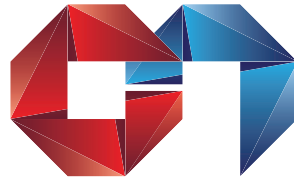


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GLOBAL MASTERMIND
環球大通

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)

ISSUE OF THE CONVERTIBLE BONDS UNDER GENERAL MANDATE

THE SUBSCRIPTION AGREEMENT

On 29 October 2018 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to issue the Convertible Bonds in the principal amount of HK\$80,000,000.

As at the date of this announcement, the Company has an aggregate of 4,262,867,050 Shares in issue. Assuming (i) there is no other change in the existing shareholding of the Company; and (ii) full conversion of the Convertible Bonds, based on the initial Conversion Price of HK\$0.115 per Conversion Share, a maximum of 695,652,173 Conversion Shares will be issued, representing (i) approximately 16.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

* For identification purposes only

No application will be made to the GEM Listing Committee for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds (after deducting all related expenses), are estimated to be approximately HK\$79.5 million, out of which (i) HK\$60.0 million are intended to be used for financing the Group's money lending business; (ii) HK\$2.3 million are intended to be used for increase the paid-up share capital of Global Mastermind Asset Management Limited, which is a licensed corporation to carry on Type 9 (asset management) regulated activity under the SFO; and (iii) HK\$17.2 million are intended to be used for general working capital purposes and/or securities margin financing business.

GENERAL MANDATE

The Conversion Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to the Shareholders' approval.

The Completion is subject to the fulfilment of all conditions set out in the paragraph headed "Conditions precedent" below. Please refer to the paragraph headed "Principal terms of the Convertible Bonds" below for detailed terms of the Convertible Bonds. As the issue of the Convertible Bonds is subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 29 October 2018 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to issue the Convertible Bonds in the principal amount of HK\$80,000,000. The Completion is subject to the fulfilment of all conditions set out in the paragraph headed "Conditions precedent" below. Details of the terms of the Subscription Agreement and the Convertible Bonds are summarised below:

THE SUBSCRIPTION AGREEMENT

Date: 29 October 2018 (after trading hours of the Stock Exchange)

Issuer: the Company

Subscriber: the Subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of treasury services.

Subscription of the Convertible Bonds

Subject to the fulfilment of the conditions precedent set out below, the Subscriber shall subscribe for, and the Company shall issue the Convertible Bonds in the principal amount of HK\$80,000,000 and the said amount shall be satisfied in cash or cash equivalents.

Conditions precedent

The Completion shall be conditional upon:

- (a) the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares;
- (b) the Company's warranties contained in the Subscription Agreement shall be true, correct and not misleading as at the date of the Subscription Agreement and the Completion Date;
- (c) there has been no material breach by the Company of any provision contained in the Subscription Agreement and the instrument of the Convertible Bonds; and
- (d) there has been no Material Adverse Change to the Group taken as a whole since the date of the Subscription Agreement (which includes but not limited to the occurrence of an event of default as defined under the terms of the Convertible Bonds).

In the event any of the conditions precedent are not fulfilled by 5:00 p.m. on the Long Stop Date, or otherwise waived according to the terms of the Subscription Agreement, the Subscriber shall have the right to terminate the Subscription Agreement with immediate effect by giving notice to the Company, and each party's further rights and obligations cease immediately on termination, save for any liability arising out of any antecedent breaches thereof.

At any time on or before 5:00 p.m. on the Long Stop Date, the Subscriber may waive part or all of the conditions (b) and (c) above by written notice to the Company on any terms it decides.

The Completion shall take place on any day falling within three (3) Business Days after the fulfilment of the conditions precedent referred to the Subscription Agreement or such other date as the Company and the Subscriber may agree in writing.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

Principal amount

HK\$80,000,000

Issue price

100% of the principal amount of the Convertible Bonds

Interest rate

8% per annum payable annually after the date of issue of the Convertible Bonds

Maturity Date

The date falling on the twenty-four months from the issue date of the Convertible Bonds (both dates inclusive)

Conversion Price

The initial Conversion Price is HK\$0.115 per Conversion Share, which is subject to adjustment provisions as summarised in the sub-paragraph headed "Adjustments to the Conversion Price" below.

The initial Conversion Price represents:

- (i) a premium of 15.0% over the closing price of HK\$0.1000 per Share as quoted on the Stock Exchange on 29 October 2018, being the date of the Subscription Agreement;
- (ii) a premium of approximately 15.5% over the average closing price of approximately HK\$0.0996 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Subscription Agreement; and
- (iii) a premium of approximately 12.3% over the average closing price of approximately HK\$0.1024 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the Subscription Agreement.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Subscriber after considering the current market sentiment, the recent market prices and performance of the Shares, the historical financial performance and the business prospects of the Group.

