EVERCHINA INT'L HOLDINGS COMPANY LIMITED

潤中國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations amounted to HK$67,951,000, representing a decrease of 21.7 % as compared to last year.
- Profit for the year amounted to HK$82,344,000, as compared to the loss of HK$685,870,000 for last year.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2017 (31 March 2016: Nil).
- At 31 March 2017, total equity amounted to HK$3,643,398,000, representing a decrease of 2.9% as compared to HK$3,750,460,000 as at 31 March 2016.
- At 31 March 2017, net assets per share was HK$0.60, representing a decrease of 3.2% as compared to HK$0.62 as at 31 March 2016.

The board (the "**Board**") of directors (the "**Directors**") of EverChina Int'l Holdings Company Limited (the "**Company**") announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2017 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2017

		2017	2016
		HK$'000	*HK$'000*
Continuing operations			
Revenue	*4*	**67,951**	86,811
Cost of sales		**(2,905)**	(5,667)
Other income and gain, net	*5*	**13,067**	54,382
Staff costs		**(32,899)**	(34,906)
Depreciation		**(14,723)**	(16,527)
Administrative costs		**(47,108)**	(76,671)
Other operating expenses		**(695)**	(48,484)
Impairment loss recognised in respect of mining rights	*11*	**–**	(598,136)
Gain/(loss) arising from changes in financial assets at fair value through profit or loss		**223,176**	(896,143)
Fair value change in investment properties		**(33,703)**	14,300
Profit/(loss) from operations	*6*	**172,161**	(1,521,041)
Finance costs	*7*	**(66,009)**	(42,887)
Share of result of an associate		**–**	(1,138)
Gain on loss of significant influence of an associate		**–**	882,107
Profit/(loss) before taxation		**106,152**	(682,959)
Taxation	*8*	**(5,386)**	(1,591)
Profit/(loss) for the year from continuing operations		**100,766**	(684,550)
Discontinued operations			
Loss for the year from discontinued operations		**(18,422)**	(1,320)
Profit/(loss) for the year		**82,344**	(685,870)

	Notes	2017	2016
		HK$'000	*HK$'000*
Profit/(loss) for year attributable to:			
Owners of the Company		**82,403**	(685,672)
Non-controlling interests		**(59)**	(198)
		82,344	(685,870)
Profit/(loss) per share attributable to the owners of the Company	*9*	***HK cents***	*HK cents*
From continuing and discontinued operations — Basic and diluted		**1.356**	(11.280)
From continuing operations — Basic and diluted		**1.659**	(11.258)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017	2016
	HK$'000	*HK$'000*
Profit/(loss) for the year	**82,344**	(685,870)
Other comprehensive (loss)/income for the year		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of overseas subsidiaries	**(146,939)**	(207,479)
Release of reserve upon loss of significant influence of an associate	**(–)**	(18,976)
Release of exchange reserve upon disposal of subsidiaries	**(11,148)**	–
Release of exchange reserve upon deregistration of subsidiaries	**(31,319)**	–
Share of other comprehensive income of an associate	**(–)**	51
Total comprehensive loss for the year	**(107,062)**	(912,274)
Total comprehensive loss attributable to:		
Owners of the Company	**(107,003)**	(912,076)
Non-controlling interests	**(59)**	(198)
	(107,062)	(912,274)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2017

		2017	2016
		HK$'000	*HK$'000*
Non-current assets			
Investment properties	*10*	**1,261,679**	612,549
Property, plant and equipment		**536,053**	536,429
Mining rights	*11*	**271,880**	271,880
Goodwill		**91,454**	63,807
Other non-current assets		**–**	26,254
		2,161,066	1,510,919
Current assets			
Inventories		**5**	9
Biological assets		**2,883**	–
Trade and other receivables and prepayments	*12*	**446,231**	858,084
Loan receivables	*13*	**97,328**	273,173
Financial assets at fair value through profit or loss	*14*	**1,673,308**	1,528,024
Tax recoverable		**252**	1,407
Cash and cash equivalents		**492,651**	305,451
		2,712,658	2,966,148
Assets classified as held for sale		**88**	–
		2,712,746	2,966,148
Total assets		**4,873,812**	4,477,067
Capital and reserves			
Share capital		**2,490,454**	2,490,454
Reserves		**1,110,191**	1,217,194
Equity attributable to owners of the Company		**3,600,645**	3,707,648
Non-controlling interests		**42,753**	42,812
Total equity		**3,643,398**	3,750,460

		2017	2016
		HK$'000	*HK$'000*
Non-current liability			
Deferred tax liabilities		**105,801**	117,104
Current liabilities			
Trade and other payables and deposits received	*15*	**71,025**	53,828
Tax payable		**7,694**	2,263
Bank borrowings		**3,759**	16,004
Other borrowings		**1,040,134**	537,408
		1,122,612	609,503
Liabilities classified as held for sale		**2,001**	–
		1,124,613	609,503
Total liabilities		**1,230,414**	726,607
Total equity and liabilities		**4,873,812**	4,477,067
Net current assets		**1,588,133**	2,356,645
Total assets less current liabilities		**3,749,199**	3,867,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The financial information relating to the year ended 31 March 2017 and 2016 included in this announcement of annual results for the year ended 31 March 2017 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 2016, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2017 have yet to be reported on by the Company's auditors and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 March 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditors have reported on these financial statements for the years ended 31 March 2016 and 2017. The auditors' reports were unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations ("**Ints**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of each reporting period.

