GLOBAL MASTERMIND CAPITAL LIMITED

環球大通投資有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 905)

2019 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") of Global Mastermind Capital Limited (the "**Company**") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2019 together with comparative figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**1,868**	1,563
Other income	*5*	**67**	63
Loss arising in change at fair value of financial assets at fair value through profit or loss		**(5,261)**	(46,886)
Administrative expenses and other operating expenses		**(9,924)**	(11,426)
Finance costs	*6*	**(437)**	(178)

* *For identification purposes only*

		Six months ended 30 June	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss before income tax	*7*	**(13,687)**	(56,864)
Income tax expense	*8*	**–**	–
Loss and total comprehensive loss for the period attributable to owners of the Company		**(13,687)**	(56,864)
Loss per share	*9*		
Basic and diluted *(HK cent(s))*		**(1.95)**	(8.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	**30 June 2019**	31 December 2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,583**	4,431
Right-of-use assets		**7,931**	–
Intangible assets		**5,785**	5,785
		17,299	10,216
Current assets			
Prepayments		**272**	424
Other receivables		**5,252**	7,401
Deposits paid		**1,068**	1,069
Amount due from a related company		**517**	330
Financial assets at fair value through profit or loss	*11*	**361,399**	361,790
Cash and cash equivalents		**29,801**	38,500
		398,309	409,514
Current liabilities			
Accruals and other payables		**23,020**	20,586
Lease liabilities		**4,682**	–
Amount due to a related company		**–**	920
		27,702	21,506
Net current assets		**370,607**	388,008
Total assets less current liabilities		**387,906**	398,224

	Notes	30 June 2019 HK$'000 (Unaudited)	31 December 2018 HK$'000 (Audited)
Non-current liabilities			
Other financial liability			
– non-convertible bond		**9,919**	9,899
Lease liabilities		**3,349**	–
		13,268	9,899
Net assets		**374,638**	388,325
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**7,003**	7,003
Reserves		**367,635**	381,322
Total equity		**374,638**	388,325
Net asset value per share *(HK$)*		**0.53**	0.55

NOTES

For the six months ended 30 June 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was domiciled in Hong Kong and incorporated in the Cayman Islands and continued in Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is situated at Unit 3107, 31/F, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (the "**Group**") include the investments in listed and unlisted financial instruments.

The unaudited condensed consolidated financial statements of the Group (the "**Interim Financial Information**") have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Interim Financial Information have been prepared in accordance with the same accounting policies applied in 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the Interim Financial Information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The Interim Financial Information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**").

The Interim Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Interim Financial Information are presented in Hong Kong dollar and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and Interpretations (collectively referred to as the "**new and revised HKFRSs**") issued by the HKICPA, which are effective for the Group's financial period beginning from 1 January 2019. A summary of the new and revised HKFRSs applied by the Group is set out as follows:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except for application of HKFRS 16 stated below, the application of other new and revised HKFRSs has no material impact on the Interim Financial Information for the current and/or prior periods.

The Group has not applied any new and revised HKFRSs that have been issued but not yet effective for the current accounting period.

HKFRS 16 *Leases*

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 superseded HKAS 17 *Lease* and the related interpretations.

(i) Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provision of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term lease and lease of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the dare the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;

- any lease payments made at or before the commencement date, less any lease incentives received;

- any initial direct costs incurred by the Group; and

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lase commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;

- variable lease payments that depend on an index or a rate;

- amounts expected to be paid under residual value guarantees;

- the exercise price of a purchase option reasonably certain to be exercised by the Group; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease portion of lease liabilities resulting in net deductible temporary differences.

(ii) Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance which requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating lease under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

(ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

(iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(iv) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain lease of properties in Hong Kong was determined on a portfolio basis; and

(v) use hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities and right-of-use assets of approximately HK$9,663,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating lease, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5.13%.

	At 1 January 2019 *HK$'000*
Operating lease commitments disclosed at 31 December 2018	10,386
Lease liabilities at 1 January 2019	9,663
Analysed as	
Current	3,307
Non-current	6,356
	9,663

The carrying amount of right-of-use assets at 1 January 2019 comprises the following:

	Right-of-use assets *HK$'000*
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	9,663
By class:	
Buildings	9,663

Impact on the condensed consolidated statement of financial position

	Carrying amounts previous report at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Right-of-use assets	–	9,663	9,663
Current liabilities			
Lease liabilities	–	3,307	3,307
Non-current liabilities			
Lease liabilities	–	6,356	6,356

Note:

For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position at 1 January 2019 as disclosed above.

