respectively, pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to purchase (i) the entire equity interest in Success Standard Investments Limited, a wholly-owned subsidiary of the Company, which holds the ecological forestry business of the Group at HK$399,999,900 and (ii) a sale loan at HK$100, at a total aggregate consideration of HK$400 million. The transaction completed on 28 March 2014.

The ecological forestry business was classified as discontinued operations and the related results for the year ended 31 March 2014 were as follows:

	Notes	**1/4/2013 to 28/3/2014** *HK$'000*
Turnover	*4*	40
Cost of inventories and forestry products sold		(33)
Other income	*4*	3,839
Other gains and losses	*6*	(57)
Loss arising from changes in fair value less costs to sell of biological asset		(518,934)
Depreciation of property, plant and equipment		(3,465)
Release of prepaid lease payment		(16,580)
Other operating expenses		(16,280)
Finance cost	*7*	(5,095)
Loss before income tax expense from operations		(556,565)
Income tax expense	*8*	–
Loss before after tax expense from operations		(556,565)
Loss on measurement of disposed group at initial recognition		(909,280)
Gain on disposal of subsidiaries, net of tax		674,750
Loss for the year from discontinued operations		(791,095)

The net cash flows of the discontinued operations for the year ended 31 March 2014 were as follows:

	1/4/2013 to 28/3/2014 *HK$'000*
Net cash outflows from operating activities	(20,809)
Net cash outflows from investing activities	(10,879)
Net cash outflows from financing activities	(1,025)
Effect of foreign exchange differences	5,850
Net cash flows incurred by the discontinued operations	(26,863)

11. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY AND DIVIDEND

Loss attributable to owners of the Company for the year ended 31 March 2015 dealt with in the financial statements of the Company was approximately HK$82,502,000 (2014: HK$1,537,096,000).

No dividend was paid or proposed during the year ended 31 March 2015 (2014: HK$Nil), nor has any dividend been proposed since 31 March 2015.

12. OTHER COMPREHENSIVE INCOME, AFTER TAX

	2015			2014		
	Before-tax-amount	**Tax expense/ (benefits)**	**Net-of-tax amount**	Before-tax-amount	Tax expense/ (benefits)	Net-of-tax amount
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	**44,547**	**–**	**44,547**	44,711	–	44,711
Fair value (loss)/gain on available-for-sale financial assets	**(8,066)**	**–**	**(8,066)**	2,170	–	2,170
Reclassification adjustment upon disposal of subsidiaries	**–**	**–**	**–**	(689,230)	–	(689,230)
Reclassification to profit or loss	**155**		**155**	–	–	–
	36,636	**–**	**36,636**	(642,349)	–	(642,349)

13. (LOSS)/EARNINGS PER SHARE

For continuing and discontinued operations:

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

Loss attributable to owners of the Company

	2015	2014
	HK$'000	*HK$'000*
Loss for the purposes of basic earnings per share	**(266,506)**	(439,265)
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Convertible notes	**–**	39,532
Loss for the purposes of diluted loss per share	**(266,506)**	(399,733)

Weighted average number of ordinary shares and convertible preference shares

	Number of shares	
	2015	2014
	'000	*'000*
Weighted average number of ordinary shares and convertible preference shares for the purposes of basic loss per share	**1,088,719**	1,088,719
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Convertible notes	**–**	153,892
Weighted average number of ordinary shares and convertible preference shares for the purposes of diluted loss per share	**1,088,719**	1,242,611

The calculation of basic loss per share attributable to the owners of the Company for the year ended 31 March 2015 is based on the loss attributable to the owners of the Company of approximately HK$266.5 million (2014: HK$439.3 million) and on the weighted average number of 1,088,719,000 (2014: 1,088,719,000) ordinary shares and convertible preference shares during the year.

Share options:

For the year ended 31 March 2015 and 2014, the computation of diluted loss per share does not assume the exercise of share options since the exercise price of those share options is higher than the average market price of the Company's shares for year 2015 and 2014.