3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new and amendments to standards and interpretations (collectively referred to as the "new and amendments to HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning from 1 April 2016. A summary of the new and amendments to HKFRSs applied by the Group is set out as follows:

HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41	Agriculture: Bearer Plants (Amendments)
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

HKAS 7 (Amendments)	Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKAS 40 (Amendments)	Transfers of Investment Property[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[5]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[2]
HKFRS 4 (Amendments)	Applying HKFRS 9 *Financial Instruments* with HKFRS 4 *Insurance Contracts*[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HK (IFRIC)-Int22	Foreign Currency Transactions and Advance Consideration[2]

[1] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[4] Effective for annual periods beginning on or after a date to be determined.
[5] Effective for annual periods beginning on or after 1 January 2017 or 2018, as appropriate.

HKFRS 9 *Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirement of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading investments) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies at 31 March 2017, the application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale financial assets, including those currently stated at cost less any identified impairment losses, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfilment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 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 or services. Specifically, the standard introduces a 5-step 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 the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 ***Leases***

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17 the Group has already recognised prepaid lease payments for leasehold lands where the Group is a less. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lease accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

Except disclosed above, the directors of the Company do not anticipate that the application of other new and amendments to HKFRSs will have a material impact on the Group's financial performance and financial positions.

4. SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable operating segments are summarised as follows:

Continuing operations

Property investment operation	–	Leasing of rental property in the People's Republic of China (the "PRC") and Hong Kong
Hotel operation	–	Hotel operation in the PRC
Financing and securities investment operation	–	Provision of financing service and securities investment operation in Hong Kong
Natural resources operation	–	Mining and production of manganese products including principally through the Group's integrated processes, the beneficiation, concentrating, grinding and the production of manganese concentrate and natural discharging manganese in the Republic of Indonesia ("Indonesia")

The Group ceased (i) the securities dealing and brokerage operation and (ii) environmental water treatment operation was classified as discontinued operation. The segment information reported does not include any amounts for these discontinued operations.

The following is an analysis of the segment revenue and results:

(a) Segment revenue and result

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

	Segment revenue		Segment result	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property investment operation	**25,211**	26,998	**(20,695)**	31,957
Hotel operation	**28,279**	37,124	**(3,151)**	(680)
Financing and securities investment operation	**14,461**	22,689	**237,449**	(847,900)
Natural resources operation	**–**	–	**(2,010)**	(599,536)
Total for continuing operations	**67,951**	86,811	**211,593**	(1,416,159)
Interest income and other revenue			**12,771**	27,768
Unallocated expenses			**(52,203)**	(132,650)
Profit/(loss) from operations			**172,161**	(1,521,041)
Finance costs			**(66,009)**	(42,887)
Share of result of an associate			**–**	(1,138)
Gain on loss of significant influence on an associate			**–**	882,107
Profit/(loss) before taxation			**106,152**	(682,959)
Taxation			**(5,386)**	(1,591)
Profit/(loss) for the year from continuing operations			**100,766**	(684,550)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2016: nil).

Segment result represents the result generated from each segment without allocation of central administration costs including directors' salaries, finance costs, share of result of associates, gain on disposal of subsidiaries, gain on disposal of associates, gain on deemed disposal of associates and income tax expenses. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

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

	2017	2016
	HK$'000	*HK$'000*
Segment assets		
Property investment operation	**1,322,743**	891,808
Hotel operation	**557,195**	600,377
Financing and securities investment operation	**1,770,666**	1,795,632
Natural resources operation	**272,786**	272,698
Total segment assets	**3,923,390**	3,560,515
Assets relating to discontinued operations	**–**	239,062
Unallocated assets	**950,422**	677,490
Consolidated total assets	**4,873,812**	4,477,067

	2017	2016
	HK$'000	*HK$'000*
Segment liabilities		
Property investment operation	**7,610**	36,590
Hotel operation	**11,004**	8,432
Financing and securities operation	**176**	162
Natural resources operation	**5,753**	5,632
Total segment liabilities	**24,543**	50,816
Liabilities relating to discontinued operations	**–**	223
Unallocated bank and other borrowings	**1,043,893**	553,412
Unallocated liabilities	**154,284**	119,893
Tax payable	**7,694**	2,263
Consolidated total liabilities	**1,230,414**	726,607

For the purposes of monitoring segment performance and allocating resource between segments:

All assets related to property investment operation, hotel operation, financing and securities investment operation and natural resources operation are allocated to reportable segments other than certain property, plant and equipment, other non-current assets, other receivables, prepayment and deposits and cash and bank balances that are not attributable to individual segments.

