BEAUTIFUL CHINA HOLDINGS COMPANY LIMITED
美麗中國控股有限公司

(incorporated in Bermuda with limited liability)
(Stock code: 706)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Board of Directors of Beautiful China Holdings Company Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2016

	Note	**2016** **HK$'000**	2015 HK$'000 (Re-presented)
Continuing operations			
Revenue	3	**23,142**	19,090
Cost of sales		**(12,948)**	(15,366)
Gross profit		**10,194**	3,724
Other income and gains	4	**2,309**	3,612
Administrative expenses		**(52,970)**	(57,035)
Other operating expenses		**(517)**	(981)
Biological assets written off	12	**(6,394)**	–
Prepaid consulting and maintenance service costs written off	13	**(3,375)**	–
Gain/(loss) from changes in fair value less costs to sell of biological assets	12	**3,785**	(1,044)
Loss from operations		**(46,968)**	(51,724)
Finance costs	5	**(9,553)**	(2,180)
Loss before tax		**(56,521)**	(53,904)
Income tax expense	6	**(1,458)**	–
Loss for the year from continuing operations	7	**(57,979)**	(53,904)
Discontinued operations			
Loss for the year from discontinued operations	8	**(1,261)**	(7,597)
Loss for the year		**(59,240)**	(61,501)

	Note	2016 HK$'000	2015 HK$'000 (Re-presented)
Attributable to:			
Owners of the Company		**(59,137)**	(61,490)
Non-controlling interests		**(103)**	(11)
		(59,240)	(61,501)
Loss per share from continuing and discontinued operations	*10(a)*		
Basic		**HK(1.12) cents**	HK(1.22) cents
Diluted		**HK(1.12) cents**	HK(1.22) cents
Loss per share from continuing operations	*10(b)*		
Basic		**HK(1.10) cents**	HK(1.07) cents
Diluted		**HK(1.10) cents**	HK(1.07) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 *HK$'000*	2015 *HK$'000* (Re-presented)
Loss for the year	**(59,240)**	(61,501)
Other comprehensive income for the year, net of tax		
Item that may be reclassified to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**(26,971)**	(21,792)
Total comprehensive income for the year	**(86,211)**	(83,293)
Attributable to:		
Owners of the Company	**(86,111)**	(83,283)
Non-controlling interests	**(100)**	(10)
	(86,211)	(83,293)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**8,265**	6,017
Intangible assets		**–**	888
Biological assets	*12*	**177,144**	160,177
Prepayments	*13*	**115,339**	167,252
Deposits		**23,340**	30,086
		324,088	364,420
Current assets			
Trade and other receivables	*14*	**35,755**	17,175
Bank and cash balances		**208,646**	143,037
		244,401	160,212
Current liabilities			
Trade and other payables	*15*	**19,330**	12,417
Finance lease payables		**–**	430
Convertible bonds	*16*	**16,812**	–
Current tax liabilities		**1,400**	–
		37,542	12,847
Net current assets		**206,859**	147,365
Total assets less current liabilities		**530,947**	511,785
Non-current liabilities			
Convertible bonds	*16*	**94,706**	14,079
Deferred tax liabilities		**–**	48
		94,706	14,127
Net assets		**436,241**	497,658
Capital and reserves			
Share capital		**525,108**	525,108
Reserves		**(88,757)**	(27,440)
Equity attributable to the owners of the Company		**436,351**	497,668
Non-controlling interests		**(110)**	(10)
Total equity		**436,241**	497,658

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting year of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2016. Of these, the following new or revised HKFRS is relevant to the Group:

Amendments to HKAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to HKAS 1 clarify, rather than significantly change, existing HKAS 1 requirements. The amendments clarify various presentation issues relating to:

- Assessment of materiality versus minimum disclosure requirements of a standard.
- Disaggregation of specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position. There is also new guidance on the use of subtotals.
- Confirmation that the notes do not need to be presented in a particular order.
- Presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

This development has not had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2016. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 7 Statement of Cash Flows: Disclosure initiative	1 January 2017
HKFRS 9 Financial Instruments	1 January 2018
HKFRS 15 Revenue from Contracts with Customers	1 January 2018
HKFRS 16 Leases	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

HKFRS 9 Financial Instruments

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

HKFRS 9 substantially overhauls the hedge accounting requirements in HKAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's trade receivables and other financial assets. The Group is unable to quantity the impact until a more detailed assessment is completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

The Group is currently assessing the impacts of adopting HKFRS 15 on the consolidated financial statements and is unable to estimate the impact of the new standard on the consolidated financial statements until a more detailed analysis is completed.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group's offices and nurseries leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

3. REVENUE

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Revenue from provision of landfill management, treatment services and waste sorting	**15,001**	–
Sales of tree seedlings	**8,141**	19,090
	23,142	19,090

4. OTHER INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Interest income on bank deposits	**2,092**	3,609
Others	**217**	3
	2,309	3,612

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Finance lease charges	**6**	55
Interest on convertible bonds	**9,183**	2,125
Interest on other borrowing	**364**	–
	9,553	2,180

6. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Current tax – PRC Enterprise Income Tax		
Provision for the year	**1,458**	–

No provision for profits tax in Bermuda, the British Virgin Islands or Hong Kong is required as the Group has no assessable profits arising in or derived from those jurisdictions for the years ended 31 December 2016 and 2015.