3. REVENUE

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend income	**1,093**	1,483
Interest income	**775**	80
	1,868	1,563

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The Group's principal activity is investment in listed and unlisted companies. The executive directors regard it as a single business segment and no segment information is presented.

5. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Others	**67**	63

6. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on:		
Other financial liability		
– non-convertible bond	**119**	118
Finance lease	**–**	2
Lease liabilities	**230**	–
Other interest expenses to financial institutions	**88**	58
	437	178

7. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging:		
Exchange loss	**152**	19
Depreciation of property, plant and equipment	**848**	288
Depreciation of right-of-use assets	**1,723**	–
Staff costs	**1,844**	2,181
Directors' remuneration	**2,400**	4,035
Operating lease charges on premise	**10**	19

8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax/the People's Republic of China (the "**PRC**") Enterprise Income Tax has been made for the six months ended 30 June 2019 and 30 June 2018 as the Group had no assessable profit arising in or derived from Hong Kong and PRC or the taxable profits was wholly absorbed by estimated tax losses brought forward from prior years.

9. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to owners of the Company)	**(13,687)**	(56,864)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**700,334**	700,334

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation for the six months ended 30 June 2019 and 30 June 2018, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share for both periods.

10. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed equity and debt securities		
– Equity securities in Hong Kong, at fair value	**297,146**	280,310
– Equity securities outside Hong Kong, at fair value	**1,775**	24,038
	298,921	304,348
Unlisted equity and debt securities	**62,478**	57,442
	361,399	361,790

At the end of the reporting period, financial assets at fair value through profit or loss are stated at fair value.

The fair values of listed equity securities (except for the suspended trading security as stated below) are determined based on the quoted market closing prices available on the relevant stock exchanges at the end of the reporting period.

At the end of reporting period, the fair value of suspended trading security listed in Hong Kong with the amount of approximately HK$4,351,000 was reference to the valuation carried out by Graval Consulting Limited, a firm of independent qualified professional valuers. The fair value of suspended trading security listed in Hong Kong was valued by using the market approach with a discount rate of negative 74.85% at 30 June 2019. The discount rate is used to reflect the risk of exposure to corporate governance, illiquidity and financial distress etc. perceived by market participants who hold the suspended shares with remote likelihood of trade resumption.

The fair values of unlisted equity securities was arrived on the basis of valuation carried out by APAC Appraisal and Consulting Limited. The fair value of the the unlisted equity securities was valued by using market approach or asset-based approach as appropriate.

The unlisted equity securities valued by using market approach was valued with average price-to-sale multiples ranging from 5.12 to 5.93 and marketability discount ranging from 25% to 35%.

The unlisted equity securities valued by using asset-based approach was valued with unit rate of property value and minority discount of 5%.

12. CONTINGENCIES

The Group had no material contingent liabilities at the end of the reporting period.

13. INVESTMENT

Pursuant to the requirements stipulated in Chapter 21.12 of the Listing Rules, the Group discloses its list of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 30 June 2019 and 31 December 2018 respectively as follows:

At 30 June 2019

Name of equity securities	Percentage of equity interest held	Net assets attributable to the Company	Cost of investment	Market value/ fair value at 30 June 2019	Dividend received
	%	*HK$000*	*HK$000*	*HK$000*	*HK$000*
Listed equity securities in Hong Kong					
Affluent Partners Holdings Limited	**2.02**	**4,008**	**29,341**	**41,944**	**–**
Beijing Enterprises Water Group Limited	**0.04**	**16,996**	**19,349**	**18,077**	**307**
Brockman Mining Limited	**2.93**	**16,094**	**44,597**	**44,024**	**–**
China Information Technology Development Limited	**3.33**	**13,415**	**26,435**	**17,858**	**–**
China State Construction International Holdings Limited	**0.04**	**17,129**	**19,562**	**15,254**	**–**
Greenland Hong Kong Holdings Limited	**N/A**	**N/A**	**15,600**	**16,219**	**–**
Huayi Tencent Entertainment Company Limited	**1.35**	**11,583**	**103,487**	**28,631**	**–**
Kaisa Group Holdings Ltd	**0.17**	**84,949**	**36,849**	**39,009**	**–**
Kingston Financial Group Limited	**0.07**	**15,826**	**36,608**	**15,900**	**–**
Unlisted equity securities outside Hong Kong					
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	**N/A**	**N/A**	**7,800**	**17,393**	**–**
			339,628	**254,309**	

