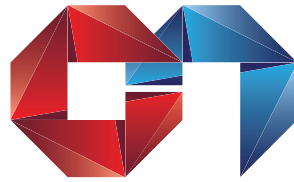


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GLOBAL MASTERMIND  
環球大通

## **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 2016**

Reference is made to the annual report of Global Mastermind Holdings Limited (the “**Company**”) for the year ended 31 December 2016 (the “**Annual Report**”) published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 30 March 2017. 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 INTANGIBLE ASSETS**

- (i) **the basis and assumptions used in determining the value of inputs adopted in the valuation of the travel business in Singapore prepared by Ascent Partners (the “Valuation”)**

The Valuation was performed by using a Discounted Cash Flow Model under the income approach which is in accordance with International Valuation Standards issued by International Valuation Standards Council. Cost of equity was determined based on the Capital Asset Pricing Model with additional risk premium built in to reflect the risks specific to Safe2Travel Pte Ltd (“**Safe2Travel**”), an indirect wholly-owned subsidiary of the Company of which its principal activities are the provision of travel related products and services in Singapore. Weighted Average Cost of Capital (“**WACC**” or “**discount rate**”) was then estimated by using the debt/equity weights of the Company and its subsidiaries.

\* *For identification purposes only*

The WACC or discount rate of 15.37% was derived by reference to the market data of the selected guideline public companies principally located in Asia in the travel industry. The average of inflations rate (i.e. consumer price) from 2006 to 2015 of Singapore was 2.45% which was employed as the terminal growth rate.

The Valuation also adopted the financial budgets approved by management covering a five-year period starting from January 2017. In preparing the cash flows projections, management assumed there would be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business of Safe2Travel and its subsidiaries.

**(ii) the reasons why the actual sales and profit generated from the travel business segment in Singapore have fallen below expectation**

During the year under review, our travel segment in Singapore continued to operate under the atmosphere of a slowing global and Singapore domestic economy. As a result, we have seen that the overall travel budgets of majority of our clients from the oil and gas companies, natural resources companies, property developers, fashion merchandising companies to multinational corporations have been reduced as compared with previous years. The reduced travel expenses of our major clients, coupled with the adoption of new travel policy by some of our corporate clients to include low cost carriers has affected our top line revenues due to the lower fares consumption. Certain of our major clients with their headquarters based on United States or Europe have been asked to change to use their respective globalized travel management companies instead of us due to globalization requirement from their headquarters.

All of these factors have led to the actual sales and profit generated from the travel segment in Singapore to have fallen below expectation and have also led the management to adjust the cash flow projections and valuation assumptions accordingly to reflect a more stringent and competitive business environment in which we are operating.

**(iii) the reasons for using cash flow approach in the Valuation**

The Valuation was performed in accordance with the Hong Kong Accounting Standard (“HKAS”) 36 Impairment of Assets. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. According to HKAS 36, the value in use of an asset is: (a) estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and (b) applying the appropriate discount rate to those future cash flows. In addition, the income approach (i.e. cash flow approach), which is consistently applied in prior years, was considered as the most appropriate and adopted in the Valuation because it eliminates the discrepancy in time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to the business operation, and is the most appropriate approach for the valuation of intangible assets of the Group.

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, 26 September 2017

*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](http://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>.*