All liabilities related to property investment operation, hotel operation, financing and securities investment operation and natural resources operation are allocated to reportable segments other than certain other payables, deferred tax liabilities and borrowings that are not attributable to individual segments.

(c) Other segment information

For the year ended 31 March 2017

	Continuing operations				
	Property investment operation *HK$'000*	**Hotel operation** *HK$'000*	**Financing and securities investment operation** *HK$'000*	**Natural resources operation** *HK$'000*	**Consolidated total** *HK$'000*
Other segment information					
Depreciation	**22**	**13,529**	**–**	**–**	**13,551**
Unallocated amounts					**1,172**
					14,723
Capital expenditure	**527**	**1,240**	**–**	**–**	**1,767**
Unallocated amounts					**8**
					1,775
Written off of property, plant and equipment	**–**	**203**	**–**	**–**	**203**
Fair value change in investment properties	**33,703**	**–**	**–**	**–**	**33,703**
Fair value change in financial assets at fair value through profit or loss	**–**	**–**	**(223,176)**	**–**	**(223,176)**

For the year ended 31 March 2016

	Continuing operations				
	Property investment operation *HK$'000*	Hotel operation *HK$'000*	Financing and securities investment operation *HK$'000*	Natural resources operation *HK$'000*	Consolidated total *HK$'000*
Other segment information					
Depreciation	1,792	13,676	–	–	15,468
Unallocated amounts					1,059
					16,527
Capital expenditure	–	350	–	–	350
Unallocated amounts					1,908
					2,258
Fair value change in investment properties	(14,300)	–	–	–	(14,300)
Fair value change in financial assets at fair value through profit or loss	–	–	896,143	–	896,143
Impairment loss recognised in respect of mining rights	–	–	–	598,136	598,136
Impairment loss recognised in respect of trade and other receivables and prepayment	–	–	34,998	–	34,998

(d) Geographical information

The following table sets out information about the geographical location of the Group's revenue from continuing operations from external customers and the Group's investment properties, property, plant and equipment, mining rights, goodwill and other non-current assets ("**Specified Non-current Assets**"). The geographical location of customers is based on the location at which the services were provided or goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset or the location of the operation to which they are allocated.

	Revenue from external customers		**Specified non-current assets**	
	2017 ***HK$'000***	2016 *HK$'000*	**2017** ***HK$'000***	2016 *HK$'000*
Hong Kong	**14,461**	22,689	**26,982**	26,848
The PRC	**53,490**	64,122	**1,791,986**	1,211,749
Indonesia	**–**	–	**272,322**	272,322
Bolivia	**–**	–	**69,776**	–
	67,951	86,811	**2,161,066**	1,510,919

5. OTHER INCOME AND GAIN, NET

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**5,156**	2,734
Reversal of provision for bad debt	**–**	25,734
Gain on disposal of property, plant and equipment	**124**	63
Net foreign exchange (loss)/gain	**(215)**	2,346
Sundry income	**3,669**	6,472
Other loan interest income	**4,333**	17,033
	13,067	54,382

6. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations has been arrived at after charging/(crediting):

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Depreciation	**14,723**	16,527
Auditors' remuneration	**1,980**	2,103
Cost of inventories for hotel operation provided	**1,129**	1,409
Gain on disposal of property, plant and equipment	**(124)**	(63)
Loss on written off of property, plant and equipment	**203**	–
Loss on written off of other non-current assets	**(–)**	5,488
Impairment loss recognised in respect of other non- current assets*	**(–)**	10,674
Impairment loss recognised in respect of mining rights	**(–)**	598,136
Impairment loss recognised in respect of trade and other receivables and prepayments*	**(–)**	34,998
Operating lease rentals in respect of premises	**8,255**	8,036
Net foreign exchange loss/(gain)	**215**	(2,346)
Fair value change in investment properties	**33,703**	(14,300)
Gross rental income from investment properties	**(25,210)**	(26,998)
Less: direct operating expenses from investment properties that generated rental income during the year	**2,047**	3,054
	(23,163)	(23,944)

* Those expenses were recognised as other operating expenses in the consolidated statement of profit or loss.

7. FINANCE COSTS

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Interests on:		
Bank borrowings and overdrafts	**271**	1,138
Other borrowings	**65,738**	41,749
	66,009	42,887

8. TAXATION

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Hong Kong Profits Tax	**232**	182
The PRC Enterprise Income Tax	**17,149**	456
	17,381	638
Deferred tax	**(11,995)**	953
	5,386	1,591

Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for the year.