At 31 December 2018

Name of equity securities	Percentage of equity interest held *%*	Net assets attributable to the Company *HK$'000*	Cost of investment *HK$'000*	Market value/ fair value at 31 December 2018 *HK$'000*	Interest/ Dividend received *HK$'000*
Listed equity and debt securities in Hong Kong					
Affluent Partners Holdings Limited	2.21	4,793	29,341	43,442	–
Beijing Enterprises Water Group Limited	0.04	15,650	19,349	15,545	662
Brockman Mining Limited	2.95	16,198	44,597	48,616	–
China Information Technology Development Limited	3.33	14,850	26,435	17,858	–
Frontier Services Group Limited	0.41	4,920	9,597	12,008	–
Greenland Hong Kong Holdings Limited	N/A	N/A	15,600	15,758	770
Huayi Tencent Entertainment Company Limited	1.35	11,737	103,487	35,378	–
Kingston Financial Group Limited	0.07	15,363	36,608	18,600	200
Listed equity securities outside Hong Kong					
Kuang-chi Technologies Co., Ltd.	0.09	7,975	25,036	22,402	–
Unlisted equity securities outside Hong Kong					
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	N/A	N/A	7,800	17,393	–
			317,850	247,000	

(a) Affluent Partners Holdings Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 01466). Affluent Partners Holdings Limited is principally engaged in purchasing, processing, designing, production and wholesaling and distribution of pearls and jewellery products and operation of strategic investment and financial service segment.

For the year ended 31 March 2019, the audited consolidated loss attributable to the owners of the company was approximately HK$42,816,000 and its audited consolidated net assets was approximately HK$197,978,000.

(b) Beijing Enterprises Water Group Limited was incorporated in the Bermuda and its shares are listed on the Stock Exchange (stock code: 00371). Beijing Enterprises Water Group Limited is principally engaged in water treatment business, construction and technical services for the water environmental renovation.

For the six months ended 30 June 2019, the unaudited consolidated profit attributable to the owners of the company was approximately HK$2,769,856,000 and its unaudited consolidated net assets was approximately HK$43,692,192,000.

(c) Brockman Mining Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00159). Brockman Mining Limited is principally engaged in iron mine acquisition, exploration and development in Western Australia and exploitation, processing and sales of copper ore concentrate in the PRC.

For the six months ended 31 December 2018, the unaudited consolidated loss attributable to the owners of the company was approximately HK$12,245,000 and its unaudited consolidated net assets was approximately HK$549,486,000.

(d) China Information Technology Development Limited was incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange (stock code: 08178). China Information Technology Development Limited is principally engaged in the sales of computer hardware and the provision of software development, system integration, as well as technical support and maintenance services and leasing of in-house developed computer hardware.

For the six months ended 30 June 2019, the unaudited consolidated loss attributable to the owners of the company was approximately HK$52,026,000 and its unaudited consolidated net assets was approximately HK$403,343,000.

(e) China State Construction International Holdings Limited was incorporated in Cayman Islands and its shares are listed on the Stock Exchange (stock code: 3311). China State Construction International Holdings Limited is an investment holding company principally engaged in construction contracts business, infrastructure project investments, facade contracting business, infrastructure operation, and building construction, civil and foundation engineering works. The Company operates its business through Hong Kong, Mainland China, Macau and Overseas.

For the six months ended 30 June 2019, the unaudited consolidated profit attributable to the owners of the company was approximately HK$2,861,645,000 and its unaudited consolidated net assets was approximately HK$45,470,466,000.

(f) Greenland Hong Kong Holding Limited (stock code: 00337) issued a maximum principal amount of USD200,000,000 1.5 year 9.875% coupon interest bonds international bond on 18 December 2018 and listed on the Stock Exchange (stock code: 05485) with the coupon rate 9.875%, interest payable semi-annually and matured on 16 June 2020.

(g) Huayi Tencent Entertainment Company Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00419). Huayi Tencent Entertainment Company Limited is principally engaged in investment and production of films and television series, provision of online health management services for diabetic patients through its cloud health management platform “Kangxun Xuetang”, provision of offline healthcare and wellness services through the operation of a healthcare and wellness center “Beijing Bayhood No.9 Club”.

