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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)

ANNOUNCEMENT OF 2018 FINAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Global Mastermind Capital Limited (the “**Company**”) presents the annual consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2018 and the consolidated statement of financial position of the Group as at 31 December 2018 together with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	6	3,461	3,409
Other income	7	137	178
(Loss)/gain arising in change in fair value of financial assets at fair value through profit or loss		(122,160)	78,357
Impairment loss recognised in respect of available-for-sale financial assets		–	(2,764)
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss		–	(28,133)
Cumulative loss reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets		–	(450)
Administrative expenses and other operating expenses		(22,362)	(23,621)
Finance costs	8	(299)	(508)

* *For identification purposes only*

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
(Loss)/profit before income tax	<i>9</i>	(141,223)	26,468
Income tax expense	<i>10</i>	<u>—</u>	<u>—</u>
(Loss)/profit for the year attributable to owners of the Company		<u>(141,223)</u>	<u>26,468</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value of available-for-sale financial assets		—	(27,033)
Reclassification adjustments relating to available-for-sale financial assets disposed of		—	450
Reclassification adjustments relating to available-for-sale financial assets impaired of		—	28,133
Exchange differences arising on translation of foreign operations during the year		<u>(1)</u>	<u>(4)</u>
Other comprehensive (loss)/income for the year		<u>(1)</u>	<u>1,546</u>
Total comprehensive (loss)/income for the year attributable to owners of the Company		<u>(141,224)</u>	<u>28,014</u>
(Loss)/earnings per share	<i>11</i>		
Basic and diluted (<i>HK cents</i>)		<u>(20.17)</u>	<u>3.78</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		4,431	1,719
Intangible assets		5,785	5,785
Available-for-sale financial assets		–	137,693
		10,216	145,197
Current assets			
Prepayments		424	464
Other receivables		7,401	51,021
Deposits paid		1,069	94
Amount due from a related company		330	1,727
Financial assets at fair value through profit or loss	13	361,790	339,954
Cash and cash equivalents		38,500	7,017
		409,514	400,277
Current liabilities			
Accruals and other payables		20,586	6,202
Amount due to a related company		920	–
Loan from a director	14	–	10,000
Obligation under a finance lease		–	192
		21,506	16,394
Net current assets		388,008	383,883
Total assets less current liabilities		398,224	529,080
Non-current liabilities			
Other financial liability – non-convertible bond		9,899	9,862
Net assets		388,325	519,218
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		7,003	7,003
Reserves		381,322	512,215
Total equity		388,325	519,218
Net asset value per share (HK\$)		0.55	0.74

NOTES

For the year ended 31 December 2018

1. GENERAL INFORMATION

The Company was domiciled in Hong Kong and incorporated in the Cayman Islands 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 consolidated financial statements are presented in HK\$, which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The principal activity of the Company and its subsidiaries (collectively referred to as the "**Group**") principally engaged in investment in listed and unlisted companies.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards ("**HKFRSs**") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance.

3. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the “**new and revised HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are effective for the Group’s financial year beginning from 1 January 2018. A summary of the new and revised HKFRSs application by the Group is set out as follows:

HKAS 40	Transfers of Investment Property
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle except HKFRS 12 (Amendments)
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contract</i>
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contract with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transaction and Measurement of Share-based Payment Transactions

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“**ECL**”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

The table below illustrates the reclassification and remeasurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application.

	HKAS 39 carrying amount at 31 December 2017 HK\$'000	Reclassification HK\$'000	Remeasurement HK\$'000	HKFRS 9 carrying amount at 1 January 2018 HK\$'000
Financial assets				
Available-for-sale ("AFS") financial assets (note a)	137,693	(137,693)	-	-
Other receivables	51,021	-	-	51,021
Deposits paid	94	-	-	94
Amount due from a related company	1,727	-	-	1,727
Financial assets at fair value through profit or loss ("FVTPL") (note b)	339,954	137,693	10,331	487,978
Cash and cash equivalents	7,017	-	-	7,017
	<u>537,506</u>	<u>-</u>	<u>10,331</u>	<u>547,837</u>

The table below summarises the impact on the Group's reserves due to reclassification and remeasurement of financial instruments at the date of initial application:

	HKAS 39 carrying amount at 31 December 2017 HK\$'000	Reclassification HK\$'000	Remeasurement HK\$'000	HKFRS 9 carrying amount At 1 January 2018 HK\$'000
Equity				
Available-for-sale financial assets revaluation reserve	5,911	(5,911)	-	-
Accumulated losses	(334,234)	5,911	10,331	(317,992)
	<u>(328,323)</u>	<u>-</u>	<u>10,331</u>	<u>(317,992)</u>

Notes:

a) *AFS financial assets*

From AFS financial assets to financial assets at FVTPL

At the date of initial application of HKFRS 9, the Group's listed equity and debts through profit or loss securities and unlisted equity securities of approximately HK\$98,093,000 and HK\$39,600,000 were reclassified from AFS financial assets to financial assets at FVTPL respectively. The fair value gain of approximately HK\$10,331,000 relating to unlisted equity securities previously carried at cost less impairment were adjusted to financial assets at FVTPL and accumulated losses as at 1 January 2018. The fair value gain of approximately HK\$5,911,000 relating to listed equity debts securities investments previously carried at fair value were transferred from AFS financial assets revaluation reserve to accumulated losses.

b) *Financial assets at FVTPL*

The Group has reassessed its investments in equity securities classified as held for trading investments under HKAS 39 as if the Group had purchased these investments at the date of initial application. Based on the facts and circumstances as at the date of initial application, all of the Group's investments were held for trading and continued to be measured at FVTPL.

c) *Impairment under ECL model*

ECL for financial assets at amortised cost, including other receivables, deposit paid, amount due from a related company and bank balances, are assessed on 12-month ("12m") ECL basis as there had been no significant increase in credit risk since initial recognition.

d) *Financial liabilities*

There is no impact on the Group's accounting for financial liabilities. The Group's financial liabilities previously carried at amortised costs remained to be measured at amortised costs under HKFRS 9.

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

As the Group does not have any revenue arising from contract with customers, the application of HKFRS 15 has had no material impact on the consolidated financial statements.

Except as described above, the application of other new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

5. SEGMENT INFORMATION

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

At the end of the reporting period, non-current assets with the exception of AFS financial assets included property, plant and equipment and intangible assets of approximately HK\$4,431,000 (2017: HK\$1,719,000) and HK\$5,785,000 (2017: HK\$5,785,000) which are located in Hong Kong. The Company's place of domicile is in Hong Kong which is determined based on the location of central management.

The Group's revenue are mainly derived from Hong Kong during the year ended 31 December 2018 and 2017.

6. REVENUE

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income	3,380	2,917
Interest income	81	492
	<u>3,461</u>	<u>3,409</u>
	<u>3,461</u>	<u>3,409</u>

7. OTHER INCOME

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Managerial and administrative service income	137	142
Net foreign exchange gain	–	36
	<u>137</u>	<u>178</u>
	<u>137</u>	<u>178</u>

8. FINANCE COSTS

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Other financial liability		
– non-convertible bond	237	237
Finance lease	2	10
Other interest expenses to financial institutions	60	261
	<u>299</u>	<u>508</u>
	<u>299</u>	<u>508</u>

9. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Auditors' remuneration:		
– Audit services	430	380
– Non-audit services	61	11
	491	391
Depreciation of property, plant and equipment	674	576
Loss on written off of property, plant and equipment	–	17
Loss/(gain) arising in change in fair value of financial assets at fair value through profit or loss	122,160	(78,357)
Net foreign exchange loss/(gain)	108	(36)
Operating lease rentals in respect of premises	822	34
	<u>122,160</u>	<u>(78,357)</u>

An analysis of the loss/(gain) arising in change in fair value financial assets at fair value through profit or loss is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Realised gain on disposal of financial assets at fair value through profit or loss		
Proceeds from disposal of financial assets at fair value through profit or loss	(165,869)	(222,712)
<i>Less:</i> Carrying amounts of financial assets at fair value through profit or loss	155,606	195,732
	(10,263)	(26,980)
Unrealised loss/(gain) on financial assets at fair value through profit or loss	132,423	(51,377)
	<u>122,160</u>	<u>(78,357)</u>

10. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The subsidiary located in the People’s Republic of China (the “**PRC**”) is subject to PRC Enterprise Income Tax at 25% for both years.