At 31 March 2017, the Group had unused estimated tax losses of approximately HK$259,914,000 (2016: HK$424,080,000) available for offset against future profits. No deferred tax asset has been recognised due to unpredictability of future profit streams.

The PRC Enterprise Income Tax ("EIT")

All the Company's subsidiaries established in the PRC are either subject to the PRC Enterprise Income Tax at 25% of the assessable income of each company during the years ended 31 March 2017 and 2016.

Under the PRC EIT law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty. Accordingly, deferred tax has been recognised for undistributed retained profits of PRC subsidiaries at a rate of 10% to the extent that the profits will be distributed in the foreseeable future.

The Indonesia Corporate Tax

The corporate tax rate applicable to the subsidiary which is operating in Indonesia is 25% (2016: 25%) during the year. No Indonesia Corporate Tax was recognised as the subsidiary in Indonesia has no estimated assessable profits for the year.

The Bolivia Corporate Tax

The corporate tax rate applicable to the subsidiary which is operating in Bolivia is 25% (2016: 25%) during the year. No Bolivia Corporate Tax was recognised as the subsidiary in Bolivia has no estimated assessable profits for the year.

9. EARNINGS/(LOSS) PER SHARE

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

From continuing and discontinued operations

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**82,403**	(685,672)

Number of shares	Year ended 31 March	
	2017	2016
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**6,078,669,363**	6,078,669,363

The diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as the Company has no dilutive potential shares outstanding for the year ended 31 March 2017 and 2016.

From continuing operations

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**82,403**	(685,672)
Loss for the year from discontinued operations	**18,422**	1,320
	100,825	(684,352)

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

From discontinued operations

Basic and diluted loss per share from discontinued operations is HK0.303 cents (2016: HK0.022 cents per share), based on the loss for the year from discontinued operations of approximately HK$18,422,000 (2016: HK$1,320,000).

The denominators used are the same as those detailed above for both basic and diluted loss per share.

10. INVESTMENT PROPERTIES

	2017	2016
	HK$'000	*HK$'000*
Fair value		
At beginning of the year	**612,549**	634,250
Addition	**712,631**	–
Fair value change	**(33,703)**	14,300
Exchange alignment	**(29,798)**	(36,001)
At end of the year	**1,261,679**	612,549
Unrealised (loss)/gain on change in fair value of investment properties	**(33,703)**	14,300

The fair value of the Group's investment properties at 31 March 2017 have been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Cushman & Wakefield Limited and Savills Valuation and Professional Services Limited, independent professional valuers who are not connected with the Group and have recent experience in the valuation of similar properties in relevant locations. Both of them are members of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in similar locations and conditions.

At 31 March 2017, investment properties with the carrying amount of approximately HK$587,522,000 (31 March 2016: HK$270,111,000) have been pledged to secure banking facilities and other borrowings granted to the Group.

11. MINING RIGHTS

	HK$'000
Cost	
At 1 April 2015, 31 March 2016, 1 April 2016 and 31 March 2017	1,227,344
Accumulated impairment	
At 1 April 2015	357,328
Impairment	598,136
At 31 March 2016, 1 April 2016 and 31 March 2017	955,464
Carrying amount	
At 31 March 2017	271,880
At 31 March 2016	271,880

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**748**	22,923
Margin clients' account receivables	**(–)**	99,761
Prepayments, deposits and other receivables	**445,485**	817,462
	446,233	940,146
Less: Impairment of trade and other receivables and prepayments	**(2)**	(82,062)
	446,231	858,084

The Group allows an average credit period of 60 days (2016: 60 days) to its trade customers.

The following is an aging analysis of trade receivables, based on invoice date:

	2017	2016
	HK$'000	*HK$'000*
0 to 30 days	**673**	869
31 to 60 days	**6**	253
61 to 90 days	**1**	3
91 to 180 days	**21**	–
Over 180 days	**47**	21,798
	748	22,923

Movement on impairment of trade and other receivables and prepayments were as follow:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**82,062**	120,908
Written off	**(35,574)**	(48,302)
Reversal of impairment loss in respect of trade and other receivables and prepayments	**(46,486)**	(32,521)
Impairment loss recognised	**(–)**	41,977
At end of the year	**2**	82,062

The aged analysis of the trade receivables that are past due but not impaired was as follow:

	2017	2016
	HK$'000	*HK$'000*
Over 60 days	**69**	10,388

Trade receivables within credit terms relate to a wide range of customers for whom there is no recent history of default. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of trade receivables. The Group does not hold any collateral over these balances.