For the six months ended 30 June 2019, the unaudited consolidated loss attributable to the owners of the company was approximately HK$8,653,000 and its unaudited consolidated net assets was approximately HK$857,327,000.

(h) Kaisa Group Holdings Ltd was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 1638). Kaisa Group Holdings Ltd. is a Hong Kong-based investment holding company principally engaged in property development, property investment, property management, hotel and catering operation and operation of department stores, cinemas and cultural centers. Its properties include Shenzhen Woodland Height, Shenzhen Kaisa Center, Shenzhen Lake View Place, Huizhou Kaisa Center, Shenyang Kaisa Center and Anshan Kaisa Plaza, among others.

For the six months ended 30 June 2019, the unaudited consolidated profit attributable to the owners of the company was approximately RMB2,837,222,000 and its unaudited consolidated net assets was approximately RMB44,878,707,000.

(i) Kingston Financial Group Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 01031). Kingston Financial Group Limited is principally engaged in provision of brokerage, underwriting and placements services for dealings in securities on recognised stock exchanges, provision of credits services in margin and initial public offering financing, provision of corporate finance advisory services, futures brokerage and asset management services, operation of hotels and provision of hotel management services, operation of restaurants in hotels, operation of casino in hotels and trading of listed securities.

For the year ended 31 March 2019, the audited consolidated profit attributable to the owners of the company was approximately HK$1,001,927,000 and its audited net assets was approximately HK$21,545,640,000.

(j) Fund Series 3T SP operates by Click Ventures Segregated Portfolio Company was incorporated in the Cayman Islands. Fund Series 3T SP is principally invested in start-ups at the seed to series A stage in Hong Kong and internationally.

For the year ended 31 December 2018, the unaudited consolidated net assets attributable to holders was approximately US$1,076,000.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

During the six months ended 30 June 2019, the Group recorded a loss attributable to owners of the Company of approximately HK$13,687,000, compared to a loss attributable to owners of the Company of approximately HK$56,864,000 in the corresponding period of 2018. Such decrease was mainly attributable to a decrease in loss arising in change in fair value of financial assets at fair value through profit or loss of approximately HK$46,886,000 for the six months ended 30 June 2018 to of approximately HK$5,261,000 for the six months ended 30 June 2019.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Set out below are the investment objectives, policies and restrictions of the Company:

i. Our investments will normally be made in listed and unlisted companies.

ii. The Group had made investments with a short to long term perspective with the objective of making capital gain as well as income from dividend or interests. Over the years, the Group invested in listed and unlisted securities, bonds, direct investments, projects, properties and structured products. Investments are also made in special or recovery situations.

iii. There is no restriction on the proportion of the Company's assets which may be invested in any specific sector or company save for the restriction that the Company will not make an investment in any company which represents more than 20% of the consolidated net assets of the Company at the time such investment is made.

iv. The Company will not either on its own or in conjunction with any connected person take legal, or effective, management control of underlying investments and that in any event the investment company will not own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in any one company or body.

v. The Directors do not intend to seek bank borrowings until substantially all the Company's funds have been invested and that the Company borrows, the Directors do not intend to borrow amounts representing in aggregate more than the consolidated net assets of the Company at the time the borrowing is made.

Investment review

As at 30 June 2019, the major investments of the Group were approximately HK$298,921,000 of a portfolio of listed financial instrument and approximately HK$62,478,000 of direct investment in unlisted financial instrument. The investment portfolio of the Group mainly comprises equity and debt securities mainly in Hong Kong, Canada and the United States of America.

Dividend from listed equity investments during the six months ended 30 June 2019 was approximately HK$1,093,000. Interest income from debt securities during the six months ended 30 June 2019 was approximately HK$770,000.

The details of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 30 June 2019 respectively is set out in note 13.

