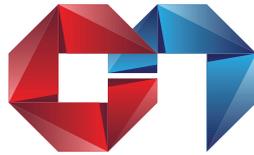


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GLOBAL MASTERMIND

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)

DISCLOSEABLE AND EXEMPTED CONNECTED TRANSACTION REGARDING THE DISPOSAL OF 49% EQUITY IN A SUBSIDIARY

The Board announces that on 26 March 2021, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Disposal Interests (i.e. 49% shareholding in the Target Company) for a total cash consideration which is equivalent to 49% of the net assets of the Target Company, which is currently estimated to be approximately S\$108,000 (HK\$626,000).

As one of the applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Disposal is 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.

The Purchaser is wholly owned by Mr. Fung who is a director and the chief executive officer of the Target Company (being a subsidiary of the Company), and is therefore a connected person of the Company at the subsidiary level. The Disposal constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Pursuant to Rule 20.99 of the GEM Listing Rules, as the Disposal was approved by the Board and confirmed by the independent non-executive Directors as being fair and reasonable, and the terms of the Disposal were confirmed by the independent non-executive Directors as being on normal commercial terms and in the interests of the Company and the shareholders as a whole, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under the GEM Listing Rules.

* For identification purposes only

The Board announces that on 26 March 2021, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Disposal Interests (i.e. 49% shareholding in the Target Company) for a total cash consideration which is equivalent to 49% of the net assets of the Target Company, which is currently estimated to be approximately S\$108,000 (HK\$626,000).

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are as follows:

Date

26 March 2021

Parties

(1) Vendor

(2) Purchaser

The Purchaser is a company incorporated in Singapore with limited liability. According to the information provided by the Purchaser, the Purchaser is an investment holding company wholly, ultimately and beneficially owned by Mr. Fung Chung Yuen Steve (“**Mr. Fung**”), a director and the chief executive officer of the Target Company and a connected person of the Company at the subsidiary level under the definition of the GEM Listing Rules. Save and except for Mr. Fung’s directorship in the Target Company, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner (i.e. Mr. Fung) is a third party independent of and not connected with the Company and its connected persons.

Principal terms of the Disposal

The Disposal Interests represent 49% issued share capital of the Target Company. The Target Company is a company incorporated in Singapore with limited liability and is principally engaged in travel business in Singapore. Prior to the entering into of the Disposal Agreement, the entire issued share capital of the Target Company was owned by the Vendor.

The Disposal Agreement provides for, among other things, the following principal terms:

- (1) The Company's planned cash injection to the Target Company for the first quarter of 2021 is S\$608,000 (HK\$3,526,000) (the "**Advance from the Company**").
- (2) The remaining cash required by the Target Company for its operational needs this year will be met by external loans to be applied by the Target Company under the efforts of Mr. Fung, failing which by the financial support of Mr. Fung and the Vendor, respectively.
- (3) After Completion, any shareholder who wishes to sell its shares in the Target Company shall serve a notice of sale to the other shareholder(s), and the non-selling shareholder(s) shall have the right of first refusal to acquire the shares from the selling shareholder at the same terms as stipulated in the notice of sale.
- (4) The Target Company is currently indebted to Mr. Fung for an amount of approximately S\$2,033,000 (HK\$11,791,000) (the "**Advance from Mr. Fung**"). Subject to Completion of the Disposal, Mr. Fung will not demand repayment of S\$1,925,000 (HK\$11,165,000) out of the Advance from Mr. Fung: (a) until and unless the Advance from the Company is repaid in full by the Target Company; and (b) at least for the period of eighteen months after Completion.

The consideration for the Disposal, which is equivalent to 49% of the net assets of the Target Company, shall be payable by the Purchaser to the Vendor (or as the Vendor shall direct) in cash within ten business days after the finalisation of the Audited Accounts of the Target Company. Based on the unaudited management accounts of the Target Company provided by its management and on the basis of the unaudited net assets of the Target Company as at 31 December 2020 of approximately S\$220,000 (HK\$1,276,000), the consideration for the Disposal Interests is currently estimated to be S\$108,000 (HK\$626,000).

Completion is subject to the finalisation of the Audited Accounts of the Target Company. If the consideration for the Disposal is not received by the Vendor within two months after the signing of the Disposal Agreement, the Vendor may in its own discretion elect to: (i) continue to perform the Disposal Agreement and to demand payment of consideration from the Purchaser; or (ii) to rescind the Disposal Agreement and demand the reversal of any transfer or assignment of the Disposal Interests.