Adjustments to the Conversion Price

The initial Conversion Price shall be, from time to time, subject to adjustment upon occurrence of, any of the following events:

- (i) consolidation or sub-division or re-classification of Shares;
- (ii) capitalisation of profits or reserves;
- (iii) capital distribution;
- (iv) offer of any securities or new Shares for subscription by way of a rights issue, an open offer or a grant of any securities, options or warrants to subscribe for new Shares, at a price per new Share which is less than 90% of the market price at the date of the announcement of the terms of such offer or grant;
- (v) issue wholly for cash being made by the Company or any other company any securities which by their terms are convertible into or exchangeable for or carrying rights of conversion for new Shares, if in any case the total effective consideration per new Share initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, or the conversion or exchange or conversion attached to any such securities are modified so that the said total effective consideration per new Share initially receivable for such securities is less than 90% of such market price at the date of the announcement of the proposal to modify such rights of conversion or exchange or conversion;

- (vi) issue of Shares being made wholly for cash at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue;
- (vii) issue of Shares by way of scrip dividend where the market price of such Shares exceeds the amount of the cash dividend declared by the Company or the relevant part thereof and which would not have constituted a distribution; and
- (viii) issue of Shares for the acquisition of asset at a total effective consideration per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue or (failing an announcement) the date immediately preceding the date of the issue.

No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the above provisions would be less than 1% and any adjustment that would otherwise be required then to be made shall not be carried forward.

If any adjustment made to the Conversion Price would require the Company to allot and issue Shares in excess of 695,652,173 unissued Shares under the General Mandate granted to the Directors, the Bondholders would be entitled to convert up to the maximum of 695,652,173 Conversion Shares and all remaining portion of the principal amount will be redeemed on a dollar-to-dollar basis plus interest accrued on the conversion date of the Convertible Bonds.

Conversion Shares

Based on the initial Conversion Price of HK\$0.115, a maximum number of 695,652,173 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, which represent:

- (i) approximately 16.3% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 14.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise of the conversion right attaching to the Convertible Bonds in full (assuming that there is no other change in the existing shareholding of the Company).

Conversion period

The Bondholder shall have the right to convert the Convertible Bonds into Conversion Shares, at any time (subject to any applicable fiscal or other laws or regulations and as provided in the terms of the Convertible Bonds) commencing from the issue date of the Convertible Bonds and ending on the fifth (5th) Business Day prior to the Maturity Date unless the Company has received the transfer documents or a default redemption notice under the terms of the Convertible Bonds.

Redemption

Unless previously converted or cancelled as provided under the terms of the Convertible Bonds, the Convertible Bonds will be redeemed at 100% of the principal amount outstanding on the Maturity Date.

Redemption upon event of default

If any of events of default occurs, a Bondholder may give notice in writing to the Company that the principal amount of the Convertible Bonds then outstanding has, on the giving of such notice, become immediately due and payable, whereupon the outstanding principal amount of the Convertible Bonds shall become immediately due and payable in an amount which is 100% of the principal amount of the Convertible Bonds then outstanding.

Event of default

The Convertible Bonds contain customary events of default provisions which provide that, on the occurrence of certain events of default specified in the instrument of the Convertible Bonds, the Bondholder of each Convertible Bond shall be entitled to demand for immediate repayment of the principal amount outstanding under the relevant Convertible Bonds.

Transferability

The Convertible Bonds are only transferrable subject to the consent of the Company (where such consent shall not be unreasonably delayed or withheld) provided that the transfers of the Convertible Bonds are in compliance with all rules and requirements under the GEM Listing Rules and laws and regulations applicable to the Company and/or the holder(s) of the Convertible Bonds. Transfer of the Convertible Bonds may only be effected by a transfer in such form as may be approved by the Directors and endorsed on the certificate of the Convertible Bonds and all transfers shall be in integral multiples of the authorized denomination (save that if at any time, the outstanding principal amount of the Convertible Bonds is less than the authorized denomination, the Convertible Bonds shall be transferred in the whole (but not part only) of the outstanding principal amount).

The Conversion Shares are transferrable provided that the transfers of the Conversion Shares are in compliance with all rules and requirements under the GEM Listing Rules and laws and regulations applicable to the Company and/or the registered holder(s) of the Conversion Shares.

Status of the Convertible Bonds

The Convertible Bonds constitute direct unconditional, unsubordinated and unsecured obligations of the Company and at all times rank pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) equally with all other unsecured and unsubordinated obligations of the Company. The payment obligations of the Company under the Convertible Bond shall, save for such exceptions as may be provided by applicable legislation, rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Ranking of the Conversion Shares

The Conversion Shares allotted and issued on conversion will be fully paid and will rank pari passu in all respects with, and within the same class as, the Shares in issue upon the date on the conversion of the Convertible Bonds.