The (loss)/gain arising in change in fair value of financial assets at fair value through profit or loss for all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investment of the companies for the six months ended 30 June 2019 as follows

Name of investments	*Notes*	(Loss)/ gain arising in change in fair value of financial assets at fair value through profit or loss *HK$'000*
Listed equity and debt securities in Hong Kong		
Affluent Partners Holdings Limited	*1*	**(1,498)**
Beijing Enterprises Water Group Limited	*2*	**2,532**
Brockman Mining Limited	*3*	**(4,591)**
China Information Technology Development Limited	*4*	**–**
China State Construction International Holdings Limited	*5*	**3,424**
Greenland Hong Kong Holding Limited.	*6*	**461**
Huayi Tencent Entertainment Company Limited	*7*	**(6,747)**
Kaisa Group Holdings Ltd	*8*	**1,958**
Kingston Financial Group Limited	*9*	**(2,700)**
Unlisted equity securities outside Hong Kong		
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	*10*	**–**

Notes:

1 As disclosed in its annual report 2019 of Affluent Partners Holdings Limited (the "Affluent Partners") for the year ended 31 March 2019, the company continued its pace in the transformation through strategic investment and financial services segment. They gradually marched towards becoming an investment enterprise with business diversification especially in real estate related segments. With gradual expansion in real estate investment business, Affluent Partners targets are the countries along "One Belt One Road". They anticipate such investments and the strategic investment and financial services segment will diversify the income streams of the group, and generate additional investment returns on the available funds of the company from time to time. Affluent Partners entered into the collaboration agreement with Equitative Real Estate Limited ("Equitative") in relation to setting up REITs (the "REITs") along Eurasia. They will facilitate the implementation of the REITs, identify assets to seed the REITs, refer clients for investment in the REITs and act as an advisor to and work closely with Equitativa in relation to the REITs.

In the year to come, Affluent Partners will further use its resources as a listed company to add value for the acquisition project to increase its profitability and return. Meanwhile, they will continue enhancing the development of the mature pearls and jewellery business, actively participating in various important jewellery & gem fairs around the world and optimising operation efficiency and productivity in a bid to stay competitive.

2 According to the latest interim result announcement of Beijing Enterprises Water Group Limited ("BJ Ent Water") for the six months ended 30 June 2019, during the period, BJ Ent Water entered into service concession arrangements and entrustment agreements for a total of 1,047 water plants including 875* sewage treatment plants, 140 water distribution plants, 30 reclaimed water treatment plants and 2 seawater desalination plants. They had 20 comprehensive renovation projects under construction during the period. The projects mainly located in Zhejiang Hangzhou, Zhejiang Taizhou, Chengdu Jianyang, Malaysia Terengganu, Inner Mongolia, Sichuan Luzhou, Beijing Daxing and Hebei Hengshui.

In the second half of 2019, BJ Ent Water will endeavour to grasp a strategic move heading towards an asset-light enterprise, and drive the growth of both core and emerging businesses according to its comprehensive innovative and ecological strategies by capitalising on its strategic position as an integrated, leading and professional water environment comprehensive service provider that offers services across the industry chain.

3 As disclosed in the interim report 2018/19 of Brockman Mining Limited ("Brockman Mining") for the six months ended 31 December 2018, Brockman Mining entered into a Farm-in Joint Venture Agreement (the "FJV Agreement") with Polaris Metals Pty Ltd. ("Polaris"), a wholly owned subsidiary of Mineral Resources Limited ("MRL"), on 26 July 2018 for the development of its flagship Marillana Iron Ore Project located in Pilbara region of Western Australia. Under the terms of the FJV Agreement, Polaris will earn a 50% interest in the Marillana Iron Ore Project and MRL will be responsible for development of the mine, construction and operation of the processing plant for an estimated minimum production rate of 20 million tonnes per annum of high quality Marillana product. The funding for the mine development, which is estimated to be a maximum of A$300 million, will be shared by the joint venturers. Under the terms of the FJV Agreement, MRL will use its best endeavours to secure debt funding for Brockman Mining's A$150 million contribution. The capital cost for the process plant construction will be borne entirely by MRL, in return for a service fee to be paid by the joint venture based on production volumes. MRL has also committed to the construction and operation of rail and port infrastructure, which consists of a 320km long light railway connecting Marillana to a port at South West Creek in the Port Hedland inner harbour. It is expected that construction of this railway and port will commence before the end of 2019 and be operational by the end of 2021. The processing plant is scheduled to commence operations concurrently with the railway. The establishment of the joint venture will unlock the value of the Marillana Iron Ore Project and may assist in the future development of its group's other iron ore assets in the Pilbara Region. Brockman Mining is looking forward to working with MRL, an established Australian mining services and processing company. The proven capability of MRL in constructing and operating process plants in the Pilbara region will de-risk the development of the Marillana Iron Ore Project.