The People's Republic of China (the "PRC") Enterprise Income Tax rate for the PRC subsidiaries is 25% during the year. No provision for the PRC Enterprise Income Tax had been made in the consolidated financial statements for the year ended 31 December 2015 as the PRC subsidiaries had either no assessable profits or sufficient tax losses brought forward to set off against assessable profits for that year.

7. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's loss for the year from continuing operations is stated after charging the following:

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Auditor's remuneration	**1,336**	1,128
Depreciation		
Charge to profit or loss	**1,876**	2,145
Capitalised in biological assets	**90**	47
	1,966	2,192
Operating lease charges in respect of land and buildings	**8,087**	7,591
Staff costs including directors' emoluments		
Salaries and other benefits	**21,653**	21,782
Retirement benefits schemes contributions	**1,925**	2,568
	23,578	24,350

8. DISCONTINUED OPERATIONS

Due to the shrinking market demand and continuous losses in the ATM business, the Group discontinued the business of provision of ATM services on 28 November 2016 to concentrate its resources to explore the development opportunities in the ecological garden and landscape business and ecological environmental protection business.

(a) Loss for the year from discontinued operations:

	2016	2015
	HK$'000	*HK$'000*
Revenue from provision of ATM services	**802**	2,983
Other income and gains	**6**	371
Administrative expenses	**(1,757)**	(10,421)
Other operating expenses	**(360)**	(83)
Impairment loss on property, plant and equipment	**–**	(104)
Impairment loss on intangible assets	**–**	(408)
Loss before tax	**(1,309)**	(7,662)
Income tax credit	**48**	65
Loss for the year from discontinued operations (attributable to owners of the Company)	**(1,261)**	(7,597)

(b) Loss for the year from discontinued operations include the following:

	2016	2015
	HK$'000	*HK$'000*
Depreciation and amortisation	**886**	1,651
Auditor's remuneration	**9**	10
Loss on disposal of property, plant and equipment	**358**	–
Property, plant and equipment written off	**–**	9
Operating lease charges in respect of land and buildings	**389**	1,315
Staff costs		
Salaries and other benefits	**429**	823
Retirement benefit scheme contributions	**(560)**	200

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2016 (2015: HK$Nil).

10. LOSS PER SHARE

(a) From continuing and discontinued operations

Basic loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the loss for the year attributable to the owners of the Company of approximately HK$59,137,000 (2015: approximately HK$61,490,000).

(b) From continuing operations

Basic loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the loss for the year from continuing operations attributable to the owners of the Company of approximately HK$57,876,000 (2015: approximately HK$53,893,000).

(c) From discontinued operations

Basic loss per share

Basic loss per share from the discontinued operations is HK0.02 cents per share (2015: HK0.15 cents per share), based on the loss for the year from discontinued operations attributable to the owners of the Company of approximately HK$1,261,000 (2015: approximately HK$7,597,000).

The weighted average numbers of ordinary shares of 5,251,084,922 (2015: 5,029,572,594) used as denominators in calculating the basic and diluted loss per share are the same.

As the exercise of the Group's outstanding convertible bonds would be anti-dilutive and there were no dilutive potential ordinary shares of the Company's share options for both years, the diluted loss per share was same as the basic loss per share.

11. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports prepared in accordance with accounting policies which conform with the generally accepted accounting principles in Hong Kong, that are regularly reviewed by the chief operating decision-maker (the "CODM") to allocate resources to the segments and to assess their performance focusing on type of goods delivered and services rendered.

The CODM which is responsible for allocating resources and assessing performance of the operating segments has been defined as the executive directors of the Company.

During the year ended 31 December 2016, the CODM has identified the following two reportable segments under HKFRS 8 "Operating Segments". No operating segments have been aggregated to form the following reportable segments.

The Group has two reporting segments as follows:

Tree plantation – Cultivation and trading of tree seedlings

Landfill management and waste sorting – Provision of landfill management, treatment services and waste sorting

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profit or loss do not include unallocated administrative expenses, other income and gains, finance costs and income tax expense. Segment assets do not include amounts due from group companies. Segment liabilities do not include liability component of convertible bonds, current tax liabilities and amounts due to group companies.