Convertible notes:

In calculating the diluted loss per share attributable to the owners of the Company for the year ended 31 March 2015 for continuing operations, the adding back of imputed interest on the potential issue of shares arising from the conversion of the Company's convertible notes of HK$11.6 million, adding back of fair value loss of HK$1.3 million and loss on early redemption of convertible note of HK$56.5 million are not taken into account as they would decrease the loss per share attributable to the owners of the Company and have an anti-dilutive effect. Therefore, the diluted loss per share attributable to the owners of the Company for the year ended 31 March 2015 is based on the loss attributable to the owners of the Company of approximately HK$266.5 million and on the weighted average number of 1,088,719,000 ordinary shares and convertible preference shares during the year ended 31 March 2015.

In calculating the diluted earnings per share attributable to the owners of the Company for the year ended 31 March 2014 for continuing operations, the adding back of imputed interest on the potential issue of shares arising from the conversion of the Company's convertible notes of HK$36.2 million and adding back of fair value loss of HK$3.3 million would decrease the earnings per share attributable to the owners of the Company and are taken into account as they have a dilutive effect. Therefore, the diluted loss per share attributable to the owners of the Company for the year ended 31 March 2014 for continuing and discontinued operations is based on the loss attributable to the owners of the Company of approximately HK$399.7 million and on the weighted average number of 1,242,611,000 ordinary shares and convertible preference shares during the year ended 31 March 2014.

For continuing operations:

The calculation of the basic and diluted (loss)/earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

(Loss)/earnings figures are calculated as follows:

	2015	2014
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(266,506)**	(439,261)
Less:		
Loss for the year from discontinued operations	**–**	(791,095)
(Loss)/earnings for the purposes of basic earnings per share from continuing operations	**(266,506)**	351,834
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Convertible notes	**–**	39,532
(Loss)/earnings for the purposes of diluted earnings per share from continuing operation	**(266,506)**	391,366

The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share of the continuing and discontinued operations.

For discontinued operations:

For the year ended 31 March 2014, basic loss per share for the discontinued operation is HK73 cents per share and diluted loss per share for the discontinued operation is HK73 cents per share, based on the loss for the year from the discontinued operations of HK$791.1 million and the denominators of 1,088,719,000 ordinary shares.

14. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**1,683**	4,313

The Group normally received rental income one month in advance. The Group seeks to maintain strict control over its outstanding receivables to recognised credit risk, with overdue balances regularly reviewed by senior management. Trade receivables are generally non-interest bearing and their carrying amounts approximate their fair values. The Group did not hold any collateral over these balances.

(i) The ageing analysis of the trade receivables as at the end of reporting period, based on the invoice date, was as follows:

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**1,637**	4,313
91–180 days	**46**	–
	1,683	4,313

(ii) The movement in the impairment loss of trade receivables during the year:

	2015	2014
	HK$'000	*HK$'000*
As at 1 April	**–**	45,097
Less: Disposal of subsidiaries	**–**	(45,566)
Exchange adjustment	**–**	469
As at 31 March	**–**	–

15. SHARE CAPITAL

	2015 Number of shares	**2015 Amount**	2014 Number of shares	2014 Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**200,000,000**	**2,000,000**	200,000,000	2,000,000
Convertible preference shares	**602,000**	**6,020**	602,000	6,020

	2015 Number of shares	**2015 Amount**	2014 Number of shares	2014 Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Issued and fully paid:				
Ordinary shares of HK$0.01 each	**687,053**	**6,871**	687,053	6,871
Convertible preference shares	**401,667**	**283,858**	401,667	283,858

16. CONVERTIBLE PREFERENCE SHARES

On 30 January 2012, the Company issued 601,666,666 convertible preference shares. One convertible preference share of notional value of HK$3 each shall be convertible into one new ordinary share, subject to adjustment in the customary manner, including share consolidations, share sub-division, capitalisation issues, capital distributions, rights issues and issues of other securities for cash as discount of more than 20%. The convertible preference shares rank (a) in priority to the ordinary shares of the Company and any other class of shares to return of capital; and (b) pari passu with ordinary shares of the Company as to any dividends accumulated on the convertible preference shares. The convertible preference shares do not carry any voting rights. The convertible preference shares are non-redeemable and are not listed on any stock exchange. The fair value of the convertible preference shares at the initial recognition was credited to convertible preference shares.