No provision for Hong Kong Profits Tax has been made as the Group incurred estimated tax losses or the taxable profits was wholly absorbed by estimated tax losses brought forward from prior years.

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in or derived from PRC for both years.

11. (LOSS)/EARNINGS PER SHARE

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

	2018 <i>HK\$’000</i>	2017 <i>HK\$’000</i>
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted loss per share		
((loss)/profit for the year attributable to owners of the Company)	<u>(141,223)</u>	<u>26,468</u>
	2018 <i>’000</i>	2017 <i>’000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>700,334</u>	<u>700,334</u>

The basic and diluted (loss)/earnings per share are the same for both years.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic (loss)/earnings per share calculation for the year ended 31 December 2018 and 31 December 2017, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted (loss)/earnings per share for both years.

12. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 December 2018 and 31 December 2017, nor has any dividend been proposed by the Board subsequent to the end of the reporting period.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Listed equity and debt securities:		
– Equity and debt securities in Hong Kong, at fair value	280,310	339,174
– Equity and debt securities outside Hong Kong, at fair value	<u>24,038</u>	<u>780</u>
	304,348	339,954
Unlisted equity and debt securities	<u>57,442</u>	<u>–</u>
	<u>361,790</u>	<u>339,954</u>

Upon application of HKFRS 9 on 1 January 2018, the Group has reclassified AFS financial assets to financial assets at FVTPL.

At the end of the reporting period, financial assets at FVTPL are stated at fair value.

The fair value of the listed equity and debt securities (excluded suspended trading securities) are determined based on the quoted market closing price available on the relevant stock exchanges at the end of the reporting period.

At 31 December 2018, the fair value of suspended trading securities listed in Hong Kong with the amount of approximately HK\$3,765,000 was reference to the valuation carried 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 78% at 31 December 2018. 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 unlisted equity securities was valued by using market approach or asset-based approach as appropriate.

The unlisted equity securities valued by using market approach as valued with price-to-sales multiples (the “**P/S multiples**”) ranging from 3.9 to 5.16 and marketability discount ranging from 25% to 35%.

The unlisted equity securities valued by using asset-based approach was valued based on fair value of individual business assets less liabilities to arrive the fair value of the Company and minority discount of 5%.

14. LOAN FROM A DIRECTOR

On 30 November 2016, Mr. Mung, a director and shareholder of the Company, as a lender, and the Group, as a borrower, entered into a loan agreement pursuant to which Mr. Mung has agreed to grant a loan to the Group with the amount of HK\$10,000,000 (the “**Loan**”). The Loan is non-interest bearing and repayable on demand. The Loan is constituted as a connected transaction of the Company which fully exempted from shareholders’ approval, annual review and all disclosure requirements under the Listing Rules. The Group repaid the Loan during the year ended 31 December 2018.

The Loan is unsecured, interest free and repayable on demand.

15. 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 31 December 2018 and 31 December 2017 respectively as follows:

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	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	N/A
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	

At 31 December 2017

Name of equity securities	Percentage of equity interest held %	Net assets attributable to the Company HK\$'000	Cost of investment HK\$'000	Market value at 31 December 2017 HK\$'000	Dividend received HK\$'000
<i>Equity securities in Hong Kong</i>					
Affluent Partners Holdings Limited	2.21	7,804	29,341	46,138	–
Brockman Mining Limited [#]	3.22	14,463	44,597	30,520	–
China Information Technology Development Limited	3.33	17,804	26,435	25,838	–
China State Construction International Holdings Limited	0.04	16,012	21,619	22,996	301
CST Group Limited (formerly known as NetMind Financial Holdings Limited)	1.29	81,290	27,030	20,500	–
Frontier Services Group Limited	1.70	6,605	24,462	40,482	–
Huayi Tencent Entertainment Company Limited [#]	1.34	11,746	102,974	64,255	–
Kingston Financial Group Limited	0.07	14,768	36,608	75,000	250
Tai United Holdings Limited	0.63	32,490	33,841	33,239	1,087
Yunfeng Financial Group Limited	0.25	10,561	80,287	32,700	–
			427,194	391,668	

[#] Investment was classified as available-for-sale financial assets

Notes:

- (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 six months ended 30 September 2018, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$14,796,000 and its unaudited consolidated net assets was approximately HK\$217,179,000.