Information about operating segment profit or loss, assets and liabilities from continuing operations:

	Tree plantation	**Landfill management and waste sorting**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 December 2016			
Revenue from external customers	**8,141**	**15,001**	**23,142**
Segment (loss)/gain	**(7,418)**	**4,358**	**(3,060)**
Interest income	**3**	**3**	**6**
Depreciation and amortisation	**(335)**	**(232)**	**(567)**
Biological assets written off	**(6,394)**	**–**	**(6,394)**
Prepaid consulting and maintenance service costs written off	**(3,375)**	**–**	**(3,375)**
Gain from changes in fair value less costs to sell of biological assets	**3,785**	**–**	**3,785**
Income tax expense	**–**	**(1,458)**	**(1,458)**
Capital expenditure	**40**	**4,649**	**4,689**
As at 31 December 2016			
Segment assets	**333,730**	**15,365**	**349,095**
Segment liabilities	**2,874**	**4,679**	**7,553**

	Tree plantation	Total
	HK$'000	*HK$'000*
Year ended 31 December 2015 (re-presented)		
Revenue from external customers	19,090	19,090
Segment loss	(1,174)	(1,174)
Interest income	1	1
Depreciation and amortisation	(261)	(261)
Loss from changes in fair value less costs to sell of biological assets	(1,044)	(1,044)
Capital expenditure	170,918	170,918
As at 31 December 2015		
Segment assets	351,600	351,600
Segment liabilities	1,297	1,297

Reconciliations of segment revenue and profit or loss from continuing operations:

	2016	2015
	HK$'000	*HK$'000*
		(Re-presented)
Revenue		
Total revenue of reportable segments	**23,142**	19,090
Profit or loss		
Total loss of reportable segments	**(3,060)**	(1,174)
Unallocated corporate income	**2,157**	3,611
Unallocated corporate expenses	**(57,076)**	(56,341)
Consolidated loss for the year from continuing operations	**(57,979)**	(53,904)

Reconciliations of segment assets and liabilities:

	2016	2015
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**349,095**	351,600
Assets relating to discontinued operations	**–**	1,579
Corporate assets	**219,394**	171,453
Consolidated total assets	**568,489**	524,632
Liabilities		
Total liabilities of reportable segments	**7,553**	1,297
Liabilities relating to discontinued operations	**41**	1,290
Corporate liabilities	**124,654**	24,387
Consolidated total liabilities	**132,248**	26,974

Geographical information:

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2016	2015	2016	2015
	HK$'000	*HK$'000* (Re-presented)	*HK$'000*	*HK$'000*
Hong Kong	**–**	–	**3,411**	19,935
PRC except Hong Kong	**23,142**	19,090	**320,677**	344,485
Consolidated total	**23,142**	19,090	**324,088**	364,420

Revenue from major customers:

	2016	2015
	HK$'000	*HK$'000*
Tree plantation segment		
Customer a	**8,141**	15,804
Customer b	**–**	3,286
Landfill management and waste sorting segment		
Customer a	**15,001**	–

12. BIOLOGICAL ASSETS

(a) Nature of the Group's agricultural activities

The Group's biological assets are North American red maple tree seedlings (the "Seedlings") which are held for sale in the ordinary course of business and for use in garden and landscape construction projects. The Seedlings are categorised as consumable biological assets.

The quantities of the Seedlings owned by the Group as at 31 December 2016 and 2015 are listed below:

	2016	2015
	Unit '000	*Unit '000*
The Seedlings:	**1,112**	1,208

The Group is exposed to risks from environmental and climatic changes, and commodity price risks.

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including regular inspections and disease controls and surveys and insurance. The Group has strong environmental policies and procedures in place to comply with environmental and other laws.

The Group is exposed to financial risks arising from changes in the prices of the Seedlings. The Group does not anticipate that the prices of the Seedlings will decline significantly in the foreseeable future and, therefore, has not entered into any derivative or other contracts to manage the risk of a decline in the prices of the Seedlings. The Group reviews its outlook for the prices of the Seedlings regularly in considering the need for active financial risk management.

(b) Value of the Group's biological assets

Movements of the Seedlings are summarised as follows:

	2016	2015
	HK$'000	*HK$'000*
At 1 January	**160,177**	2,182
Increase due to purchases	**–**	170,408
Increase due to plantation costs *(note 1)*	**38,150**	10,633
Decrease due to sales	**(3,447)**	(15,366)
Decrease due to mortality *(note 2)*	**(12,083)**	–
Changes in fair value less costs to sell of biological assets	**3,785**	(1,044)
Exchange adjustments	**(9,438)**	(6,636)
At 31 December	**177,144**	160,177

Note 1: The plantation costs comprise consulting and maintenance service costs, staff costs, depreciation, rental expenses of nurseries and other incidental costs.

Note 2: Approximately 91,000 units of the Seedlings with the carrying amount of approximately HK$20,902,000 were removed and written off due to mortality. The supplier had agreed to compensate approximately 65,000 units of the Seedlings of approximately HK$14,508,000. Of these, approximately 20,000 units of approximately HK$8,819,000 had been delivered to the Group and recognised as biological assets during the year. As at 31 December 2016, the remaining approximately 45,000 units of approximately HK$5,461,000 will be delivered to the Group in the spring of 2017 (note 14).

13. PREPAYMENTS

	2016	2015
	HK$'000	*HK$'000*
Prepaid consulting and maintenance service costs *(note)*	**115,339**	164,896
Prepaid property, plant and equipment	**–**	2,356
	115,339	167,252

Note: Pursuant to several sales and purchase agreements entered into between the Group and a supplier during the year ended 31 December 2014, the supplier agreed to sell a total of 1.25 million units of the Seedlings at total consideration of approximately RMB284 million (equivalent to approximately HK$335 million); and to provide 5 years consultancy and maintenance services on the growth of the Seedlings in order to ensure that the survival rate of the Seedlings is not less than 95%. The excess of the total consideration over the fair value of the Seedlings at initial recognition is recognised as prepaid consulting and maintenance service costs and amortised over 5 years on a straight-line basis. The amortised consulting and maintenance service costs are capitalised in the plantation costs of biological assets.

