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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)

2020 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 2020 together with comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	2,463	1,868
Other income and gains	5	197	67
Loss arising in change at fair value of financial assets at fair value through profit or loss		(39,622)	(5,261)
Administrative expenses and other operating expenses		(9,684)	(9,924)
Finance costs	6	(270)	(437)

* *For identification purposes only*

	<i>Notes</i>	Six months ended 30 June	
		2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Loss before income tax	7	(46,916)	(13,687)
Income tax expense	8	<u>—</u>	<u>—</u>
Loss for the period attributable to owners of the Company		<u>(46,916)</u>	<u>(13,687)</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Reclassification adjustment for deregistration of a subsidiary		<u>4</u>	<u>—</u>
Other comprehensive income for the period		<u>4</u>	<u>—</u>
Total comprehensive loss for the period attributable to owners of the Company		<u>(46,912)</u>	<u>(13,687)</u>
Loss per share	9		
Basic and diluted (<i>HK cents</i>)		<u>(6.70)</u>	<u>(1.95)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	30 June	31 December
	2020	2019
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	2,227	3,046
Right-of-use assets	4,466	6,198
Intangible assets	5,785	5,785
	<u>12,478</u>	<u>15,029</u>
Current assets		
Prepayments	271	511
Other receivables	40,085	2,576
Deposits paid	1,211	1,062
Amount due from a related company	1,649	84
Financial assets at fair value through profit or loss	11 225,035	316,419
Cash and cash equivalents	2,617	3,857
	<u>270,868</u>	<u>324,509</u>
Current liabilities		
Accruals and other payables	18,633	26,216
Other financial liability		
– non-convertible bond	9,957	–
Lease liabilities	3,571	3,481
	<u>32,161</u>	<u>29,697</u>
Net current assets	<u>238,707</u>	<u>294,812</u>
Total assets less current liabilities	<u>251,185</u>	<u>309,841</u>

	30 June	31 December
	2020	2019
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Non-current liabilities		
Other financial liability		
– non-convertible bond	–	9,936
Lease liabilities	<u>1,066</u>	<u>2,874</u>
	<u>1,066</u>	<u>12,810</u>
Net assets	<u>250,119</u>	<u>297,031</u>
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	7,003	7,003
Reserves	<u>243,116</u>	<u>290,028</u>
Total equity	<u>250,119</u>	<u>297,031</u>
Net asset value per share (HK\$)	<u>0.36</u>	<u>0.42</u>

NOTES

For the six months ended 30 June 2020

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was 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 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 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and application of certain accounting policies which became relevant to the Group 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 2019 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 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. PRINCIPAL ACCOUNTING POLICIES

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Interim Financial Information:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

Accounting policies newly applied by the Group

In addition, the Group has applied the following accounting policy which became relevant to the Group in the current interim period.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “Other income and gains”.

3. REVENUE

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Dividend income	389	1,093
Interest income	<u>2,074</u>	<u>775</u>
	<u>2,463</u>	<u>1,868</u>

4. SEGMENT INFORMATION

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

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Government grant	93	–
Gain on deregistration of a subsidiary	69	–
Others	<u>35</u>	<u>67</u>
	<u>197</u>	<u>67</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Other financial liability		
– non-convertible bond	120	119
Lease liabilities	145	230
Other interest expenses to financial institutions	5	88
	<u>270</u>	<u>437</u>

7. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging:		
Exchange loss	34	152
Depreciation of property, plant and equipment	833	848
Depreciation of right-of-use assets	1,732	1,723
Staff costs	1,685	1,844
Directors' remuneration	2,265	2,400
Expenses relating to short-term leases	13	10
	<u>13</u>	<u>10</u>

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 2020 and 30 June 2019 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	
	2020	2019
	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)	<u>(46,916)</u>	<u>(13,687)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>700,334</u>	<u>700,334</u>

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 2020 and 30 June 2019, 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 2020 (six months ended 30 June 2019: Nil).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June	31 December
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Listed equity and debt securities		
– Equity and debt securities in Hong Kong, at fair value	158,553	216,184
– Equity and debt securities outside Hong Kong, at fair value	<u>14,369</u>	<u>35,738</u>
	172,922	251,922
Unlisted equity securities	28,954	41,338
Unlisted investment funds	<u>23,159</u>	<u>23,159</u>
	<u>225,035</u>	<u>316,419</u>

12. 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 2020 and 31 December 2019 respectively as follows:

At 30 June 2020

Name of investments	Notes	Percentage of equity interest held %	Net assets attributable to the Company HK\$'000	Cost of investment HK\$'000	Market value/ fair value at 30 June 2020 HK\$'000	Dividend received HK\$'000
Listed equity securities in Hong Kong						
Brockman Mining Limited	a	2.91	17,978	44,597	29,980	–
China Information Technology Development Limited	b	3.31	11,880	26,435	11,779	–
CST Group Limited	c	1.29	38,146	27,030	11,000	–
Huayi Tencent Entertainment Company Limited	d	1.16	9,630	82,330	17,472	–
Kaisa Group Holdings Ltd.	e	0.17	105,733	38,268	30,897	–
Kingston Financial Group Limited	f	0.07	15,992	36,608	6,900	–
Listed debt securities outside Hong Kong						
Kaisa Group Holdings Ltd.	g	N/A	N/A	7,963	8,079	N/A
Unlisted equity securities in Hong Kong						
New HK Island Three Holdings Limited	h	N/A	N/A	5,601	6,377	–
Unlisted equity securities outside Hong Kong						
Oddup Inc. – Preference shares	i	N/A	N/A	11,700	8,720	–
Unlisted investment funds outside Hong Kong						
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	j	N/A	N/A	7,800	17,043	–
				288,332	148,247	

At 31 December 2019

Name of investments	Percentage of equity interest held %	Net assets attributable to the Company <i>HK\$'000</i>	Cost of investment <i>HK\$'000</i>	Market value/ fair value at 31 December 2019 <i>HK\$'000</i>	Dividend received <i>HK\$'000</i>
Listed equity and debt securities in Hong Kong					
Beijing Enterprises Water Group Limited	0.04	17,858	20,122	16,138	740
Brockman Mining Limited	2.93	18,091	44,597	35,652	–
China Information Technology Development Limited	3.32	13,392	26,435	15,959	–
China State Construction International Holdings Limited	0.04	19,177	19,562	13,466	533
Greenland Hong Kong Holdings Limited	N/A	N/A	15,600	15,758	N/A
Huayi Tencent Entertainment Company Limited	1.16	9,630	82,330	17,160	–
Kaisa Group Holdings Ltd.	0.17	85,536	37,098	37,966	1,217
Listed debt securities outside Hong Kong					
Seazen Group Limited	N/A	N/A	23,317	23,373	N/A
Unlisted equity securities outside Hong Kong					
Oddup Inc. – Preference shares	N/A	N/A	11,700	13,354	–
Unlisted investment funds outside Hong Kong					
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	N/A	N/A	<u>7,800</u>	<u>17,043</u>	–
			<u>288,561</u>	<u>205,869</u>	

Notes:

- (a) 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 the acquisition, exploration and development of iron ore in Australia.

For the six months ended 31 December 2019, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$13,508,000 and its unaudited consolidated net assets was approximately HK\$617,659,000.

- (b) China Information Technology Development Limited was incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange (stock code: 08178). China Information Technology Development Limited is principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, money lending and securities trading.

For the six months ended 30 June 2020, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$14,430,000 and its unaudited consolidated net assets was approximately HK\$359,179,000.

- (c) CST Group Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00985). CST Group Limited is an investment holding company with its subsidiaries engaged in exploration, development and mining of mineral resources, investment in financial instruments, property investment and money lending.

For the year ended 31 March 2020, the audited consolidated loss attributable to the owners of the company was approximately US\$275,693,000 and its audited consolidated net assets was approximately US\$378,511,000.

- (d) 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 entertainment and media business and provision of offline healthcare and wellness services.

For the year ended 31 December 2019, the audited consolidated loss attributable to the owners of the company was approximately HK\$28,770,000 and its audited consolidated net assets was approximately HK\$833,210,000.

- (e) Kaisa Group Holdings Ltd. was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 01638). Kaisa Group Holdings Ltd. is principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, water-way passenger and cargo transportation in the PRC.

For the year ended 31 December 2019, the audited consolidated profit attributable to the owners of the company was approximately RMB4,594,265,000 and its audited consolidated net assets was approximately RMB55,706,573,000.

- (f) 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 2020, the audited consolidated profit attributable to the owners of the company was approximately HK\$503,062,000 and its audited consolidated net assets was approximately HK\$21,772,853,000.