4 As disclosed in the interim report 2019 of China Information Technology Development Limited ("China Info Tech") for the six months ended 30 June 2019, China Info Tech has made steady progress in refining its business model, putting more emphasis on their main business in Macro and the future development of DataCube. Leveraging their established brand names including Macro and DataCube, they deliver quality services to its clients. With more centralized resources, they will continue to endeavour to intensify its innovation facilitation and enhance new market expansions.

Meanwhile, China Info Tech has acquired 51% of the equity interest of FULLPAY K.K. (FULLPAY株式會社) ("Fullpay") at a consideration of HK$15,300,000 (the "Acquisition"). Upon the Acquisition, the company owns 67.67% of the equity interest of Fullpay. Fullpay is principally engaged in the sourcing and provision of electronic fund transfer at point of sale ("EFT-POS") terminals and peripheral devices which support WeChat Pay, as well as the provision of relevant EFT-POS installation and system support services, to vendors in Japan.

Subsequent to the period ended 30 June 2019, China Info Tech shall dedicate to pay close attention to the market condition and act accordingly while continue to team up Macro and DataCube so as to synergize their IT capabilities and to jump on the bandwagon of Smart Cities among the businesses.

5 According to the latest interim result announcement of China State Construction International Holdings Limited ("China State Con") for the six months ended 30 June 2019, China State Con fully utilized the competitive advantages and brand value in professional sector to continuously achieve new breakthroughs in government projects such as hospitals, and actively participated in the reconstruction of old districts to seize market opportunities in Hong Kong. During the period, China State Con has entered into new contracts of HK$21,270 million, HK$10,110 million and HK$24,580 million in Hong Kong, Macau and Mainland China respectively. The new contracts represented a significate increase of 33.9% in Hong Kong and a significate increase of 52.5% in Macau as compared with the same period of last year. In Mainland China, the new contracts represented a slight year-on-year decline, with relatively shortened project cycle, which achieved the target of structural adjustment.

In the second half of 2019, China State Con will continue to maintain the leading scale of business in Hong Kong and Macau's construction market. They will actively bid for large-scale government projects and expand private projects such as private residential development and commercial buildings in Hong Kong. In Macau, they will continue to follow up with large-scale government projects and bid for gaming projects to maintain the market share in large-scale construction market and will continue to focus on investment-driven contracting projects and explore opportunities in the reconstruction of old buildings. For the business in Mainland China, they will further promote business transformation, increase investment in government targeted repurchase projects, and actively develop innovative projects.

6 Greenland Hong Kong Holding Limited (stock code: 00337) issued a maximum principal amount of USD200,000,000 1.5 years 9.875% coupon interest bonds international bond on 18 December 2018 and listed on the Stock Exchange (stock code: 05485) with the coupon rate 9.875%, interest payable semi-annually and matured on 16 June 2020.

7 According to the latest interim result announcement of Huayi Tencent Entertainment Company Limited ("Huayi Tencent") for the six months ended 30 June 2019, Huayi Tencent had entered into a Cooperation Framework Agreement during the period under review with Huayi Brothers International Limited (''Huayi Brothers''). According to the agreement, they will collaborate with Huayi Brothers in investing in and carrying out media and entertainment projects, as well as engage Huayi Brothers in providing distribution services for various media and entertainment projects which they own or have acquired the distribution rights in the PRC. For the healthcare and wellness services, ''Beijing Bayhood No.9 Club'' was its major source of revenue. Originally concentrating on high-end customers, it has gradually reinvented its position by extending its target customer group to the mid-end ones.

Looking ahead to the second half of 2019 and the year of 2020, Huayi Tencent expects that, given the successive completion of its investment and development projects commenced in the past two financial years, the season of harvest is now on the horizon. It is anticipated that at least three to four movies of them will be screened across the world and in the PRC in the upcoming 18 months, including productions which have attracted the interest of the market and enthusiastic discussions in both the PRC and Korea.

8 According to the latest interim result announcement of Kaisa Group Holdings Ltd. ("Kaisa Group") for the six months ended 30 June 2019, during the period, Kaisa Group launched favorable products and services to enhance the satisfaction of customers, thereby contributing to the solid growth in its property sales. Sales in first-tier and major second-tier cities where Kaisa Group has strong presence continued to drive the growth. In particular, sales in first-tier cities contributed 40% of its contracted sales, projects such as Shenzhen Yantian Kaisa City Plaza, Shenzhen Bantian Kaisa City Plaza, Shenzhen E Cube, Wuhan Kaisa Plaza, Wuhan Kaisa Yuefu, Zhongshan Kaisa Metro City and Huizhou Riverbank New Town recorded satisfactory results during the period. Kaisa Group acquired a total of 15 parcels of land with estimated attributable gross floor area of approximately 2.5 million sq. m., and undertook 167 real estate projects in 47 cities nationwide. Regarding the redevelopment projects, Kaisa Group successfully obtained a project in Xuhang Town, Jiading District in Shanghai for redeveloping a site of a village in the city into a land for commercial and residential use.