During the year ended 31 December 2016, approximately 91,000 units of the Seedlings were removed and written off due to mortality and the related prepaid consulting and maintenance service costs of approximately HK$12,253,000 was written off accordingly. The supplier had agreed to compensate approximately 65,000 units of the Seedlings with prepaid consulting and maintenance service costs of approximately HK$8,878,000. Of these, approximately 20,000 units with prepaid consulting and maintenance service costs of approximately HK$2,847,000 had been delivered to the Group and recognised as prepaid consulting and maintenance service costs during the year. As at 31 December 2016, the remaining approximately 45,000 units with prepaid consulting and maintenance service costs of approximately HK$5,792,000 will be delivered to the Group in the spring of 2017 (note 14).

14. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables *(note 1)*	**17,054**	6,010
Prepayments	**2,970**	4,235
Deposits	**3,129**	2,705
Other receivables *(note 2)*	**12,602**	4,225
	35,755	17,175

Note 1: The Group's trading terms with all customers are mainly on credit. The credit period is ranging from 30 days to 150 days. In addition, for certain customers with long-established relationships and good past repayment histories, a longer credit period may be granted in order to maintain good relationship. Trade receivables with balances that are more than 6 months overdue are requested to settle all outstanding balances before any further credit is granted. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Current	**17,054**	6,010

As at 31 December 2016 and 2015, no impairment was made for estimated irrecoverable trade receivables.

As at 31 December 2016 and 2015, there were no past due trade receivables.

The Group's trade receivables as at 31 December 2016 and 2015 are denominated in Renminbi ("RMB").

Note 2: Approximately HK$11,253,000 represented the total cost of approximately 45,000 units of the Seedlings that the supplier had agreed to compensate to the Group and will be delivered to the Group in the spring of 2017 (notes 12 and 13).

15. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables *(note)*	**2,368**	253
Accrued expenses	**16,034**	11,624
Other payables	**928**	540
	19,330	12,417

Note: The aging analysis of trade payables, based on the period of services rendered, is as follows:

	2016	2015
	HK$'000	*HK$'000*
1 to 3 months	**2,298**	188
3 to 12 months	**70**	62
Over 1 year	**–**	3
	2,368	253

The Group's trade payables as at 31 December 2016 and 2015 are denominated in RMB.

16. CONVERTIBLE BONDS

The convertible bonds are analysed as follows:

	CB2017 *(note a)* *HK$'000*	**CB2019** *(note b)* *HK$'000*	**2015 Total** *HK$'000*
Non-current liabilities	14,079	–	14,079

	CB2017 *(note a)* *HK$'000*	**CB2019** *(note b)* *HK$'000*	**2016 Total** *HK$'000*
Current liabilities	13,196	3,616	16,812
Non-current liabilities	–	94,706	94,706
	13,196	98,322	111,518

(a) CB 2017

The convertible bonds were issued on 9 April 2015. The bonds are convertible into ordinary shares of the Company at any time within 24 months after the date of issue. The bonds are convertible at 760,000,000 shares with conversion price of HK$0.2 per share.

If the bonds are not converted, they will be redeemed at par on 9 April 2017. Interest of 5% will be paid/payable annually up until that settlement date.

The net proceeds received from the issue of the convertible bonds have been split between the liability element and an equity component.

	2016 ***HK$'000***	2015 *HK$'000*
Analysed as:		
Current liabilities	**13,196**	–
Non-current liabilities	**–**	14,079
	13,196	14,079

The interest charged for the year is calculated by applying an effective interest rate of 13.4% to the liability component for the period from the date of issue.

The directors estimate the fair value of the liability component of the convertible bonds at 31 December 2016 to be approximately HK$13,217,000 (2015: approximately HK$13,269,000). This fair value has been calculated by discounting the future cash flows at the market interest rate.

(b) CB 2019

The Tranche A and Tranche B of convertible bonds with a nominal value of HK$60,000,000 and HK$58,000,000 were issued on 17 August 2016 and 26 August 2016 respectively. The bonds are convertible into ordinary shares of the Company at any time within 36 months after the date of issue. The bonds are convertible at 737,500,000 shares with conversion price of HK$0.16 per share. The Company may at any time after 31 December 2016 by giving not less than 30 days nor more than 60 days' notice to the bondholder redeem the convertible bonds in whole or in part.

If the bonds are not converted, they will be redeemed at par on 17 August 2019 and 26 August 2019 respectively plus an additional amount that would yield an internal rate of return of 13% on the bonds which remain outstanding immediately before the maturity date. Interest of 8.5% will be paid/payable semi annually up until that settlement date.

CB 2019 is a compound financial instrument and the proceeds received from the issue of the convertible bonds have been split between the liability element and an equity component. The Company's early redemption option has been assessed as closely related and is included in the liability component.