- (g) Kaisa Group Holdings Ltd. (stock code: 01638) issued an aggregate principal amount of US\$350,000,000, 3 years, 11.25% senior notes on 9 April 2019 and listed on Singapore Exchange Securities Trading Limited with the coupon rate 11.25% per annum, interest payable semi-annually and matured on 9 April 2022.

- (h) New HK Island Three Holdings Limited was incorporated in Hong Kong. The company ceased business on 31 December 2018. The principal activity before cessation was investment holding.

For the six month ended 30 June 2020, the unaudited loss attributable to the owners of the company was approximately HK\$3,000 and its unaudited net assets was approximately HK\$8,189,000.

- (i) Oddup Inc. was incorporated in the United States of America and is principally engaged in operating a research platform that provides analytical information on startups, their trends, and both current and expected future valuations.

For five months ended 31 May 2020, the unaudited consolidated loss attributable to the owners of the company was approximately US\$2,399,000 and its unaudited consolidated net assets was approximately US\$16,607,000.

- (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 2019, the unaudited net assets attributable to holders was approximately US\$2,403,000.

13. EVENT AFTER THE END OF THE REPORTING PERIOD

The COVID-19 pandemic has a negative impact on the capital market to certain extent. However, the degree of impact will depend on the situation and duration of the epidemic prevention and control. The Group will continue to pay close attention to the development of the COVID-19 pandemic as well as the various control policies, assess and react actively to its impacts on the financial position and operating results of the Group.

MANDATORY UNCONDITIONAL CASH OFFER AND PUBLIC FLOAT

On 14 May 2020, the Company was informed by China Lead Investment Holdings Limited (“**China Lead**”) that China Lead acquired 195,500,000 ordinary share(s) of HK\$0.01 each in the share capital of the Company (“**Shares**”) at a consideration of HK\$0.09 per Share, representing approximately 27.92% of the issued share capital of the Company. Immediately following the above acquisition, given Mr. Mung Kin Keung is presumed to be a party acting in concert (as defined under the Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”)) with China Lead and thus, they are interested in aggregate 354,054,000 Shares, representing approximately 50.56% of the issued share capital of the Company. Pursuant to Rules 26.1 and 13.1 of the Takeovers Code, China Lead is required to make mandatory unconditional cash offers (“**Offers**”) (i) to acquire all of the Shares in the issued share capital of the Company; and (ii) to cancel all outstanding share option(s) granted by the Company pursuant to the share option scheme (adopted by the Company on 12 January 2009, as amended from time to time) of the Company whether vested or not (other than those Shares and share options of the Company already owned by or to be acquired by China Lead and parties acting in concert with it). Immediately after the close of the Offers on 10 July 2020, China Lead and parties acting in concert with it were interested in an aggregate of 580,872,025 Shares, representing approximately 82.94% of the issued share capital of the Company. Accordingly, the Company will not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules. An application has been made by the Company to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules.

For more details in respect of the mandatory unconditional cash offers, please refer to (i) the announcements dated 25 May 2020, 15 June 2020, 30 June 2020 and 10 July 2020; and (ii) the composite document dated 19 June 2020 jointly issued by the China Lead and the Company in respect of the Offers.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

During the six months ended 30 June 2020, the Group recorded a loss attributable to owners of the Company of approximately HK\$46,916,000, compared to a loss attributable to owners of the Company of approximately HK\$13,687,000 in the corresponding period of 2019. Such increase was mainly attributable to an increase in loss arising in change in fair value of financial assets at fair value through profit or loss of approximately HK\$5,261,000 for the six months ended 30 June 2019 to of approximately HK\$39,622,000 for the six months ended 30 June 2020.

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 financial instruments.
- 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 2020, the major investments of the Group were approximately HK\$172,922,000 of a portfolio of listed financial instruments and approximately HK\$52,113,000 of direct investment in unlisted financial instruments. The investment portfolio of the Group mainly comprises equity and debt securities mainly in Hong Kong, Singapore and the United States of America.

Dividend from listed equity investments during the six months ended 30 June 2020 was approximately HK\$389,000. Interest income from debt securities during the six months ended 30 June 2020 was approximately HK\$2,074,000.

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 2020 respectively are set out in note 12.

