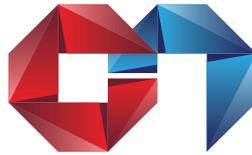


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GLOBAL MASTERMIND

環球大通

**Global Mastermind Holdings Limited**

**環球大通集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8063)**

**(1) INSIDE INFORMATION;  
AND  
(2) DISCLOSEABLE TRANSACTION REGARDING  
THE DISPOSAL OF A SUBSIDIARY**

**(1) INSIDE INFORMATION**

The following section of this announcement is made by the Company pursuant to Rules 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

**Background information of Solution Apex**

Solution Apex is a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Durable Gold, and an investment holding company without active business operations. According to the unaudited management accounts of Solution Apex compiled by its management and provided to the Company: (a) as at 30 June 2020, the only assets of Solution Apex were fixed deposits, cash and bank balances in the amount of HK\$58,438,821.75; (b) as at 30 June 2020, the only liability of Solution Apex was an inter-company account owed by Solution Apex to Durable Gold in the amount of HK\$57,933,695.26 (the “**Inter-company Account**”); and (c) during the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2020, Solution Apex recorded no revenue from operations, its only income was immaterial bank interest income and its only expenses were immaterial bank charges and legal and professional fees.

\* *For identification purposes only*

Durable Gold is a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company, and an investment holding company without active business operations of its own. Apart from being the holding company of Solution Apex, Durable Gold is also the holding company of the Group's subsidiaries which are engaged in the Group's travel business.

### **The Purported Investments and the Unexplained Cash Withdrawals**

The Company recently received a letter from a person (“**Mr. X**”) purportedly acting for and on behalf of Solution Apex alleging, among other things, that: (a) he was appointed as a director of Solution Apex; and (b) Solution Apex has conducted three acquisitions or investments in July 2020 (the “**Purported Investments**”) individually not constituting a notifiable transaction for the Company. The Company has no previous knowledge of Mr. X prior to receiving the letter. The Company was previously given to understand that the sole director of Solution Apex was Mr. Allan Yap (“**Mr. Yap**”). Mr. Yap was adjudged bankrupt by the High Court of Hong Kong on 3 August 2020, but the Company did not receive any notice from Mr. Yap as a result of which the Company only became aware of Mr. Yap's bankruptcy recently.

Upon receiving the letter from Mr. X, the Company promptly enquired with Durable Gold and Solution Apex with the view to verifying the identity of and the matters alleged by Mr. X. The Company was notified, among other things, that: (a) Mr. Yap has ceased to be a director of Solution Apex with effect from 1 December 2020; (b) Mr. X was allegedly appointed as a director of Solution Apex and Durable Gold with effect from 1 December 2020; (c) bank balance previously held by Solution Apex in the amount of HK\$47,534,000 (approximately RMB42,700,000) (the “**Utilized Cash**”) was purportedly utilized for the Purported Investments in or around July 2020; and (d) in addition, the amount of approximately HK\$11,231,000 (representing the remaining bank balance of Solution Apex according to its financial statements at 30 June 2020, plus all bank interest income earned) (the “**Withdrawn Cash**”) were withdrawn entirely in August 2020 (the “**Unexplained Cash Withdrawals**”).

### **Full impairment/provision on Solution Apex**

The Purported Investments and the Unexplained Cash Withdrawals were carried out without the authority of the Board. The Company has instructed its legal advisers to commence legal actions with the view to recouping the Utilized Cash and the Withdrawn Cash. If any misfeasance of officer(s) and/or ex-officer(s) of Durable Gold and Solution Apex is revealed in the findings of our further investigations, the Company may pursue after them for their involvement in the Purported Investments, the Unexplained Cash Withdrawals or otherwise.

The incidents regarding the Purported Investments and the Unexplained Cash Withdrawals (the “**Incidents**”) were considered in details by the Directors, who cast doubt on the values and purposes of the Purported Investments and the Unexplained Cash Withdrawals, and accordingly resolved to make a full impairment/provision on the carrying values of the Group’s investments in Solution Apex and the Inter-company Account (collectively, the “**Impairments**”).