	2016	2015
	HK$'000	*HK$'000*
Analysed as:		
Current liabilities	**3,616**	–
Non-current liabilities	**94,706**	–
	98,322	–

The interest charged for the year is calculated by applying an effective interest rate of 24% – 25% to the liability component for the period from the date of issue.

The directors estimate the fair value of the liability component of the convertible bonds at 31 December 2016 to be approximately HK$101,598,000. This fair value has been calculated by discounting the future cash flows at the market interest rate.

The convertible bonds are personally guaranteed by Mr. Sze Wai, Marco, an executive director of the Company in favour of the bondholder.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

After experiencing several decades of rapid economic development, the domestic ecological environment destruction problems in China are gradually emerging. Hence, in recent years, the PRC Government proposed several development objectives such as “Ecological Civilization Construction” and construction of “Beautiful China”, strived to promote the nation’s environmental protection construction and required to improve the ecological environment quality significantly during the “Thirteenth Five-year Plan” period. In the past few years, the State Council in China issued a number of environmental protection policies one after another, including the “Ten Measures to Improve Air Quality”, “Ten Measures to Improve Water Quality” and “Ten Measures to Improve Soil Quality”, which aim at improving environmental protection, ecological environment and living quality of the people and integrating environmental protection and the comprehensive construction of a moderately prosperous society closely.

In following the development of the government’s relevant policies and devoting its efforts to construct a “Beautiful China”, together with huge amounts of investments made for the implementation of environmental policies, the Group made timely adjustment to its business strategies and transformed itself actively. By enjoying the first-mover advantage and abiding by the principle of prudence and selection, the Group succeeded in transforming itself into a domestic leading ecological environmental protection operation service provider in a few years’ time. During the year, the Group had fully pulled out from its ATM business and focused its resources to explore the ecological garden and landscape and environmental protection businesses that possess greater potential. Currently, the Group has provided services from seedling nursery, ecological environment design, construction, remediation and conservation services to one-stop waste treatment ecological environmental protection operation solution. As a result, the Group has gained significant competitive advantages among its peers, laying a solid foundation for sustainable business growth in future.

Ecological Garden and Landscape business

With the increasingly awareness of ecological environment protection in China, the government has continuously increased its investment in ecological environment treatment and the entire ecological environmental protection industry is becoming a remarkable and promising industry. However, every segment has demonstrated different development trends. The landscape ecological industry was affected by such factors like the downturn in overall economic situation, slowdown in real estate industry development and weakening capability in government fiscal spending, which led to a drop in new large-scale landscape projects in 2016. With intensified market competition, the garden and landscape greenery enterprises in the industry in general actively pursued the environmental protection business layout and constructed a dual business segment of “Garden and Landscape + Environmental Protection”.

As for the tree plantation business segment, our colour seedling nursery base in Bengbu, Anhui is primarily planting such colour tree seedlings like rare North American red maple in the market. Currently, the construction and operation of the base remained smooth and the quality colour tree seedlings, including the cultivated North American red maple thrived. The plans of subsequent base expansion and introduction of more seedling varieties also progressed smoothly, the overall development was encouraging. During the year, the base had already planted approximately 1.2 million North American red maple tree seedlings. As the existing planted seedlings were still at its growing phase, no large-scale seedlings sales was conducted. During the year, we sold approximately 25,000 North American red maple tree seedlings, and recorded a total revenue of approximately HK$8.1 million.

In facing intense competition, the Group continued to adhere to the principle of prudent development and actively developed quality landscape ecological projects to enlarge its market share steadily. In July 2016, the Group was awarded the investment and construction of the landscape of the Dian Lake Wetland of the Kunming Dian Lake Vacation Zone tender successfully. Involving ecological landscape construction, wetland ecological improvement and water ecological restoration, etc., this project is a national large-scale ecological construction project in China expected with total estimated investment amount of approximately RMB1.0 billion. The Group expected to commence its construction in the third quarter of 2017 and estimated the project will be completed in 2018.

Ecological Environmental Protection Business

In 2016, the government continued to enhance introducing relevant policies including environmental protection and environmental treatment and resource allocation, whereby the environmental protection industry continued its explosive growing trend. Among which, the scale of pollution treatment market including water, air and soil grew rapidly, while increasing number of enterprises with specialized technologies tapped into the market. Enterprises that adopt new technologies or new models would have the opportunities to gain competitive advantages and achieve rapid development.

In October 2016, the Group successfully commenced the Hongxing landfill comprehensive treatment project in Qiqihar by cooperating with China National Environmental Protection Group* (中國環境保護集團有限公司). As for the treatment project, we need to complete the sorting and harmless treatment of approximately 800,000 cubic meters (estimated) dumped waste and restored the safe utilization condition of waste contaminated sites. Since its commencement, such treatment project had completed approximately 30% of the project volume, and recorded a total revenue of approximately HK$15.0 million in the landfill management and waste sorting business segment.