No convertible preference shares were converted into ordinary share during the year ended 31 March 2015 and 2014.

17. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 120 days from its suppliers. An ageing analysis of the trade payables as at the end of reporting date, based on the receipt of goods purchased, was as follows:

	2015	2014
	HK$'000	*HK$'000*
Current or less than 1 month	**4**	4,162
1 to 3 months	**66**	1,315
More than 3 months but less than 12 months	**571**	2,965
More than 12 months	**10,247**	7,112
	10,888	15,554

The Directors consider that the carrying amount of the Group's trade payables at 31 March 2015 and 2014 approximates their fair values.

18. CAPITAL COMMITMENTS

At 31 March 2015 and 2014, the Group had the following commitments:

	2015	2014
	HK$'000	*HK$'000*
Capital commitments contracted but not provided for:		
Construction in progress	**1,162**	–

19. RELATED PARTY TRANSACTIONS

Save as those disclosed elsewhere in the financial statements, details of the Group's significant related party transactions as at follows:

(a) Key management personnel compensation

The remuneration of Directors and other members of key management personnel during the year was as follows:

	Year ended 31 March 2015	Year ended 31 March 2014
	HK$'000	*HK$'000*
Salaries and other short-term employee benefits	**3,395**	2,490
Post-employment benefits	**84**	15
	3,479	2,505

(b) Transactions/balances with related parties

(i) Amounts due to related parties are unsecured, interest free and repayable on demand.

(ii) Mr. Guo Jiadi has granted a guarantee to a bank for the bank loan with principal amount of HK$159,939,000 (2014: HK$173,576,000), for due performance of the covenants of bank facilities granted to a subsidiary of the Company.

(iii) During the year ended 31 March 2015, a rental agreement for leasing a portion of a floor of the shopping mall in Fuzhou was entered into between the Group and a company of which Mr. Guo Jiadi was beneficially interested in. Rental income charged for the year amounted to HK$908,000 (2014: HK$380,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

During the year, the Group recorded a turnover of approximately HK$133.0 million (2014: HK$130.8 million), representing an increase of 1.7% compared with the year ended 31 March 2014. The Group's loss attributable to shareholders for the year ended 31 March 2015 was approximately HK$266.5 million, representing a basic loss per share of HK24 cents (2014: loss of HK$439.3 million, representing a basic loss per share of HK40 cents).

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 March 2015 (2014: HK$Nil).

BUSINESS REVIEW

The Directors considered the current property investment business in the PRC to be an invaluable opportunity for the Group to broaden its asset and earning base. The Directors are pleased to report that the property investment business continued to provide positive operating cashflow to the Group for the period under review.

The Group has positioned property development as its core business and strategy. The Group will be focusing on projects related to hotel, elderly care related or tourism related and commercial property investment and development opportunities. On 2 April 2015, the Group signed a strategic cooperation memorandum of understanding with 上海中展實業投資有限公司 (Shanghai Zhong Zhan Industrial Investment Co., Ltd.*), an independent third party, to identify and invest in potential projects in the Eastern China. The Group will continue to identify suitable strategic partners and/or projects in other areas of the PRC for property development.

The property investment business

The Group is optimistic to the commercial property market of mainland China in the long run.

The property investment business is mainly operated by Fujian Sinco Industrial Co., Ltd ("Fujian Sinco"), an indirect wholly owned subsidiary of the Company, which is engaged in development, operation and management of a home improvement plaza.

