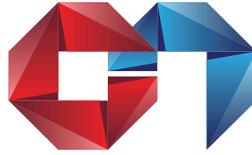


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GLOBAL MASTERMIND

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 TRANSACTION REGARDING THE DISPOSAL OF A SUBSIDIARY

The Board announces that on 30 August 2021 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company), 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 for the 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

30 August 2021 (after trading hours)

Parties

- (1) Vendor: Durable Gold Investments Limited (a wholly-owned subsidiary of the Company)
- (2) Vendor's Guarantor: the Company
- (3) Purchaser: Mr. Lee Yuk Tong

* *For identification purposes only*

The Vendor

The Vendor 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. Prior to the Disposal, the Vendor was the holding company of the Target Company.

The Purchaser

The Purchaser is a Hong Kong resident and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

The Target Group

The Target Company is a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Vendor prior to the Disposal, and an investment holding company without active business operations, with its principal asset being its investment in 51% shareholding in the Operating Company. The Operating Company is a company incorporated in Singapore with limited liability, whose principal activity is travel business in Singapore.

According to the Unaudited Management Accounts of the Target Group: (a) as at 30 June 2021, the total assets, total liabilities and net liabilities of the Target Group were approximately HK\$39,626,000, HK\$68,336,000 and HK\$28,710,000, respectively; (b) as at 30 June 2021, the net sum owed by the Target Group to the Remaining Group (the “**Inter-company Accounts**”) had a face value of HK\$10,696,000; (c) for the year ended 31 December 2020, the Target Group recorded revenue, loss before tax and loss after tax of approximately HK\$3,521,000, HK\$111,413,000 and HK\$111,413,000, respectively; and (d) for the year ended 31 December 2019, the Target Group recorded revenue, loss before tax and loss after tax of approximately HK\$26,019,000, HK\$11,658,000 and HK\$11,431,000, respectively.

The Disposal Interests

The Disposal Interests comprise: (a) the entire issued share capital of the Target Company; and (b) the Inter-company Accounts owed by the Target Group to the Remaining Group as at the date of the Disposal Agreement. According to the Unaudited Management Accounts of the Target Group, as at 30 June 2021, the Inter-company Accounts had a face value of HK\$10,696,000. As at the date of the Disposal Agreement, the Inter-company Accounts had a face value of HK\$12,707,000.

The Impairments

Taking into account the negative operating cash flow, net current liabilities and net liabilities positions of the Operating Company, the Directors cast doubt on the recoverability of the Target Company's investment in the Operating Company, and accordingly resolved to make a full impairment/provision on the carrying values of the Vendor's investment in the Target Company and the Inter-company Accounts (the "**Impairments**").

The Impairments, which are currently expected to be in the approximate aggregate amount of HK\$12,707,000, represent: (a) approximately 2.05% of the Group's unaudited total assets as at 30 June 2021 of approximately HK\$620,635,000; and (b) approximately 2.88% of the Group's unaudited net assets as at 30 June 2021 of approximately HK\$440,726,000.

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, the Target Company and the Operating Company have ceased to be subsidiaries 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 the Purchaser shall use its endeavours to preserve the value of the assets of the Target Group. If the Purchaser successfully recovers any value in the assets of the Target Group subsequent to the Completion, any proceeds recovered shall be distributed between the Vendor and the Purchaser in the proportions of 70% to 30% (the "**Outcome Sharing Adjustment**"). The distribution to the Vendor under the Outcome Sharing Adjustment is limited to the net amount in the Inter-company Accounts of HK\$12,707,000. Any proceeds recovered above such amount shall be fully distributed to the Purchaser.

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 Group is engaged in the travel business including the provision of business travel, leisure travel, event organization and hotel room wholesale services in Singapore. In the year ended 31 December 2019, the Target Group has suffered a loss of approximately HK\$11,431,000 due to severe market competition and global economic instability. In the year ended 31 December 2020, the loss suffered by the Target Group further increased to approximately HK\$111,413,000 due to the adverse impact by the COVID-19 pandemic and impairment loss on trade receivables. During the six months ended 30 June 2021, the travel business segment (principally comprising the Target Group) only recorded revenue of HK\$457,000 (representing an 81% decrease as compared to the comparative period last year) but recorded a reportable segment loss of HK\$7,553,000, principally due to the persistent seriousness of the COVID-19 pandemic. With the increased cases of new COVID-19 variants, it is expected that travel restrictions will remain tight and the Target Group will continue to suffer from substantial loss in the second half of 2021.