In 2016, the Group focused on the layout of integrated waste treatment and renewable resources recycling businesses in Shandong Province and Hebei Province, and initially completed the resource reserve of a batch of quality projects with growth potential and the preparation of partial implementation. In April 2016, the Company and China Development Ronghua Industry Investment Fund Management Company Limited* (國開熔華產業投資基金管理有限責任公司), a subsidiary of China Development Bank, reached a preliminary co-operation intention with regard to the proposed formation of a joint venture to jointly develop integrated domestic waste treatment and other relevant businesses.

*　*For identification purpose only*

Prospects

In view of numerous uncertainties amid the global economy in the future, China will not be exempted and is expected to constantly facing the pressure of economic slowdown. However, along with the continuous intensifying efforts in environmental protection construction by the PRC government, it is expected that the relevant markets will usher in tremendous project investments and the environmental protection market will definitely become a new economic driver in China. As a company listed on the Main Board of Hong Kong and engaging in the investment, construction and operation of ecological environmental protection business, Beautiful China is committed to developing the dual driver business of "Eco-environment Construction + Environmental Protection Treatment Service". As a leading domestic integrated environment service provider, we will adhere to the principle of cost reduction and efficiency enhancement, pay heed to the latest trends of market development and be prepared to seize market opportunities in an effort to expand its business coverage.

For ecological garden and landscape business, we will constantly boost the construction of the seedling base represented by over one million rare North American red maple tree seedlings, with an aim of achieving the goal of becoming the largest colour seedling supplier in Asia. At the same time, we will facilitate the development of the seedling base to reach the stage of maximizing its market values, intensify our sales efforts in seedlings to achieve doubling its sales results. We will continue to stand on our edges in investment and financing, be innovative in construction models, explore, develop and construct the ecological landscape projects with regional demonstration effect, with a view to enlarge our ecological garden and landscape business scale.

We expected to commence the construction of Dian Lake West Bank ecological wetland park project in the third quarter of 2017, hoping it to become our demonstration project and thereby obtain certain wetland park development and construction projects afterwards. At the same time, the Group will actively participate in other ecological construction projects in China to increase its market share. Aiming at further promoting its leading market position, the Group actively identified the opportunities of acquiring renowned domestic landscape project service providers. It is expected to help the Group to build up the one-stop landscape construction businesses and to seize more potential opportunities through acquisition of a company, which has outstanding experience in both design and construction, and is specialized in professional technologies including nursery planting, landscape designing, project construction and green conservation.

For ecological environmental protection business, domestic industrial production, agricultural production and daily life have generated a substantial amount of wastes such as plastic waste and scrapped tyres, thus triggering serious white pollution. The plastic waste and scrapped tyres treatment market segments of the industrial, agricultural and domestic waste have not fully kicked off, lagging behind the overall development momentum of the environmental protection industry, thus having an enormous development potential in the future. The Group will actively develop such businesses, like the integrated domestic waste treatment, capacity expansion of renewable waste landfill, and industrial pollution third-party treatment service, and drive the commencement of integrated waste treatment and renewable resources recycling business in Shandong Province, Hebei Province and other regions across the country.

With the smooth commencement of Qiqihar project, the Group has successfully entered into the waste collection, sorting and treatment sectors during the year. In 2017, we will further extend our ecological environmental protection business to the wastes (such as waste plastic and scrapped tyres) recycling treatment market according to the business plans. Of which, we plan to evaluate the feasibility of arranging recycling business of renewable resources such as plastic waste, scrapped tyres and other wastes in cities like Weifang and Yantai according to the plastic waste and scrapped tyres collection conditions. We have already reached cooperation intent with local governments like Weifang and Yantai successively, and currently we jointly evaluate and prepare the preliminary matters of the cooperation project before its implementation. We plan to complete the signing of the relevant agreements in the second quarter of 2017, striving to commence the project in the second quarter of 2017.

The Group will continue to scout for potential business partners. While strengthening our cooperation with local governments, the Group will strive to establish strategic partnerships with sizable environmental service providers, so as to improve our overall service quality and to claim a bigger market share. The Group will seize the opportunity arising from the Public-Private-Partnership ("PPP") policy. PPP will not only provide an assurance for corporate financing, but also offer the opportunity of participating in the infrastructure and public utility construction and operation for social capital, leading to a rapid development potential for such environmental protection enterprises like Beautiful China.

Looking forward, under the support of the vigorous promotion of environmental protection construction by the government, the ecological environmental protection industry will gradually become more and more matured during the "Thirteenth Five-year Plan" period with clear market capacity, continuous high growth amid intensified competition. Facing the development trend full of opportunities and challenges, the Group will leverage on its own advantages and seek for differentiated development strategies. We will focus on developing integrated waste treatment and renewable resource recycling business, innovating business models, and realizing a development breakthrough and rapid growth in market segments, whereby establishing a market first-mover competitive advantage. At the same time, the Company will also explore different channels for fund raising including but not limited to equity financing and borrowings with a view to building up its war chest to fund the needs of the Group's various ongoing projects as well as to capture business expansion and development opportunities.

The Group is highly optimistic about its business prospects, and will enhance the synergistic effect among various segments to achieve business diversification. It will expand the tree plantation, landfill management and waste sorting, landscape ecology and renewable resource recycling businesses proactively to ensure a balanced development of its various business segments, add momentum to the future growth of the Group and bring long-term satisfactory returns for our Shareholders and investors.