During the year, the Group recorded the rental income of approximately HK$49.0 million (2014: HK$46.7 million) and property management and related fee income of approximately HK$84.0 million (2014: HK$84.1 million). The plaza had an occupancy rate of approximately 82.1% which represent a decrease in the occupancy rate as compared to last year of 92.8%. The decrease in occupancy rate is a result of the adverse property market conditions and the continuous competitions from other shopping malls which posted a negative impact to the occupancy rate. Nevertheless, the Board is confident on this property investment business and believes it will continuously bring a positive and stable return to the Group in the future.

The property development business

On 7 August 2013, Fujian Sinco entered into a joint venture agreement with Fuzhou Gaojia Real Estate Development Co. Ltd. ("Fuzhou Gaojia"), a company controlled by the Chairman and an executive Director of the Company who is also the ultimate beneficial owner of a substantial shareholder of the Company, Mr. Guo Jiadi, for the establishment of a PRC joint venture for engaging in investment, development, sale, lease, management of properties and other ancillary services in the PRC, including bidding for a parcel of land in Xi'an (the "Project"), the PRC for property development (the "JV Agreement"). The aforesaid joint venture, namely, Fujian Jiake Industrial Company Limited has been established and the Group started to involve in property development business. The Board considers this business segment is one of the Group's current and continuing business activities. Having considered the reconstruction office of the Project expected that it shall take longer time for the relevant governmental departments to complete the relocation of the existing tenants in the parcel of land in Xi'an, on 30 July 2014, Fujian Sinco and Fuzhou Gaojia entered into a supplemental agreement to amend certain terms of the JV Agreement in connection with the delay in timetable. The re-location of the existing tenants in the parcel of land in Xian is on-going.

PROSPECTS

The Group regards property investment and property development as its core businesses. The Directors expect that the property investment business will increase the income stream of the Group, bring stable earning to the Group, increase the return on equity and bring a long term benefit to the Group. On the other hand, the Directors expect such stable income stream from the property investment business will be used to finance part of the future capital requirements from the property development business.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The sales for the year has been increased slightly despite the decrease in occupancy rate as the unexpired rental contract has mitigated such decrease.

Other net gains and losses

Other net gains and losses for the year ended 31 March 2015 mainly represents fair value gain on investments held for trading (equity and debt securities listed in Hong Kong) amounting to approximately HK$37.5 million (2014: HK$19.3 million), the net realised gain on the disposal of investments held for trading amounted to HK$29.0 million (2014: loss of HK$44.9 million).

Change in fair value of an investment property

The change in the fair value of investment property represents the depreciation of a home improvement plaza situated in Fuzhou, the PRC. Such depreciation is due to the adverse property market condition in PRC as well as the decreased occupancy rate from 92.8% to 82.1% during the year.

Loss on early redemption of convertible notes

The loss on early redemption of the convertible notes amounted to HK$56.5 million represent the loss arising from the early redemption of convertible notes on 6 June 2014 and 26 March 2015.

Other operating expenses

The Group's other operating expenses for the year ended 31 March 2015 in the amount of approximately HK$33.5 million (2014: HK$43.9 million) mainly included various administrative and selling expenses. The reason for decrease in other operating expenses is mainly due to the decrease in advertising expense from HK$4.5 million in 2014 to HK$2.5 million in 2015; the decrease in legal and consultancy fee from HK$13.7 million in 2014 to HK$4.7 million in 2015.

Finance costs

Finance costs for the year ended 31 March 2015 amounted to HK$77.8 million (2014: HK$110.6 million) mainly represent imputed interest on convertible notes, bank interest expenses on bank loan and interest on borrowings from a financial institute. The decrease in the finance costs mainly due to the reduction in the imputed interest on convertible notes as a result of early redemption of these convertible notes during the year.

Income tax credit/(expense)

Income tax credit for the year ended 31 March 2015 amounted to HK$90.0 million (2014: income tax expense of HK$142.6 million). The decrease in income tax expense mainly represents the corresponding deferred tax credit recognized on the decrease in fair value of the investment property during the year.

Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayment is an amount of RMB120 million paid to 西安曲江大明宮遺址區保護改造辦公室 (Xi'an Qujiang Daming Palace Heritage Area Protection And Reconstruction Office*) as earnest monies for the bidding of a parcel of land in Xi'an.