In the second half of 2019, Kaisa Group will also actively grasp opportunities by trying to acquire quality lands opportunely so as to consolidate its business presence in the area. Meanwhile, they will also focus on first-tier and major second-tier cities in Shanghai and Beijing Region, as well as their surrounding areas. They will secure the land supply for the short, medium and long term through ways of public bidding, M&A, urban renewal and development of industrial property.

9 As disclosed in the 2019 annual report of Kingston Financial Group Limited ("Kingston Fin") for the year ended 31 March 2019, glutted with prudent investment sentiment, the global financial market was volatile with significant corrections across major stock markets during the year. As for Hong Kong, the average amount of daily trades and the average volume of daily trades of the Hong Kong Exchanges and Clearing Limited were strong in the first three quarters of 2018. The fourth quarter slowed down and began to adjust due to the escalation of Sino-US trade tensions. During the Year under review, Kingston Fin's revenue from its financial service segment recorded a drop of 2% as compared with the same period in the previous year. In the long run, the integration of the Mainland and Hong Kong financial industry will further provide more opportunities for Kingston Fin. Kingston Fin will continue to seize opportunities brought ahead by the new mechanism of the Hong Kong Exchanges and Clearing Limited and keep expanding its business.

Looking into Macau, the opening of new hotels and diversification of casino operations seemed to help the Macau market to restore momentum. Kingston Fin's hotel and gaming operations in this year recorded satisfactory results. Benefiting from China's economic growth and the completion of the Hong Kong-Zhuhai-Macao Bridge, Macau's gaming and hotel industry are on the good looking side. Emerging new substances such as art, existing multicultural cuisine, and architectural attractions will carry on to boost Macau's tourism industry. Kingston Fin will continue to drive its revenue growth in the region.

10 Fund Series 3T SP operates by Click Ventures Segregated Portfolio Company was incorporated in the Cayman Islands. Fund Series 3T SP is principally invested in start-ups at the seed to series A stage in Hong Kong and internationally.

The directors believe that the future performance of the Hong Kong listed equities held by the Group is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares and fundamentals of an investee company, such as investee company's news, business fundamental and development, financial performance and future prospects. Accordingly, the directors closely monitor the above factors, particularly the fundamentals of each individual investee company in the Group's equity portfolio, and proactively adjust the Group's equity portfolio mix in order to improve its performance.

Liquidity and Financial Resources

As at 30 June 2019, the Group had cash and cash equivalents approximately HK$29,801,000 (as at 31 December 2018: approximately HK$38,500,000).

As at 30 June 2019, the Group had other financial liability of approximately HK$9,919,000 (as at 31 December 2018: approximately HK$9,899,000) and lease liabilities of approximately HK$8,031,000 (as at 31 December 2018: nil).

The gearing ratio (borrowings/total equity) as at 30 June 2019 was 4.8% (as at 31 December 2018: 2.5%). Borrowings included other financial liability.

As at 30 June 2019, the Group had net current assets of approximately HK$370,607,000, as compared to approximately HK$388,008,000 as at 31 December 2018.

As at 30 June 2019, the current ratio of the Group was 14.38 compared to 19.04 as at 31 December 2018.

Charges on assets

At 30 June 2019, a portfolio of listed equity and debt securities held under margin account with carrying amounts of Nil (31 December 2018: HK$32,080,000) have been pledged to secure margin loan from a securities broker in accruals and other payables.

Capital commitment and contingent liabilities

As at 30 June 2019 and 31 December 2018, the Group had no material capital commitment and contingent liabilities.

Foreign exchange exposure

Most of the investments and the business transactions of the Group are denominated in Hong Kong dollars. The Board believes the foreign exchange exposure is minimal.

Share Capital and Capital Structure

As at 30 June 2019, the Company had 700,333,925 shares of HK$0.01 each in issue (31 December 2018: 700,333,925 shares).

