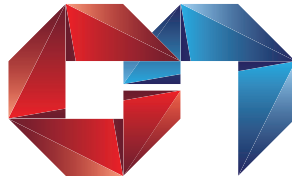


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GLOBAL MASTERMIND
環球大通

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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to the annual report of Global Mastermind Holdings Limited (the “**Company**”) for the year ended 31 December 2018 (the “**Annual Report**”) published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 29 March 2019. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the Company would like to further inform the shareholders of the Company and potential investors the following information:

Impairment loss on loan receivables and trade receivables

With effect from 1 January 2018, the Group adopted the Hong Kong Financial Reporting Standard 9 “Financial Instruments” (“**HKFRS 9**”) that has changed the Group’s impairment model by replacing the Hong Kong Accounting Standard 39 “incurred loss model” to “expected credit loss (“**ECL**”) model”. The details of the difference on the accounting policies in respect of the impairment assessment of financial assets are set out on Note 3 “Significant Accounting Policies” to the consolidated financial statements in the Annual Report.

* *For identification purposes only*

The Group engaged independent professional qualified valuers to assess of the ECL of the loan receivables and trade receivables of the travel business in Singapore for impairment testing.

As stated in the valuation reports, based upon the investigation and analysis and the valuation method employed, the total amount of the ECL of the Group's loan receivables and trade receivables of the travel business in Singapore as at 31 December 2018 have been identified.

Allowance for credit losses for the loan receivables and trade receivables of the travel business in Singapore of HK\$13,304,000 and HK\$24,306,000 were recognised in the year ended 31 December 2018 respectively.

Impairment loss on loan receivables

The Group performs impairment assessment by applying the HKFRS 9 general approach for all loan receivables on the basis of allowance of 12-month ECL for items without significant increase in credit risk and lifetime ECL for items with increase in credit risk with reference to ECL valuation prepared by Grant Sherman Appraisal Limited. The management of the Group was of the view that two loan receivables were deemed to display a significant increase in credit risk due to the extension of their maturity dates during the reporting year. As a result, the assessment of the expected credit losses of these two receivables were based on lifetime ECL. The assessment of the expected credit losses of the rest of the loan receivables were based on 12-month ECL. The ECL of loan receivables is calculated as the product of the three factors: (1) gross credit exposure; (2) probability of default over 12 months following the reporting date for 12-month ECL or over the entire life following the reporting date for lifetime ECL; and (3) recovery rate in case of insolvency in Hong Kong. The probability of default is derived through the application of a linear multiple regression model, which estimates the statistical relationship between a dependent variable and multiple independent variables. To reflect any current or forward-looking information affecting the borrowers' ability to settle the loan, certain adjustments have been made in the process of deriving the appropriate probability of default. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of the reporting period about past events, current conditions and forecasts of future economic conditions.

Impairment loss on trade receivables

Based on the valuation performed by Norton Appraisals Holdings Limited, the valuation valued the trade receivables on the basis of fair value which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." For the purpose of valuation, the valuer has observed and followed the HKIS Valuation Standards 2017 issued by the Hong Kong Institute of Surveyors, International Valuation Standards 2017 issued by International Valuation Standards Council and the definition and standard laid down by HKFRS 9.

The Group performs impairment assessment by applying the HKFRS 9 simplified approach for all trade receivables on the basis of allowance of lifetime ECL for items with reference to ECL valuation prepared by Norton Appraisals Holdings Limited. Credit losses for trade receivables were assessed on both individual and collective basis. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the number of days past due.

The ECL of trade receivables is calculated as the product of the three factors: (1) probability of default over the entire life following the reporting date for lifetime ECL; (2) exposure at default; and (3) recovery ratio. The probability of default is the expected default rate determined with reference to both qualitative and quantitative factors regarding the trade receivables which included but not limited to repayment history, debtor's credit ratings and financial position, and economic outlook. Exposure at default is equivalent to the sum of outstanding principal and accrued interest of the receivables. The determination of recovery ratio refers to the value of collaterals and other pertinent factors. Different scenarios are constructed to assess the potential magnitude of ECL. After assigning an expected probability to respective scenarios, ECL will end up being the scenario-weighted figure.

The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

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

Hong Kong, 16 April 2019

As at the date of this announcement, Board comprises Mr. Cheung Kwok Wai, Elton, Mr. Mung Kin Keung, Mr. Mung Bun Man, Alan and Mr. Tse Ke Li as executive Directors; and Mr. Law Kwok Ho, Kenward, Mr. Tsai Yung Chieh, David and Mr. Fung Wai Ching 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 Company Announcements" page for at least seven days from the date of its posting and on the Company's website at <http://www.globalmholdings.com>.