Convertible notes payables

The fair value of the liabilities component of the convertible notes payable as at 31 March 2015 amounted to HK$Nil (31 March 2014: HK$330.8 million). The decrease in convertible notes payables represents the reduction of the corresponding liability component for the early redemption of convertible notes in the principle amount of HK$400 million on 6 June 2014 and HK$61.7 million on 26 March 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2015, the Group's cash and bank balances, which were principally Renminbi and Hong Kong dollar denominated, amounted to approximately a total of HK$15.6 million (31 March 2014: HK$449.2 million). The Group was not exposed to any substantial risk in foreign exchange fluctuations. In general, the Group mainly used its Renminbi income receipt for operating expenses in China and did not use any financial instruments for hedging purpose. As at 31 March 2015, the Group had bank and other borrowings and convertible notes payable approximately amounted to HK$745.5 million (31 March 2014: HK$1,104.4 million) and therefore, the Group's gearing ratio is 27.1%, measured on the basis of total borrowings less cash and cash equivalents, and the sum of which as a percentage of total shareholders' funds (31 March 2014: 21.9%).

The Group's currently available liquidity resources are sufficient to meet its capital commitments. As at 31 March 2015, the Group's net current assets amounted to approximately HK$86.9 million (31 March 2014: HK$564.4 million). The Group's current ratio, being the percentage of its current assets in its current liabilities, amounted to 138.1% (31 March 2014: 502.2%).

As at 31 March 2015, the share capital of the Company is consisted of 687,052,446 ordinary shares of HK$0.01 each and 401,666,666 convertible preference shares of HK$0.01 each.

SIGNIFICANT EVENT AFTER THE END OF THE REPORTING PERIOD

On 28 April 2015, the Company entered into a placing agreement through the placing agent, to procure the placees to subscribe for the 4-year 7% coupon unlisted bonds and the 7.5-year 7% coupon unlisted bonds of up to an aggregate principal amount of HK$100,000,000 and HK$100,000,000, respectively, during the placing period commencing from 28 April 2015 and ending on 27 October 2015. For details, please refer to the announcement of the Company dated 28 April 2015.

On 29 April 2015, the Company entered into a placing agreement through placing agent, to place up to 137,410,000 placing shares at the placing price of HK$0.37 per placing share. The completion of the placing in accordance with the terms and conditions of the placing agreement took place on 15 May 2015. For details, please refer to the announcements of the Company dated 29 April 2015 and 15 May 2015.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2015, investment property with respective fair value of approximately HK$3,985.8 million (31 March 2014: HK$4,295.7 million) were pledged to secure a subsidiary's bank loan.

CONTINGENT LIABILITIES

As at 31 March 2015 and 2014, the Group did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2015, the Group has capital commitments in respect of construction in progress amounted to HK$1.2 million (2014: HK$Nil).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

The majority of the Group's transactions and borrowings are denominated in Hong Kong dollar and Renminbi. Therefore, the Group's exposure to exchange rate fluctuation is relatively insignificant. In general, the Group mainly uses its Renminbi income receipt for operating expenditure in the PRC and does not use any financial instruments for hedging purpose.

EMPLOYEES

As at 31 March 2015, the Group employed a total of approximately 15 employees of which 2 were employed in Hong Kong. Total remuneration paid to the employees for the year ended 31 March 2015 amounted to HK$9.3 million. In addition to competitive remuneration package offered to the employees, other benefits included contributions to mandatory provident fund, as well as group medical and accident insurance. On-going training sessions were also conducted to enhance the competitiveness of the Group's human assets. The Company also maintains a share option scheme, pursuant to which share options may be granted to the Directors, executives and employees of the Company to provide them with incentives in the growth of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Model Code") in respect of the securities dealing by the Directors. The Company has made specific enquiry of all Directors in respect of the securities dealing by the Directors and is not aware of any non-compliance with the Model Code during the year ended 31 March 2015.