At 31 March 2017, included in the Group's prepayments, deposits and other receivables, inter alia, the following:

(i) for the year ended 31 March 2016, deposits of approximately HK$218,698,000 paid for acquisition of 14 retail units located at Above the Bund Square No. 948 Dongdaming Road, Hongkou District, Shanghai, in the PRC. The acquisition were completed in August 2016. The deposits paid, as part of the consideration, were used to settle and complete the acquisition. Details of which were set out in the Company's announcement dated 24 December 2015 and the circular dated 19 February 2016;

(ii) other receivables of approximately HK$114,607,000 (2016: HK$120,712,000) paid for acquisition of several potential water plant projects in the PRC; and

(iii) prepayments and other receivables of approximately HK$219,150,000 (2016: HK$235,377,000) to various contractors for construction of environmental protection and water treatment projects in the PRC.

13. LOAN RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Loan receivables	**97,328**	273,173
Less: Impairment loss recognised	**(–)**	–
	97,328	273,173

The loan amount of approximately HK$10,494,000 (2016: approximately HK$273,173,000) was unsecured, carrying at the prevailing interest rate 5.25% (2016: ranging from 4.35% to 7.2%) per annum with fixed repayment terms.

The remaining balance of loan receivables are secured by collateral providing by customers, bear interest at 5% per annum and are repayable within fixed terms.

There was no impairment loss recognised during both years of 2017 and 2016.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	HK$'000	*HK$'000*
Held for trading:		
Listed equity securities — Hong Kong, at fair value	**197,054**	188,360
Listed equity securities — the PRC, at fair value	**1,476,254**	1,339,664
	1,673,308	1,528,024

Included in the gain arising on change in fair value of financial assets at fair value through profit or loss for the year ended 31 March 2017 of approximately HK$214,483,000 was derived from investment in Heilongjiang Interchina Water Treatment Company Limited ("Heilongjiang Interchina") (2016: loss of approximately HK$892,626,000).

At 31 March 2017, financial assets at fair value through profit or loss with the carrying amount of approximately HK$1,495,930,000 (31 March 2016: HK$1,102,083,000) have been pledged to secure loan facilities granted to the Group.

15. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

The following is an analysis of trade payables:

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**2,252**	2,318
Other payables and deposits received	**68,773**	51,510
	71,025	53,828

The aged analysis of trade payables based on invoice date is as follow:

	2017	2016
	HK$'000	*HK$'000*
0 to 30 days	**335**	354
31 to 60 days	**253**	364
Over 60 days	**1,664**	1,600
	2,252	2,318

Included in other payables were the amounts of interest expenses payable and amount due to a director of the subsidiaries amounted to approximately HK$1,743,000 (2016: HK$852,000) and HK$729,000 (2016: HK$524,000) respectively.

16. EVENTS AFTER THE REPORTING PERIOD

On 13 June 2017, the Company entered into a sale and purchase agreement with Mr. Jiang Zhaobai, regarding the acquisition of the entire equity interest in Pengxin Agricultural Holdings Company Limited at the consideration of US$46,000,000, subject to adjustment set out in the paragraph headed "Consideration and the Adjustment" in the Company's announcement dated 13 June 2017 (the "Announcement"). As at the date of approval of these consolidated financial statements, the conditions precedents set out in the sale and purchase agreement has not been fulfilled. The management of the Group was in the midst of determining the financial effect of the transaction. Details of the transaction is set out in the Announcement.

DIVIDEND

The Board did not recommend the payment of a dividend for the year ended 31 March 2017 (2016: Nil)

FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the year ended 31 March 2017, but represents an extract from those consolidated financial statements. The annual results have been reviewed and approved by the Audit Committee of the Company.

Scope of work of HLB Hodgson Impey Cheng Limited on the preliminary announcement

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2017 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amount set out in the Group's consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

The Group reported a profit attributable to owners of the Company for the year ended 31 March 2017 of approximately HK$82,403,000 (2016: loss of HK$685,672,000). The Group's revenue for the year amounted to approximately HK$67,951,000 (2016: HK$86,811,000), which represented a decrease of approximately HK$18,860,000 compared with the last year. The decrease in revenue was mainly attributable to decrease in revenue contributed from the hotel operation as well as from financing and securities investment operations. Other net income and gain for the year decreased by 76.0% to HK$13,067,000 (2016: HK$54,382,000) due to in absence of reversal of provision of bad debt for the year (2016: HK$25,734,000) and decrease in other loan interest income as compared with last year. The overall operating expenses (including staff costs, depreciation and administrative costs) for the year decreased by 26.1% to HK$94,730,000 (2016: HK$128,104,000) due to strict control of expenses imposed by the management.

The turnaround to a profit for the year was mainly due to the net results of (i) a gain of HK$223,176,000, arising on change in the fair value of financial assets held for trading as the result of the improvement in the market sentiment (2016: loss of HK$896,143,000); (ii) a loss of HK$33,703,000 arising on change in fair value of the Group's investment properties (2016: gain of HK$14,300,000); (iii) in absence of the one-off gain on loss of significant influence of an associate for the year (2016: HK$882,107,000) and impairment loss recognised in respect of mining rights for the year (2016: HK$598,136,000); and (iv) other operating expenses of HK$695,000 was recorded for the year (2016: HK$48,484,000).