FINANCIAL INFORMATION OF THE TARGET COMPANY

According to the unaudited management accounts of the Target Company provided by its management: (a) as at 31 December 2020, the unaudited total and net assets of the Target Company were approximately S\$7,063,000 (HK\$40,965,000) and S\$220,000 (HK\$1,276,000), respectively; (b) for the year ended 31 December 2019, the Target Company recorded audited revenue, loss before tax and loss after tax in the approximate amounts of S\$4,522,000 (HK\$26,228,000), S\$13,980,000 (HK\$81,084,000) and S\$13,940,000 (HK\$80,852,000), respectively; (c) for the year ended 31 December 2018, the Target Company recorded audited revenue, profit before tax and profit after tax in the approximate amounts of S\$5,325,000 (HK\$30,885,000), S\$137,000 (HK\$795,000) and S\$129,000 (HK\$748,000), respectively.

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 Target Company is the principal operating company of the travel segment of the Group, engaging in the provision of business travel, leisure travel, event organisation and hotel room wholesale services in Singapore. In 2019, the Target Company has suffered a substantial loss of approximately S\$13,940,000 (HK\$80,852,000) due to severe market competition, global economic instability and impairment loss on trade receivables. In 2020, the Target Company is expected to continue to suffer a substantial loss due to the adverse impact by the COVID-19 pandemic. As it takes time for the vaccination to roll out, the Board expects that the Target Company is unlikely to turnaround to profit at least for the year ending 31 December 2021.

The consideration for the Disposal was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the Company's net assets, its current cash flow and financial position and loss-making situation. The Directors are of the view that the Disposal can benefit the Company on the following aspects, namely: (a) to reduce the Company's exposure on further loss and further capital requirements of the Target Company; (b) to provide incentive to Mr. Fung, being the key management person of the Group's travel business, through the joint equity holding with him as a matter of alignment of his economic benefit with the future growth and development of the Target Company. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Disposal (including the consideration) 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. No Director regarded himself to have a material interest or perceived conflict in the transactions which requires him to disclose his interest and/or to abstain from voting on Board level regarding the Disposal.

As the estimated consideration for the Disposal of S\$108,000 (HK\$626,000) is tied with 49% of the net assets of the Target Company, the Group is not expected to record any significant gain or loss on the Disposal. The Company would like to emphasize that the actual gain/loss on the Disposal and actual impact on net assets are still subject to the finalisation of the Audited Accounts of the Target Company and further review and adjustments and may be materially different from the estimations set out above in this announcement. After Completion, the Target Company will change from a wholly-owned subsidiary to a 51% owned subsidiary of the Company. As the Company will continue to consolidate the results of the Target Company after the Disposal, the Directors are of the view that the Disposal would not cause any material adverse impact to the business and operations of the Group. The Company intends to utilize the consideration for the Disposal for its general working capital purposes.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Disposal is 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.

The Purchaser is wholly owned by Mr. Fung who is a director and the chief executive officer of the Target Company (being a subsidiary of the Company), and is therefore a connected person of the Company at the subsidiary level. The Disposal constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Pursuant to Rule 20.99 of the GEM Listing Rules, as the Disposal was approved by the Board and confirmed by the independent non-executive Directors as being fair and reasonable, and the terms of the Disposal were confirmed by the independent non-executive Directors as being on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval 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:

“Audited Accounts of the Target Company”	the audited financial statements of the Target Company forming the basis of the consolidation of the Group’s audited accounts for the year ended 31 December 2020
“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 the Vendor to the Purchaser pursuant to the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser on 26 March 2021 in relation to the Disposal
“Disposal Interests”	49% of the issued share capital of the Target Company held by the Vendor
“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
“Purchaser”	Universal Advisory Pte Ltd, a company incorporated in Singapore with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore Dollars, the lawful currency of Singapore
“Target Company”	Safe2Travel Pte Ltd, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Vendor prior to the entering into of the Disposal Agreement
“Vendor”	Harvest Well International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Group

In this announcement, amounts denominated in S\$ have been converted into HK\$ at the exchange rate at S\$1.00 = HK\$5.80 for illustration purposes only.

By Order of the Board
Global Mastermind Holdings Limited
Cheung Kwok Wai, Elton
Chairman & Executive Director

Hong Kong, 26 March 2021

As at the date of this announcement, the Board comprises Mr. Cheung Kwok Wai, Elton, Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan as executive Directors; and Mr. Law Kwok Ho, Kenward, Mr. Fung Wai Ching and Mr. Lai Hok Lim as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least seven days from the date of its posting and on the Company’s website at www.globalmholdings.com.