According to the Unaudited Management Accounts of the Target Group, as at 30 June 2021, the cash and bank balances of the Target Group were only approximately HK\$1,730,000, and its bank borrowings amounted to approximately HK\$15,279,000 which was fortified by the corporate guarantee given by the Company in favour of the bank in the past (the “**Guaranteed Liabilities**”). As of the date of this announcement, the Guaranteed Liabilities amounted to S\$2,246,000 (HK\$12,937,000). In addition, a deed of indemnity for the indemnified amount of up to S\$1,000,000 (HK\$5,760,000) was given by the Company to indemnify an insurance company in respect of claims on a performance bond with an international body in airline industry (the “**Indemnified Liabilities**”) to enable the Target Group (as a travel agency) to issue air tickets. Due to the low cash position of the Target Group, it is expected that further capital is required to be injected and/or financial commitments is required to be made to support its debt financing.

The Directors are of the view that the Disposal can reduce the Group’s continual exposure to further loss and capital requirements of, and further financial commitments to, the Target Group. The consideration for the Disposal was determined after arm’s length negotiation between the Vendor and the Purchaser with reference to the Target Group’s net liabilities and loss-making situation. Despite the present nil value of the Inter-company Accounts, the Outcome Sharing Adjustment mechanism can enable the Group to recoup some loss if the Purchaser’s value preserving efforts on the Target Group are successful. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Disposal (including the consideration and the Outcome Sharing Adjustment mechanism) 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 the Board level regarding the Disposal.

Upon the completion of the Disposal, the Company is expected to make further provisions in the aggregate amount of approximately HK\$18,697,000 (the “**Further Provisions**”), representing the Guaranteed Liabilities and Indemnified Liabilities previously committed by the Company. As the carrying values of the Disposal Interests were 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 Disposal, when aggregated with the Impairments and the Further Provisions, might result in losses of HK\$31,404,000 recognized for the year ending 31 December 2021. If the Vendor 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. The Directors are of the view that the Disposal should not cause any material adverse impact to the remaining business and operations of the Group.

BUSINESS DEVELOPMENT PLANS OF THE TRAVEL SEGMENT

Before the outbreak of the COVID-19 pandemic in the first quarter of 2020, the Group’s travel business was principally carried out in Singapore and focused on air travel and flight ticketing. With the severe delay of travel bubble between Hong Kong and Singapore and the persistent effect of the COVID-19 pandemic, the Group intends to cut loss on its Singapore travel business. The Group’s travel segment intends to leverage on its past experience in travel industry and has formulated business plans to develop its travel business in the Guangdong-Hong Kong-Macao Greater Bay Area focusing on land transport and short-distance trips, which are believed to be less vulnerable to the COVID-19 pandemic and can recover more quickly when the travel restrictions within the area are relaxed or lifted.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain applicable percentage ratios 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 the Vendor to the Purchaser pursuant to the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement entered into between the Vendor, the Company and the Purchaser on 30 August 2021 in relation to the Disposal
“Disposal Interests”	the entire issued share capital of the Target Company, together with the Inter-company Accounts owned by the Target Group to the Remaining Group as at the date of the Disposal Agreement
“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 People’s Republic of China

“Operating Company”	Safe2Travel Pte Ltd, a company incorporated in Singapore with limited liability and a 51%-owned subsidiary of the Target Company
“Purchaser”	Mr. Lee Yuk Tong, the purchaser of the Disposal Interests
“Remaining Group”	the Group, excluding the Target Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore Dollars, the lawful currency of Singapore
“Target Company”	Harvest Well International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor prior to the entering into of the Disposal Agreement
“Target Group”	the Target Company and its subsidiaries, including the Operating Company
“Unaudited Management Accounts of the Target Group”	the unaudited management accounts of the Target Company, consolidating the unaudited management accounts or the unaudited financial statements of the Operating Company (as the case may be) which were compiled by the management of the Operating Company and provided to the Company
“Vendor”	Durable Gold Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

In this announcement, amounts denominated in S\$ have been converted into HK\$ at the exchange rate at S\$1.00 = HK\$5.76 for illustration purposes only.

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

Hong Kong, 30 August 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.