Financial Review

Revenue, gross profit and gross profit margin

Our total revenue increased by 21.2% from approximately HK$19.1 million in 2015 to approximately HK$23.1 million this year. Gross profit significantly increased by 173.7% from approximately HK$3.7 million in 2015 to approximately HK$10.2 million this year. The increase in revenue and gross profit was mainly due to gradual scaling up of the various environmental protection related businesses and new stream of revenue brought by the landfill management and waste sorting business segment.

Gross profit margin increased to 44.0% this year from 19.5% in 2015, which was mainly due to the landfill management and waste sorting business segment with higher gross profit margin began to contribute significantly to its revenue this year.

Administrative expenses

Administrative expenses decreased by 7.1%, from approximately HK$57.0 million in 2015 to approximately HK$53.0 million this year, the decrease was mainly due to our stringent control over the operating expenses. Moreover, the Group completely pulling out from the ATM business result in the revenue and operating expenses related to such business are reclassified to the loss for the year from discontinued operations.

Loss from operations from continuing operations

Excluding the one-off biological assets and prepaid consulting and maintenance service costs written off, loss from operations from continuing operations for the year ended 31 December 2016 was approximately HK$37.2 million, which recorded a significant improvement as compared with approximately HK$51.7 million in 2015, which was mainly attributable to a combination effect of increase of revenue and gross profit, decrease of administrative expenses and gain from changes in fair value less costs to sell of biological assets of approximately HK$3.8 million (2015: a loss of approximately HK$1.0 million).

Finance costs

Finance costs increased from approximately HK$2.2 million in 2015 to approximately HK$9.6 million this year, which was mainly attributable to the interest of convertible bonds increased by approximately HK$7.1 million as result of issuance of convertible bonds in August 2016 by the Group.

Loss attributable to owners of the Company

For the year ended 31 December 2016, loss attributable to owners of the Company was approximately HK$59.1 million, which recorded an improvement as compared with approximately HK$61.5 million in 2015.

Fund raising activities

On 21 June 2016 and 5 July 2016, the Company entered into a subscription agreement with a subscriber with subsequent amended and restated subscription agreement respectively, pursuant to which, the subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to issue convertible bonds in an aggregate principal amount of HK$118,000,000 (the "Subscription"). On 21 June 2016, the Company also entered into a placing agreement with a placing agent, pursuant to which the placing agent has conditionally agreed to procure, on a best effort basis, placees to subscribe in cash for convertible bonds up to an aggregate principal amount of HK$50,000,000 (the "Placing"). Based on the initial conversion price of HK$0.16 per ordinary share, a maximum number of 1,050,000,000 ordinary shares in aggregate will be allotted and issued upon the exercise of the conversion rights attached to the convertible bonds in full under the Subscription and the Placing. The convertible bonds under the Subscription and the Placing are interest-bearing at 8.5% and will be matured at the date falling on the third anniversary of the date of issue of the convertible bonds. The maximum net proceeds from the Subscription and the Placing are estimated to be approximately HK$163,000,000 after the deduction of related expenses and the Company intends to use such proceeds as to (i) approximately 80% for funding the capital expenditure on environment projects of the Group in the PRC; and (ii) approximately 20% as general working capital of the Group.

On 12 July 2016, an ancillary agreement to the subscription agreement was further entered into between the Company and the subscriber, pursuant to which, the parties agreed, among others, that the convertible bonds of the Subscription would be issued in two tranches, the first tranche having an aggregate principal amount of HK$60,000,000 had already been completed on 17 August 2016 and net proceeds of approximately HK$57,000,000 were received. Completion of the Subscription of the remaining amount of HK$58,000,000 of the convertible bonds had also been completed on 26 August 2016 and net proceeds of approximately HK$57,000,000 were received.

Among the net proceeds of the Subscription, approximately 20% of the proceeds, i.e. approximately HK$22,800,000, has been used as intended for general working capital of the Group, while the remaining 80% of the proceeds, i.e. approximately HK$91,200,000, has not been utilised as at the date hereof.

For the Placing, as certain conditions precedent under the placing agreement had not been fulfilled, the placing agreement was lapsed on 12 July 2016.

Liquidity and Financial Resources

As at 31 December 2016, the Group had cash and bank balances approximately HK$208.6 million (31 December 2015: approximately HK$143.0 million). The Group had no bank borrowing but had convertible bonds amounting approximately HK$111.5 million as at 31 December 2016 (31 December 2015: approximately HK$14.1 million). As at 31 December 2016, the total asset value of the Group was approximately HK$568.5 million (31 December 2015: approximately HK$524.6 million) whereas the total liabilities was approximately HK$132.2 million (31 December 2015: approximately HK$27.0 million). The gearing ratio of the Group, calculated as total liabilities over total assets, was 23.3% (31 December 2015: 5.1%).