- (b) 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.

- (c) 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 year ended 31 December 2018, the audited consolidated loss attributable to the owners of the company was approximately HK\$75,531,000 and its audited consolidated net assets was approximately HK\$446,479,000.

- (d) 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 year ended 31 December 2018, the audited consolidated profit attributable to the owners of the company was approximately HK\$4,471,265,000 and its audited consolidated net assets was approximately HK\$37,812,137,000.

- (e) Frontier Services Group Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00500). Frontier Services Group Limited is principally engaged in provision of aviation and logistics services and the provision of online financial market information.

For the year ended 31 December 2018, the audited consolidated loss attributable to the owners of the company was approximately HK\$258,846,000 and its audited consolidated net assets was approximately HK\$1,191,521,000.

- (f) 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 Xuetaang”, provision of offline healthcare and wellness services through the operation of a healthcare and wellness center “Beijing Bayhood No.9 Club”.

For the year ended 31 December 2018, the audited consolidated profit attributable to the owners of the company was approximately HK\$73,737,000 and its audited consolidated net assets was approximately HK\$868,792,000.

- (g) 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 six months ended 30 September 2018, the unaudited consolidated profit attributable to the owners of the company was approximately HK\$592,157,000 and its unaudited net assets was approximately HK\$20,915,889,000.

- (h) Kuang-chi Technologies Co. Ltd was incorporated in the China and its shares are listed on the Shenzhen Stock Exchange (stock code: 02625). Kuang-chi Technologies Co. Ltd is principally engaged in development, production, sales and maintenance of satellite communication equipment and high technologies parts and products.

For the year ended 31 December 2018, the unaudited consolidated profit attributable to the owners of the company was approximately RMB66,958,000 and its unaudited consolidated net assets was approximately RMB7,590,385,000.

- (i) 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.

- (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.

16. COMPARATIVE FIGURE

The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods, comparative information is not restated.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (for the year ended 31 December 2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

During the year ended 31 December 2018, the Group recorded a loss attributable to owners of the Company of approximately HK\$141.2 million, compared to a profit attributable to owners of the Company of approximately HK\$26.5 million for the year ended 31 December 2017. The turnaround was mainly attributable to the change from gain arising in change in fair value of financial assets at fair value through profit or loss for the year ended 31 December 2017 of approximately HK\$78.4 million to loss arising in change in fair value of financial assets at fair value through profit or loss of approximately HK\$122.2 million for the year ended 31 December 2018 which partly offset by the absence of impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss of approximately HK\$28.1 million as recognised for the year ended 31 December 2017.

Investment review

As at 31 December 2018, the major investments of the Group were approximately HK\$304,348,000 of a portfolio of listed financial instruments and approximately HK\$57,422,000 of direct investment in unlisted financial instruments. The investment portfolio of the Group mainly comprises equity securities mainly in Hong Kong, Canada and the United States of America.

Dividend from listed equity investments during the year ended 31 December 2018 was approximately HK\$3,380,000. Interest income from debt securities during the year ended 31 December 2018 was approximately HK\$79,000.

The details of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 31 December 2018 are respectively set out in note 15.

Liquidity and Financial Resources

As at 31 December 2018, the Group had cash and cash equivalents of approximately HK\$38,500,000 (as at 31 December 2017: approximately HK\$7,017,000).

As at 31 December 2018, the Group had other financial liability of approximately HK\$9,899,000 (as at 31 December 2017: approximately HK\$9,862,000), obligation under finance lease of Nil (as at 31 December 2017: approximately HK\$192,000) and loan from a director of Nil (as at 31 December 2017: approximately HK\$10,000,000).

The gearing ratio (borrowings/total equity) as at 31 December 2018 was 2.5% (as at 31 December 2017: 3.9%). Borrowings included other financial liability, obligation under finance lease and amount due from a director.

As at 31 December 2018, the Group had net current assets of approximately HK\$388,008,000, as compared to approximately HK\$383,883,000 as at 31 December 2017.

As at 31 December 2018, the current ratio of the Group was 19.04 compared to 24.42 as at 31 December 2017.

Charges on assets

As at 31 December 2018, the Group's obligation under a finance lease is secured by the lessor's charge over the leased asset with the carrying amount of Nil (31 December 2017: HK\$547,000).