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 2020 as follows:

Name of investments	<i>Notes</i>	(Loss)/ gain arising in change in fair value of financial assets at fair value through profit or loss <i>HK\$'000</i>
Listed equity securities in Hong Kong		
Brockman Mining Limited	<i>i</i>	(5,672)
China Information Technology Development Limited	<i>ii</i>	(4,180)
CST Group Limited	<i>iii</i>	(1,000)
Huayi Tencent Entertainment Company Limited	<i>iv</i>	312
Kaisa Group Holdings Ltd.	<i>v</i>	(8,240)
Kingston Financial Group Limited	<i>vi</i>	(1,100)
Listed debt securities outside Hong Kong		
Kaisa Group Holdings Ltd.	<i>vii</i>	(32)
Unlisted equity securities in Hong Kong		
New HK Island Three Holdings Limited	<i>viii</i>	(1)
Unlisted equity securities outside Hong Kong		
Oddup Inc.		
– Preference shares	<i>ix</i>	(4,634)
Unlisted investment funds outside Hong Kong		
Click Ventures Segregated Portfolio Company		
– Fund Series 3T SP	<i>x</i>	–
		<u>(24,547)</u>

Notes:

- (i) As disclosed in the interim report of Brockman Mining Limited (“**Brockman Mining**”) for the six months ended 31 December 2019, Brockman Mining and Polaris Metals Pty. Ltd. (“**Polaris**”), a wholly-owned subsidiary of Mineral Resources Limited (“**MRL**”), had progressed activities towards satisfaction of their farm-in obligations in relation to the Farm-In Joint Venture Agreement dated 26 July 2018 (the “**FJV Agreement**”) over Brockman Mining’s Marillana Iron Ore Project. Both parties had agreed that extra time had been required to undertake additional drilling and metallurgical testwork to ensure that there were no fatal flaws in the mine plan and process plant design. Hence, the parties had agreed on 19 July 2019 to extend certain key dates pertaining to the FJV Agreement. Under the terms of the FJV Agreement and following satisfaction of the conditions precedent and completion of the farm-in obligations, Polaris would earn a 50% interest in the Marillana Iron Ore Project and MRL would be responsible for the development of the mine, construction and operation of the processing plant. MRL had also committed to the construction and operation of ore haulage and port infrastructure to facilitate the export of the Marillana Iron Ore Project’s product. Following the recent agreed variations to the FJV Agreement, it was expected that construction of the infrastructure would commence before the end of 2020 and be operational before the end of 2022. The establishment of the joint venture would unlock the value of the Marillana Iron Ore Project and might assist in the future development of Brockman Mining’s other iron ore projects in the Pilbara. Upon the completion of the farm-in obligations, the joint venture on the Marillana Iron Ore Project should be established and development and construction of the project should commence.
- (ii) As disclosed in the interim report of China Information Technology Development Limited (“**China Info Tech**”) for the six months ended 30 June 2020, the outbreak of COVID-19 during the first half of 2020 devastated the world economy. Worse still, the intensified relationship between China and the United States, and the local social chaos had made the economy of Hong Kong and China under severe strain. Their negative impacts had begun to reveal in the second half of 2020. Some even project that the world economy would experience the worst downturn since the Great Depression. As a response to the difficult business environment, many companies tend to cancel or postpone their projects in the second half of the year. Nevertheless, in such crisis like no other, it also creates opportunities, especially with the reliance on technology during times of containment.

Amid of pandemic, having the mission to bring business agility to China Info Tech’s clients, China Info Tech’s Virtual Desktop Infrastructure (“**VDI**”) solution enabled their client to continue their operations anywhere, anytime when “work from home” was practicing in many offices in Hong Kong and even government departments. Recently, the demand for remote desktop service shoots up due to the “work from home” arrangement, the number of clients for the VDI solution, especially from the banking, finance and insurance sector had increased significantly and China Info Tech believed that it would have positive impact on the business of the China Info Tech. The pandemic had turned client’s attitude and reliance towards digital transformation, in the future, China Info Tech would continue to improve and provide their event in webinar format. To provide their clients the most updated information and to catch up with the trend of digital transformation in a quick and safe manner, China Info Tech were preparing for webinars focusing on Cloud and VDI in the coming months.

For the next half-year, Macro System Limited (“**Marco**”), a subsidiary of China Info Tech formulated a strategic event plan to further engage clients and promote the digital workspace blueprint. China Info Tech would organize monthly webinars, and each theme was a part of the end-to-end digital workspace. Starting from June 2020, the first webinar theme was “Collaboration”. China Info Tech allied with the reputable Japanese brand, Hitachi Vantara, to introduce their content sharing platform, which could generate synergy with Macro’s solid virtual desktop solution. Upcoming, Macro would keep partnering with other industry elites to organize webinars in other relevant themes to promote the comprehensive digital workspace structure and raise its solution demand accordingly.