EARLY REDEMPTION OF CONVERTIBLE NOTES

On 5 June 2014, Deluxe Pacific Limited ("Deluxe Pacific") and Acelead Limited ("Acelead"), the holders of the convertible notes issued by the Company on 13 July 2012 (the "Convertible Notes"), requested for the early redemption of the Convertible Notes in the principal amount of HK$320,000,000 and HK$80,000,000, respectively, pursuant to the exercise of the respective early redemption rights of Deluxe Pacific and Acelead under the terms and conditions of the Convertible Notes. In accordance with the term and conditions of the Convertible Notes, the Company redeemed the Convertible Notes subject to the early redemption at 100% of their principal amounts, totaling HK$400,000,000 on 6 June 2014.

On 23 March 2015, Deluxe Pacific and Acelead requested for the early redemption of the Convertible Notes in the principal amount of HK$3,173,150 and HK$58,502,778, respectively, pursuant to the exercise of the respective early redemption rights of Deluxe Pacific and Acelead under the terms and conditions of the Convertible Notes. In accordance with the terms and conditions of the Convertible Notes, the Company redeemed the Convertible Notes subject to the early redemption at 100% of their principal amounts, totaling HK$61,675,928 on 26 March 2015.

After completion of the early redemption of the Convertibles Notes, there are no outstanding Convertibles Notes in issue as at the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Save as disclosed under the section headed "Early Redemption of Convertible Notes" above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

During the year ended 31 March 2015 and up to the date of this announcement, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules except for the deviation from the Code Provision A.2.1 and the Board is committed to complying with the CG Code to the extent that the Directors consider it to be practical and applicable to the Company.

The corporate governance principles of the Company emphasis an effective Board, sound internal control, appropriate independence policy, transparency and accountability to the shareholders of the Company. The Board will continue to monitor and revise the Company's corporate governance policies in order to ensure that such policies may meet the general rules and standards required by the Listing Rules. The Company had complied with the CG Code throughout the period except for the following deviation:

Code Provision A.2.1

The roles of the chairman and the chief executive officer should be segregated and not be exercised by the same individual. The chairman is responsible for the corporate strategic planning and formulation of corporate policies for the Group, while the chief executive officer is responsible for overseeing day-to-day management of the Group's business.

Prior to the appointment of Mr. Guo Jiadi as an executive Director and the chairman of the Board (the "Chairman") effective on 12 December, 2014, no individual was appointed as the Chairman, Mr. Chi Chi Hung, Kenneth was the chief executive officer of the Company (the "Chief Executive Officer") but ceased to act as the Chief Executive Officer after Mr. Chi Chi Hung, Kenneth re-designated from an executive Director to a non-executive Director which took effect from 31 January 2015. The role of the Chairman (prior to the appointment of Mr. Guo Jiadi as the Chairman) has been performed collectively by all the executive Directors of the Company. The Board considers that this arrangement allows contributions from all executive Directors with different expertise and is beneficial to the continuity of the Company's policies and strategies and the interest of the shareholders of the Company as a whole.

Since the re-designation of Mr. Chi Chi Hung, Kenneth from an executive Director to a non-executive Director, no individual was appointed as the Chief Executive Officer. The day-to-day management of the Group's business is monitored by the executive Directors and senior management.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee which comprised Mr. Chan Yee Ping, Michael, Dr. Wong Yun Kuen and Mr. Yu Pak Yan, Peter, being independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication.

The Audit Committee has reviewed with management and the external auditors, the Group's annual results for the year ended 31 March 2015, and was of the opinion that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2015. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and on the website of the Company (**www.chinasandi.com.hk**). The annual report of the Company for the year ended 31 March 2015 will be despatched to shareholders of the Company and will be published on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all of our customers, shareholders, suppliers and employees for their continued support.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 23 June 2015

* *for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Lin Jianbin, being the executive Directors; Mr. Chi Chi Hung, Kenneth, being the non-executive Director; and Dr. Wong Yun Kuen, Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter, Mr. Zheng Jinyun and Mr. Zheng Yurui, being the independent non-executive Directors.