Capital commitment and contingent liabilities

The Group had no material capital commitment and contingent liabilities as at 31 December 2018 (31 December 2017: Nil).

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 31 December 2018, the Company had 700,333,925 shares of HK\$0.01 each in issue (31 December 2017: 700,333,925 shares).

Material Acquisitions and Disposals of Subsidiaries

The Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2018.

Loan from a Director

On 30 November 2016, Mr. Mung Kin Keung, a director and shareholder of the Company, as a lender, and the Group, as a borrower, entered into a loan agreement pursuant to which Mr. Mung has agreed to grant a loan to the Group with the amount of HK\$10,000,000 (the “**Loan**”). The Loan is non-interest bearing and repayable on demand. The Loan is constituted as a connected transaction of the Company which fully exempted from shareholders’ approval, annual review and all disclosure requirements under the Listing Rules. The Group repaid the Loan during the year ended 31 December 2018.

The Loan is unsecured, interest free and repayable on demand.

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 15 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 Director 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 Group's total staff costs (including directors' emoluments) for the year ended 31 December 2018 under review amounted to approximately HK\$11,974,000 (year ended 31 December 2017: approximately HK\$13,972,000).

Prospects

Due to the intensified trade dispute between China – United States and rising interest rate, 2018 had been a very challenging year for worldwide investors, as nearly every major asset declined.

With China's economy expanded slower than expected, the Chinese government had boosted liquidity and has set for more policy as trade war has started to slow the economy. Also, the Federal Reserve is expected to slowing rate hike in 2019.

With the slowing rate hike and more liquidity, the market is expected to turn around in 2019. However, due to macro uncertainties, the company will stay focus on finding and purchase strong companies when they are trading at attractive prices. We believe our portfolio contains high-quality companies that are attractively priced for long-term appreciation, and will continue to focus on the three segments: compounders, undervalued, and special situations.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) of the Company will be held on 13 June 2019. The notice of AGM will be sent to shareholders at least 20 clear business days before AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on 13 June 2019, the register of member of the Company will be closed from 10 June 2019 to 13 June 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 22, Tricor Secretaries Limited Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 6 June 2019 at 4:30 pm.

CHANGES IN DIRECTORS' INFORMATION

The changes in information on Directors since the date of the 2017 annual report of the Company, which is required to be disclosed pursuant to Rules 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 vice chairman of the board of director of Hong Kong International Construction Investment Management Group Co., Limited (Stock Code: 00687), a company listed on the Hong Kong Stock Exchange with effect from 3 August 2018. appointed as an executive director and co-chairman of the board of director as well as a member of executive committee of CWT International Limited (Stock Code: 00521), a company listed on the Hong Kong Stock Exchange, with effect from 20 February 2019.
Mr. Lei Seng Fat	resigned as an independent non-executive director of Man Sang International Limited (Stock Code: 00938), a company listed on Hong Kong Stock Exchange, with effect from 5 November 2018.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all 3 independent non-executive directors (the “**Independent Non-executive Director(s)**”), namely Mr. Poon Wai Hoi, Percy, Mr. Fung Wai Ching and Mr. Lei Seng Fat in accordance with Rules 3.13 of the Listing Rules.

The Board has reviewed the independence of all Independent Non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-executive Directors has been impaired up to the date of this announcement.

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 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 year ended 31 December 2018. 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**”) and Code provision A.4.2 of the CG Code. 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. Mung Kin Keung, Mr. Lei Seng Fat and Mr. Fung Wai Ching). However, the Directors shall be subject to retirement by rotation at least once every three years in accordance with the Bye-laws and Code provision A.4.2 of the CG Code. 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 statute 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 7 June 2018 (the “**2018 AGM**”) due to other engagements. However, arrangements including the attendance of another member of the Board had been in place to ensure the 2018 AGM was in order.

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 year ended 31 December 2018.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with management in conjunction with the external auditors of the Group’s consolidated financial statements for the year ended 31 December 2018, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, and financial reporting matters of the Group for the year ended 31 December 2018.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2018 have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 31 December 2018.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2018 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This final 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 2018 annual report containing all the information required by the Listing Rules will be dispatched to shareholders of the Company 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, 29 March 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.