Listing

No application will be made to the GEM Listing Committee for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

GENERAL MANDATE

Upon exercise in full of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price, a maximum of 695,652,173 Conversion Shares shall be allotted and issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 7 June 2018.

Under the General Mandate, the Company is authorised to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the aforesaid annual general meeting, which amounts to 852,573,410 new Shares. As at the date of this announcement, none of the Shares have been issued by the Company under the General Mandate. Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to the Shareholders' approval.

REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS AND USE OF PROCEEDS

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 and asset management services.

The estimated net proceeds from the issue of the Convertible Bonds (after deducting all related expenses), is estimated to be approximately HK\$79.5 million, out of which (i) HK\$60.0 million are intended to be used for financing the Group's money lending business; (ii) HK\$2.3 million are intended to be used for increase the paid-up share capital of Global Mastermind Asset Management Limited, which is a licensed corporation to carry on Type 9 (asset management) regulated activity under the SFO; and (iii) HK\$17.2 million are intended to be used for general working capital purposes and/or securities margin financing business. The net price of each Conversion Share to be issued is approximately HK\$0.114.

The Directors are of the view that the issue of the Convertible Bonds represents an opportunity to raise additional funds and strengthen the financial position of the Company. The Directors have also considered various ways of raising funds in the capital market and consider that the issue of the Convertible Bonds is an appropriate mean of raising additional working capital for the Company having taken into account that (i) it will not result in immediate dilution effect on the shareholding of the existing Shareholders; and (ii) the shareholder base of the Company will be enlarged and the financial position of the Group will be improved upon exercise of the conversion rights attaching to the Convertible Bonds.

Based on the foregoing, the Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes, the table below set out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price pursuant to the Subscription Agreement (assuming that there is no other change in the existing shareholding of the Company):

	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price pursuant to the Subscription Agreement (assuming that there is no other change in the existing shareholding of the Company)	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>
Eternity Finance Group Limited (<i>Note 1</i>)	1,237,750,000	29.0	1,237,750,000	25.0
Excellent Mind Investments Limited (<i>Note 2</i>)	532,000,000	12.5	532,000,000	10.7
The Subscriber	–	–	695,652,173	14.0
Other public Shareholders	<u>2,493,117,050</u>	<u>58.5</u>	<u>2,493,117,050</u>	<u>50.3</u>
	<u>4,262,867,050</u>	<u>100.0</u>	<u>4,958,519,223</u>	<u>100.0</u>

Notes:

1. Eternity Finance Group Limited is a wholly-owned subsidiary of Eternity Investment Limited, a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 764).
2. Excellent Mind Investments Limited is owned as to 60.00% by Mr. Mung Kin Keung and 40.00% by Mr. Mung Bun Man, Alan, both of them are executive Directors.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

The Completion is subject to the fulfilment of all conditions set out in the paragraph headed “Conditions precedent” above. Please refer to the paragraph headed “Principal terms of the Convertible Bonds” above for detailed terms of the Convertible Bonds. As the issue of the Convertible Bonds is subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the person(s) for the time being entered in the register of bondholders as maintained by the Company pursuant to the terms of the Convertible Bonds as the holder or joint holders of the Convertible Bond(s)
“Business Day(s)”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“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”	completion of the issue of the Convertible Bonds by the Company as contemplated under the Subscription Agreement
“Completion Date”	any day falling within three (3) Business Days after the fulfilment of the conditions precedent referred to in the Subscription Agreement or such other date as the Company and the Subscriber may agree in writing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Conversion Price”	HK\$0.115, being the initial conversion price per Share at which the Convertible Bonds may be converted into Conversion Shares and subject to adjustments (if any)
“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company upon the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the 8% unsecured convertible bonds in the principal amount of HK\$80,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 7 June 2018 to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the annual general meeting
“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
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company or an associate of such connected person
“Long Stop Date”	30 November 2018 or such later date as the Company and the Subscriber may agree in writing

“Material Adverse Change”	any event, circumstance or occurrence or any combination thereof arising or occurring after the date of the Subscription Agreement which is, or is reasonably likely to be, materially adverse to the business, operations, assets, liabilities (including contingent liabilities), condition (financial, trading or otherwise), financial results or prospects of the Group taken as a whole
“Maturity Date”	the date falling on the twenty-four months from the issue date of the Convertible Bonds (both dates inclusive)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance
“Subscriber”	Heng Tai Finance Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Heng Tai Consumables Group Limited (a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange under stock code:197)
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 October 2018 entered into between the Company and the Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$80,000,000
“%”	per cent.

By Order of the Board
Global Mastermind Holdings Limited
Mung Bun Man, Alan
Executive Director

Hong Kong, 29 October 2018

As at the date of this announcement, the 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 www.globalmholdings.com.