The basic and diluted earnings per share (including continuing and discontinued operations) for the year ended 31 March 2017 amounted to HK1.356 cents, as compared with the basic and diluted loss per share of HK11.280 cents for the year ended 31 March 2016.

BUSINESS REVIEW

Property Investment Operation

During the year, rental income slightly decreased by 6.6% to HK$25,211,000 (2016: HK$26,998,000). The segment loss amounted to HK$20,695,000 (2016: profit of HK$31,957,000). The turnaround to loss was mainly attributable to the loss arising on change in fair value of the Group's investment properties of HK$33,703,000 for the year.

During the year, the Group continued to expand the investment in this segment. In August 2016, the Group completed the acquisition of 14 retail units located at Levels 1–3 of Above the Bund Square, Shanghai, the PRC with total area of 8,585.79 sq.m. (the "Shanghai Property") at the aggregate consideration of RMB616,000,000. Detail of the transaction was set out in the Company's announcement dated 24 December 2015 and circular dated 19 February 2016.

At 31 March 2017, the Group's investment properties, which mainly comprise the Shanghai Property and Beijing Interchina Commercial Building, located in the CBD of Beijing, the PRC with total gross floor area of 19,620 sq.m. (the "Beijing Property"), respectively. At 31 March 2017, the Beijing Property had occupancy rate of 99% and the Shanghai Property was still vacant. In June 2017, the occupancy rate of the Shanghai Property reach 90%. It is expected that the Shanghai Property can contribute stable revenue and profit to the Group in the coming year.

Looking forward, the Group will continue to seek opportunity of acquisition of high quality property to further enhance the assets base of the Group and strengthen the profitability of this segment.

Hotel Operation

The Express by Holiday Inn Wujiaochang Shanghai (the "Hotel"), the sole hotel property held by the Group, is located in Yangpu District, Shanghai, the PRC, which is a 20-storey hotel with total gross floor area of approximately 15,900 sq. m., and 296 guest rooms. During the year, the Hotel recorded revenue of HK$28,279,000 (2016: HK$37,124,000) and operating loss of HK$3,151,000 (2016: HK$680,000). The average occupancy rate was around 77%. The decrease in revenue and increase in loss was mainly attributable to the Hotel was closed in December 2016 and January 2017 for renovation and facilities upgrading and was re-opened in February 2017.

It expects that the Hotel will continue providing the Group with a solid revenue stream as well as capital gain potentials.

Financing and Securities Investment Operations

During the year, segment revenue represents interest income from financing operation. In order to release financial resources to finance acquisition of the Shanghai Property during the year, the Group has scaled down its financing operation since the third quarter of 2016. Segment revenue decreased by 36.3% to HK$14,461,000 when compared to the last year. The segment profit amounted to HK$237,449,000 for the year, as compared to a loss of HK$847,900,000 of the last year. The turnaround to profit was mainly due to the gain of HK$223,176,000 arising on changes in fair value of the financial assets at fair value through profit or loss recognised for the year, compared with the loss of HK$882,862,000 of the last year as a result of the improvement in the stock market sentiment during the year.

As at 31 March 2017, total loan receivables under financing operation amounted to HK$97,328,000 (31 March 2016: HK$273,173,000) and total securities investment/financial assets at fair value through profit and loss stood at HK$1,673,308,000 (31 March 2016: HK$1,528,024,000). The table below sets out a breakdown of financial assets at fair value through profit or loss as at 31 March 2017:

Stock code	**Name of security**	**Number of shares held**	**Percentage shareholding held by the Group**	**Carrying value as at 31 March 2017**	**Fair value gain during the year**
				HK$'000	*HK$'000*
600187	Heilongjiang Interchina Water Treatment Co., Ltd	227,312,500	13.74%	1,476,254	214,483
439	KuangChi Science Ltd	57,957,000	0.79%	197,054	8,693
				1,673,308	223,176

Going forward, the Group will continue to adopt a conservative approach to this segment for minimising the business risk.

Natural Resources Operation

The Group operates the natural resources operation through a non-wholly owned subsidiary of the Company, PT Satwa Lestari Permai ("SLP") which is a licensed mining company under the Laws of Indonesia. SLP owns mining licenses to conduct the activities of construction, production, sales transportation and processing/refinery of manganese ore in areas totaling approximately 2,000 hectares in and around the sub-district of Amfoang Selatan, sub-district of Takari and sub-district of Fatuleu, Kupang City Nusantara Timor Tenggara, Indonesia for a period of twenty years ("Mining Rights"), with estimate resources of approximately 18,800,000 tonnes. The estimate resources has no significant change during the year. Production has not been commenced since the Group acquired the Mining Rights in 2011.