### **Other immediate measures taken by the Board**

In response to the Incidents, the Board has promptly resolved to: (a) remove all director(s) of Solution Apex and Durable Gold, including Mr. X, with immediate effect and replace them by the Company’s designated person(s); (b) instruct external legal advisers to commence legal proceedings to seek to recoup the Utilized Cash and the Withdrawn Cash and/or to seek damages and other remedies from individuals and entities against whom the Group may have causes of action as a result of the Purported Investments, the Unexplained Cash Withdrawals and the Incidents (the “**Recovery Actions**”); and (c) establish a working team (the “**Investigation Team**”) comprising Directors and senior management of the Company to investigate on the Purported Investments, the Unexplained Cash Withdrawals and the Incidents, and to oversee the progress of the Recovery Actions. Prior to deciding the composition of the Investigation Team, the Company has enquired with all members of the Investigation Team and has satisfied itself that they have no relationship whatsoever with Mr. X nor Mr. Yap, and that they have no involvement in and no knowledge of the Purported Investments and the Unexplained Cash Withdrawals when they took place in July and August 2020. Further announcement(s) will be made by the Company if and when there is any update on the Incidents, any significant progress on the Recovery Actions, or any significant findings of the investigations.

### **Impact of the Incidents on the Group**

Based on the Board’s preliminary assessment by reference to the information currently available to them but subject to any further findings of the Investigation Team, apart from the loss suffered by the Group as a result of the Impairments explained above, the Incidents do not appear to have any other material adverse effect on the Group.

The Impairments, which are currently expected to be in the approximate aggregate amount of HK\$58,439,000, represent: (a) approximately 7.71% of the Group's unaudited total assets as at 30 June 2020 of approximately HK\$757,877,000; and (b) approximately 12.90% of the Group's unaudited net assets as at 30 June 2020 of approximately HK\$453,131,000. Combining the effect of the Impairments disclosed in this announcement with the negative impact caused by the COVID-19 on the Group's businesses, the increase in loss allowance of expected credit loss and the increase in loss on fair value changes of investment properties which were already announced by the Company in its interim results announcement for the six months ended 30 June 2020, the Company is expected to record a significant increase in loss for the year ending 31 December 2020 as compared to the year ended 31 December 2019. However, as the year has yet to end and the fair values of various financial items have yet to be assessed, the Company is only in the position to arrive at a better estimate on the percentage increase in the loss for the Group closer to the time of audit completion of the Group's consolidated financial statements for the year ending 31 December 2020.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **(2) DISCLOSEABLE TRANSACTION**

The Board announces that on 29 December 2020 (after trading hours), Durable Gold, the Company and the Purchaser entered into the Disposal Agreement pursuant to which Durable Gold agreed to sell, and the Purchaser agreed to purchase, the Disposal Interests for a total cash consideration of HK\$1, as adjusted by the mechanisms of the Outcome Sharing Adjustment (if any) as defined below.

### **THE DISPOSAL AGREEMENT**

The principal terms of the Disposal Agreement are as follows:

#### **Date**

29 December 2020 (after trading hours)

## **Parties**

- (1) Vendor: Durable Gold
- (2) Vendor's Guarantor: the Company
- (3) Purchaser: Oasis Rainbow Holdings Limited

The Purchaser is a company incorporated in the BVI with limited liability. According to the information provided by the Purchaser, the Purchaser is wholly, ultimately and beneficially owned by Mr. Heung Chin Wai, a Hong Kong resident and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner (i.e. Mr. Heung) is a third party independent of and not connected with the Company and its connected persons.

## **The Disposal Interests**

The Disposal Interests comprise: (a) the entire issued share capital of Solution Apex; and (b) the Inter-company Account owed by Solution Apex to Durable Gold as at 30 June 2020. According to the unaudited management accounts of Solution Apex compiled by its management and provided to the Company, as at 30 June 2020, the Inter-company Account amounted to HK\$57,933,695.26. However, the Inter-company Account was already fully provided for, due to the Incidents disclosed in the section headed "Inside Information" of this announcement.

## **Information on Solution Apex**

Solution Apex is a company incorporated in the BVI with limited liability and an investment holding company without active business operations. Prior to the entering into of the Disposal Agreement, the entire issued share capital of Solution Apex was owned by Durable Gold.