The Group maintained a net cash (being the total cash and bank balances net of liability portion of convertible bonds and finance lease payables) to total equity ratio of 22.3% (31 December 2015: 25.8%) as at 31 December 2016. With net cash approximately HK$97.1 million (31 December 2015: approximately HK$128.5 million) and net current assets approximately HK$206.9 million (31 December 2015: approximately HK$147.4 million) as at 31 December 2016, the Directors of the Group ("Directors") believe that the Group is in a healthy financial position.

Capital Structure and Pledge on Assets

As at 31 December 2016, the value of convertible bonds issued by the Group (but had not been converted) was approximately HK$111.5 million (31 December 2015: approximately HK$14.1 million).

Capital Expenditure

For the year ended 31 December 2016, capital expenditure was approximately HK$4.7 million (2015: approximately HK$170.9 million), which was mainly used for the development of the North American red maple tree seedling nursery base in Bengbu, Anhui, the landscape ecology project for the Dian Lake Wetland of Kunming Dian Lake Vacation Zone and landfill management and waste sorting project for Hongxing landfill in Qiqihar. Such capital expenditure was financed by the funds from our operating activities.

Segmental Information

Segmental information is presented for the Group as disclosed on note 11 of this results announcement.

Significant Investments and Material Acquisitions and Disposal of Subsidiaries

During the year ended 31 December 2016, the Group did not have any significant investments and material acquisitions and disposal of subsidiaries.

Contingent Liabilities

There were no significant contingent liabilities as at 31 December 2016 and 2015.

Exchange Risk

As the Group's operations are principally in the PRC and all assets and liabilities are denominated either in Renminbi, Hong Kong dollars or United States dollars, the Directors believe that the operations of the Group are not subject to significant exchange risk.

Charges on Assets

As at 31 December 2016 and 2015, the Group had no charges on assets.

Employees, Training and Remuneration Policies

As at 31 December 2016, the Group had 62 (31 December 2015: 57) employees. Employees' costs (including directors' emoluments) amounted to approximately HK$23.4 million (2015: approximately HK$25.4 million) for the year. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis.

The Directors believe that experienced staff, in particular its technicians, are the most valuable assets of the Group. Training programs are provided to technicians, especially new recruits, to ensure their technical proficiency.

The Company operates a share option scheme (the "Scheme") whereby the Board may at their absolute discretion, grant options to employees and Directors of the Company and any of its subsidiaries to subscribe for shares in the Company. The subscription price, exercisable period and the maximum number of options to be granted are determined in accordance with the prescribed terms of the Scheme. During the period, no share options were granted to directors, executives and employees to their contribution to the Group.

Events after the Reporting Period

After the end of this year and up to the date of this results announcement, the Group had no significant event.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2016 (2015: Nil).

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

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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality board, sound internal control, and transparency and accountability to all shareholders. The Company has applied the principles and compiled with the Code Provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix 14 of the Rules Governing the Listing of securities on the Stock Exchange of Hong Kong Limited during the year ended 31 December 2016, except for the following deviations:

1. The Code Provision A.4.1 stipulates that Non-executive Directors shall be appointed for a specific term, subject to re-election. Although the Independent Non-executive Directors are not appointed for specific term, they are subject to retirement by rotation at least once every three years in accordance with Article 111(A) of the Company's Bye-Laws.

2. The Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board, Mr. Sze Wai, Marco was unable to attend the Company's annual general meeting which was held on 23 June 2016 as he had an important engagement that was important to the Company's business. Although he was unable to attend, he had arranged Mr. Zhou Wei Feng, an Executive Director and Chief Executive Officer of the Company and Mr. Chan Ying Kay, the Company Secretary of the Company (who has resigned on 23 June 2016) who are well versed in all the business activities and operations of the Group, to attend on his behalf and to chair the meeting and to respond to shareholders' questions.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises three independent non-executive Directors, Mr. Chong Yiu Kan, Sherman ("Mr. Chong"), Mr. Lum Pak Sum and Mr. Liu Liyang. Mr. Chong takes the chair of the AC. Terms of reference of the AC have been updated in compliance with the Code. The AC is responsible to review with management the financial reporting system and provides accounting and financial advice and recommendations to the Board as well as monitor and safeguard the independence of external auditors and relevant auditing matters. Also, the AC is responsible to review and discuss the internal control procedures and risk management systems of the Group with the management.

The AC has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures, risk management systems and financial reporting matters including review of the annual results of the Group for the year ended 31 December 2016.

SCOPE OF WORK OF RSM HONG KONG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in this results announcement have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong 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 RSM Hong Kong on this results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules, as the Code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, they all confirmed that they have compiled with the Model Code throughout the year ended 31 December 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE WEBSITE

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.beautifulchina.com.hk. The annual report of the Company for the year ended 31 December 2016 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and posted on the above websites in due course.

By order of the board
Beautiful China Holdings Company Limited
Sze Wai, Marco
Chairman

Hong Kong, 30 March 2017

As at the date of announcement, the Board of Directors of the Company comprises Sze Wai, Marco, Tan Shu Jiang and Zhou Wei Feng as Executive Directors, and Law Fei Shing and Mr. Chen Chun Tung, Jason as Non-executive Directors and Chong Yiu Kan, Sherman, Lum Pak Sum and Liu Liyang as Independent Non-executive Directors.