During the year, the manganese ore benchmark price slightly increased by approximately 1.4% as compared to the last year. The recoverable amount of the Mining Rights was assessed again as at 31 March 2017, and concluded there were no indications of impairment present, noting that key assumptions adopted in determining the recoverable value of the Mining Rights remain consistent with those adopted during the previous assessment. Hence, the Company is not considering any impairment loss on the Mining Rights (2016: HK$598,136,000). There are no significant changes in the valuation method during the two years. Both valuations adopted income based approach. The carrying amount of the Mining Rights as at 31 March 2017 amounted to HK$271,880,000 (31 March 2016: HK$271,880,000).

Since the implementation of the restriction on export of extracted mineral products including from manganese mines in Indonesia in January 2014, the Group's nature resources operation was inevitably affected so that no revenue was recorded for the year (2016: Nil). The segment loss amounted to HK$2,010,000, a decrease by 99.7% when compared with the last year. The loss was mainly represented the administrative expenses for the year.

Other Investments

During the year, the Group made its first foray into the promising market of Bolivia to tap into the livestock raising business. In October 2016, the Company entered into agreements to acquire three companies aggregately own the entire equity interests in Sociedad Agropecuaria Argotanto S.A. ("Argotanto"), a company incorporated in Bolivia with limited liability at the aggregate consideration of US$5,800,000 (equivalent to approximately HK$45,240,000) (the "Acquisition"). The Acquisition does not constitute notifiable transaction under the Listing Rules. Argotanto owns approximately 5,100 hectares of farmland located in Municipio El Carmen Rivero Torres, German Busch Province, Santa Cruz, Bolivia and is at the initial stage to start up cattle raising business. The Group plans to establish the cattle raising business through Argotanto in South America. It is estimated that by improving facility, training worker and introducing advanced technology, the cattle farm could raise 6,000 cattle. The Acquisition was completed in November 2016. Argotanto did not contribute any revenue to the Group but recognised a segment loss of HK$3,255,000 for the year. It is expected that it would provide another stream of income to maximise returns to shareholders of the Company in near future.

DISCONTINUED OPERATIONS

Securities dealing and brokerage operation

This segment recorded no revenue for the past two years and recorded profit of HK$19,478,000 (2016: loss of HK$1,177,000) for the year. The turnaround to a profit was mainly attributed by the reversal of impairment loss of HK$46,486,000 on trade receivables during the year. The Group had obtained official approval to revoke the securities dealing and brokerage license from the Securities and Futures Commission in December 2016. Therefore, the Group has formally ceased all operation in this segment.

Water Treatment Operation

This segment recorded no revenue for the past two years and recorded segment loss of HK$37,900,000 for the year (2016: HK$143,000).

The Group had decided to discontinue this segment in 2016. During the year, the Group had disposed of its entire interests in Interchina Environmental Protection Company Limited ("IEP") to a third party at a consideration of HK$20,000,000 (the "Disposal") for the purpose of realising the remaining investment in this segment. IEP holds the entire share capital of a wholly-owned foreign enterprise which engaged in providing consultancy services in area of water treatment management and investment in the PRC. The Disposal was completed in November 2016, the Group recorded the loss of approximately HK$17,328,000. After the Disposal, the Group has formally ceased all operation in this segment.

OUTLOOK

Looking forward, the global economic outlook will remain to be volatile and subject to a lot of uncertainties. The Group would maintain a professional and prudent financial management of the financial resources and closely monitor the impacts from the economic environment to the business operations. Meanwhile, we will adopt appropriate measures and strategies to identify any suitable investment opportunity to strive for the best return to the shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

At 31 March 2017, the Group's total assets were HK$4,873,812,000 (31 March 2016: HK$4,477,067,000) and the total liabilities were HK$1,230,414,000 (31 March 2016: HK$726,607,000). At 31 March 2017, the equity reached HK$3,643,398,000 (31 March 2016: HK$3,750,460,000) and the current ratio of the Group was 2.4 (31 March 2016: 4.9)

At 31 March 2017, the Group's cash on hand and deposits in bank was HK$492,651,000 (31 March 2016: HK$305,451,000). Around 99% of the Group's cash on hand and deposits in bank was denominated in Renminbi with the rest mainly in Hong Kong dollars. At 31 March 2017, the Group's total borrowings comprising bank borrowings of HK$3,759,000 (31 March 2016: HK$16,004,000) and other borrowings of HK$1,040,134,000 (31 March 2016: HK$537,408,000). The maturity profile of the outstanding bank and other borrowings was spread over a period of more than five years with HK$541,698,000 repayable within one year and HK$500,751,000 repayable after one year but within five years, and HK$1,444,000 repayable after five years. Around 90.8% of the Group's total borrowings was denominated in Renminbi with the rest mainly in Hong Kong dollars. The gearing ratio (total outstanding borrowings over total assets) of the Group as at 31 March 2017 was 21.4% (31 March 2016: 12.4%).