According to the unaudited management accounts of Solution Apex compiled by its management and provided to the Company: (a) as at 30 June 2020, the unaudited total and net assets of Solution Apex were approximately HK\$58,439,000 and HK\$505,000, respectively; (b) for the financial years ended 31 December 2018 and 2019, Solution Apex did not record any revenue; (c) for the year ended 31 December 2018, Solution Apex recorded profit (before and after tax) of approximately HK\$109,000; and (d) for the year ended 31 December 2019, Solution Apex recorded profit (before and after tax) of approximately HK\$109,000.

As disclosed in the section headed “Inside Information” of this announcement, prior to the Purported Investments and the Unexplained Cash Withdrawals, the value of Solution Apex was principally represented by its fixed deposits, cash and bank balances in the amount of HK\$58,438,821.75. With the depletion of the Utilized Cash and the Withdrawn Cash and the Impairments, the carrying value of the Group’s investment in Solution Apex was reduced to nil.

### **Completion**

Completion is not subject to any condition precedent, and has already taken place simultaneously with the signing of the Disposal Agreement. Upon and following the Completion of the Disposal, Solution Apex has ceased to be a subsidiary of the Company.

### **Consideration**

The consideration for the Disposal comprises a cash consideration of HK\$1 payable on Completion, as adjusted by the mechanisms of the Outcome Sharing Adjustment (if any) as defined below.

The Disposal Agreement provides that any proceeds and outcome howsoever arising or deriving from, directly or indirectly, all or any of the economic value recovered by the Purchaser from Solution Apex or its assets or the Inter-company Account (if any), including any monetary damages or assets recovered through the Recovery Actions or otherwise subsequent to Completion (after deducting the related litigation, enforcement, disposal and recovery costs) shall be distributed between the Company and the Purchaser in the proportions of 99% and 1% (the “**Outcome Sharing Adjustment**”). Further, the Purchaser is expected to inform the Company on the progress and status of the Recovery Actions on a timely basis.

## **REASONS FOR THE DISPOSAL**

The Company is an investment holding company and its subsidiaries are principally engaged in the provision and operation of travel business, treasury management business, money lending business and provision of securities, asset management and financial advisory services.

The consideration for the Disposal was determined after arm’s length negotiation between the Company and the Purchaser with reference to the prospect of the Recovery Actions. The Directors are of the view that the Disposal can limit the Group’s exposure on, and enable the Group to stay away from, the uncertainties of litigation, while being able to retain the majority outcome and proceeds of such actions through the mechanism of Outcome Sharing Adjustment. Accordingly, the Directors are of the view that the terms and conditions of the Disposal (including the consideration and the mechanism of Outcome Sharing Adjustment) are fair and reasonable and that the entering into of the Disposal Agreement is in the best interests of the Company and its shareholders as a whole.

As the carrying value of the Disposal Interests was already reduced to nil as a result of the Impairments, the Disposal alone is not expected to result in any gain or loss on disposal. However, the Impairments have resulted in impairment losses of HK\$58,439,000 which will be recognized in the Group's consolidated financial statements for the year ending 31 December 2020. If the Company receives any Outcome Sharing Adjustment in future, such additional consideration pursuant to the Outcome Sharing Adjustment will be treated as gains on disposal and be applied for general working capital of the Group. As Solution Apex was investment holding in nature and did not have any business connection with the rest of the Group, the Directors are of the view that the Disposal should not cause any material adverse impact to the business and operations of the Group.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As certain applicable percentage ratio calculated in accordance with the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the following meanings:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Global Mastermind Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8063)
“Completion”	the completion of the Disposal
“connected person(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Interests by Durable Gold to the Purchaser pursuant to the Disposal Agreement

“Disposal Agreement”	the sale and purchase agreement entered into between Durable Gold, the Company and the Purchaser on 29 December 2020 in relation to the Disposal
“Disposal Interests”	the entire issued share capital of Solution Apex, together with the Inter-company Account
“Durable Gold”	Durable Gold Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Oasis Rainbow Holdings Limited, a company incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