Material Acquisitions and Disposals of Subsidiaries

The Group did not have any material acquisition or disposal of subsidiaries during the six months ended 30 June 2019.

Prospects

After experiencing a heavy sell-off in May and recovery in June, the market sentiment is negative and directionless. With the ongoing Trade War between China and United States, Renminbi has fallen below seven to one United States Dollar, and this has escalated the trade war, as the Trump administration designated China as a currency manipulator.

Due to all the uncertainties, we are experiencing a market with high stock volatility and the trading volume lower than usual, investors are observing whether the China – United States trade war will come to an end in the short term and are extra cautious before having a better outlook.

As a result, the company will remain focus on finding and purchase strong companies that are trading at an attractive value, and the company will increase its investment on short – midterm USD bonds, as the interest rate of the United States is expected to drop in the short future.

EMPLOYEES AND REMUNERATION POLICY

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance, qualification, experience and the remuneration policies are reviewed on a regular basis.

There are 13 employees, including 2 executive Directors and 3 independent non-executive Directors. Remuneration policies are reviewed in accordance with the market situation and the performance of individual directors from time to time. In addition to salaries, the Group provides employee benefits such as medical insurance and mandatory provident fund schemes. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The emoluments of the Directors were determined with reference to their duties and responsibilities with the Company, the Company's performance, prevailing market conditions and the market emoluments for directors of other listed companies and reviewed by the Remuneration Committee.

The Group's total staff costs (including directors' emoluments) for the six months ended 30 June 2019 amounted to approximately HK$4,244,000 (six months ended 30 June 2018: approximately HK$6,216,000).

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**") set out in Appendix 10 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as the code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2019. To ensure Directors' dealings in the securities of the Company (the "**Securities**") are conducted in accordance with the Model Code, a Director is required to notify designated executive directors in writing and obtain a written acknowledgement from the designated executive directors prior to any dealings the Securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 of the Listing Rules during the period except for the following deviations:

Code provision A.4.1

Code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term and subject to re-election. Mr. Poon Wai Hoi, Percy, the independent non-executive Director, is not appointed for a specific term but is subject to retirement from office by rotation and re-election at least once every three years in accordance with the bye-laws of the Company (the "**Bye-laws**"). As such, the Board considers that such provision is sufficient to meet the underlying objective of this code provision.

Code provision D.1.4

Code provision D.1.4 of the CG Code provides that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors (except Mr. Fung Wai Ching, Mr. Lei Seng Fat, and Mr. Mung Kin Keung). However, the Directors shall be subject to retirement by rotation in accordance with the Bye-laws. In any event, all Directors, including those without a letter of appointment, must retire by rotation in the manner prescribed under the Bye-laws, and on re-election of the retiring Directors, shareholders of the Company are given information that is reasonably necessary for them to make an informed decision on the reappointment of the relevant Directors. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statue and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Code provision E.1.2

Code provision E.1.2 of the CG Code states that the chairman of the Board should attend the annual general meeting of the Company. Mr. Mung Kin Keung, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 13 June 2019 (the "**Annual General Meeting**") due to other engagements. However, arrangements including the attendance of another member of the Board had been in place to ensure the Annual General Meeting was in order.

CHANGES IN DIRECTORS' INFORMATION

The change in information on Directors since the date of the 2018 annual report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:–

Biographical details

Name	**Details of Changes**
Mr. Mung Kin Keung	resigned as an executive director and co-chairman of the board of director of CWT International Limited (Stock Code: 521) with effect from 28 June 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises 3 independent non-executive Directors, Mr. Poon Wai Hoi, Percy (the chairman of the Audit Committee), Mr. Fung Wai Ching and Mr. Lei Seng Fat. The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2019.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 June 2019.

PUBLICATION OF THE CONSOLIDATED INTERIM RESULTS AND 2019 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange *(www.hkexnews.hk)* and the Company *(www.irasia.com/listco/hk/mastermindcap/)* and the 2019 Interim Report containing all the information required by the Listing Rules will be dispatched to shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Global Mastermind Capital Limited
Mung Kin Keung
Chairman

Hong Kong, 28 August 2019

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. MUNG Kin Keung (Chairman) and Mr. MUNG Bun Man, Alan; and three independent non-executive Directors, namely, Mr. FUNG Wai Ching, Mr. LEI Seng Fat and Mr. POON Wai Hoi, Percy.