As at 31 March 2017, the average cost of financing was around 8.3% (2016: 6.7%) per annum in 2017. The Group has maintained sufficient financial resources for daily operation, if there are appropriate merger and acquisition opportunities, additional financing may be funded for financing part of the merger and acquisitions.

There has been no change in the share capital of the Company during the year. As at 1 April 2016 and 31 March 2017, the number of issued shares of the Company was 6,078,669,363.

Pledged of Assets

At 31 March 2017, the Group's investment properties with carrying amounts of HK$587,522,000 (31 March 2016: HK$270,111,000) and hotel properties with carrying amounts of HK$489,232,000 (31 March 2016: nil) were pledged as security for its liabilities. In addition, 200,000,000 shares of Heilongjiang Interchina Water Treatment Company Limited held by the Group were also pledged to lender(s) to secure loan facilities granted to the Group.

Foreign Exchange Exposure

The Group's principal assets, liabilities, revenue and payments are denominated in Hong Kong dollars and Renminbi. Fluctuations of exchanges rates would impact the Group's net asset value due to currency translation in the preparation of the Group's consolidation financial statement. During the year, the Group did not employ any financial instruments for hedging purpose and did not engage in foreign currency speculative activities.

Material Acquisition and Disposal

Save as disclosed herein this announcement, the Group did not have any significant investments, other material acquisition or disposal during the year ended 31 March 2017.

Future plans for material investments or capital assets

Save as disclosed herein this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

Human Resources

During the year, the Company has established an investment department and is responsible to evaluate any potential investment projects for the future expansion of the Group.

As at 31 March 2017, the Group employed approximately a total of 120 employees (31 March 2016: 124). The Group's emoluments policies are formulated on the performance of individual employee and are competitive in the market. During the year ended 31 March 2017, total staff costs (including Directors' emoluments) amounted to HK$32,899,000 for the year (2016: HK$34,906,000).

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code throughout the period under review.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Throughout the year under review, the Company had complied with all the code provisions of the CG Code except for the deviations as stated below:

(i) Pursuant to the Code Provision A.2.7 of the CG Code, the chairman of the Board shall at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive director present. Although the Chairman did not hold any formal meeting with the non-executive Directors without the presence of executive Directors during the year, he had frequent communications with the non-executive Directors. In addition, he delegated the Chief Executive Officer to gather any opinions/questions that the non-executive Directors might have and report to him for follow up. As such, the non-executive Directors of the Company were given opportunities to voice their concerns to the Chairman directly.

(ii) Pursuant to the Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. Currently all directors (including non-executive directors) are not appointed for a fixed term. However, according to Article 101 of the Articles of Association of the Company, one-third of the directors (including executive and non-executive Directors) shall retire each year and every director shall be subject to retirement by rotation at least once every three years. The retiring director shall be eligible for re-election. The Board believes that the current arrangement will give the Company sufficient flexibility to organise the composition of the Board to serve the needs of the Group.

(iii) Pursuant to the Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagements at that relevant time, Professor Shan Zhemin, was unable to attend the general meeting of the Company held on 31 August 2016. However, both Mr. Ho Yiu Yue, Louis, who is the chairman of the Audit Committee and the Remuneration Committee and Mr. Ko Ming Tung, Edward, who is the chairman of the Nomination Committee attended the general meeting to communicate the views of the shareholders of the Company with the other Directors who are unable to attend in person whenever necessary. Views of the shareholders of the Company is communicated to the Board as a whole.

(iv) Pursuant to the Code Provision E.2.1 of the CG Code, the chairman of the Board should attend the annual general meeting ("AGM") to answer questions at the AGM. Mr. Jiang Zhaobai, the chairman of the Board did not attend the 2016 AGM due to other business engagements. Mr. Lam Cheung Shing, Richard, being the executive director of the Company, attended the AGM on 31 August 2016 and was delegated to make himself available to answer questions if raised at the meeting.

PUBLICATION OF THE ANNUAL REPORT

The Annual Report will be despatched to the shareholders of the Company and will be made available on the websites of the Company at www.everchina202.com.hk and the websites of the Stock Exchange at www.hkex.com.hk in due course.

By Order of the Board
EverChina Int'l Holdings Company Limited
Lam Cheung Shing, Richard
Executive Director and Chief Executive Officer

Hong Kong, 29 June 2017

As at the date of this announcement, the executive Directors are Mr. Jiang Zhaobai (Chairman), Mr. Lam Cheung Shing, Richard (CEO), Mr. Chen Yi, Ethan and Mr. Shen Angang; and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Professor Shan Zhemin.