Leveraging the membership of Hong Kong Smart City Consortium of the Company, Macro would cement their brand name in the market and contribute to the establishment of Smart City in both Hong Kong and China by organizing various webinar or workshops to keep their client update and continue their market activities in the virtual platform. China Info Tech had planned to participate in the largest exhibition of the technology industry, the Cloud Expo 2020 in September 2020 as a virtual exhibitor to increase brand awareness, hence further expanded their business footprints. Encouraged by the Nutanix Master Partner China Info Tech achieved earlier in 2020, to enhance their competitiveness, China Info Tech would continue to strive for partnerships and recognitions.

Since the pandemic had awakened the market’s adoption of technology, DataCube Research Centre Limited, a subsidiary of China Info Tech would utilize this trend to further promote out flagship intelligent products in the next quarters, such as the AI webinar series co-organized with Huawei and Macro in July. In the year to come, China Info Tech would leverage their research and development footprint in Guangzhou, to continue their sales activities in not only the Hong Kong but the entire Guangdong-Hong Kong-Macau Greater Bay Area market.

China Info Tech believed the business direction and activities would benefit their sales and market awareness.

Meanwhile, to allow China Info Tech’s customers to experience the business agility China Info Tech bring, the China Info Tech would continue to promote their brand-new, scenario driven business agility zone at their solution centre in Tsimshatsui and would start inviting clients to experience the services China Info Tech provide.

Looking ahead, to cope with the potential risk, the China Info Tech would prudently maintain and develop the business of the China Info Tech. With the support of national policies in the IT industry and rapid development of technologies like 5G, AI and data center etc, the China Info Tech would deploy its capacity to keep pace with the latest technological advancements and continue to create business agility or their clients and create values for the China Info Tech and its shareholders.

- (iii) As disclosed in the annual report of CST Group Limited (“CST”) for the year ended 31 March 2020, looking ahead to the fiscal year 2021, global political and economic policies remained uncertain in general, and economic growth was expected to stay subdued. The outbreak of COVID-19 at the end of 2019 had sent shockwaves through global manufacturing, investment and consumption. At present, as the full impact of the pandemic on the world economy was unknown, the short term outlook of the CST’s business remained highly unclear. Going forward, the CST would continue to maintain a prudent approach by focusing on its main businesses to increase their scale and return, thereby improving the financial performance of the CST. Meanwhile, the CST would proactively seek potential market opportunities to improve its business portfolio and diversify its resource allocation.

For the CST’s mining business, due to the impact of the COVID-19 outbreak, the CST resolved to suspend the mining operations at the coal mine (the “Mine”) near Grade Cache, Alberta, Canada in May 2020. The Mine was placed into care and maintenance status and the scheduled resumption of production and operations is yet to be determined due to the ongoing uncertainties related to the pandemic.

In terms of investment in financial instruments, the CST remained cautiously optimistic about the capital markets as world economic growth is expected to slow down and CST anticipated that the local government would continue to utilize loose monetary policy. The CST would strive to expand asset allocation capabilities by adjusting its portfolio management strategy and diversifying its investment portfolio, as well as allocating part of its resources to investment products which could generate stable income.

In terms of property investment, the CST’s property investments in Scotland, Hong Kong and Mainland China were expected to continue to generate stable rental income for the CST and all had the potential to appreciate in value. Amid the COVID-19 pandemic, the CST would pay close attention to the development of the property investment market, make appropriate strategy adjustment from time to time and seek desirable property projects to strengthen its property asset portfolio when the opportunities arise.

In terms of the money lending business, due to the downturn in the local economy and uncertainty of the local business environment, the CST would grow its money lending business with a more cautious and prudent strategy. The CST would maintain a balance between business growth and risk management.

Moreover, the CST would further explore business opportunities to facilitate long-term development and continue to create value for shareholders.

- (iv) As disclosed in the annual report of Huayi Tencent Entertainment Company Limited (“**Huayi Tencent**”) for the year ended 31 December 2019, Huayi Tencent expected that, given the successive completion of entertainment and media projects which it had financed and produced, the season of harvest is now on the horizon. It was anticipated that five movies of Huayi Tencent would be screened across the globe and in Mainland China during the year 2020 and 2021, including productions directed by famous Hollywood directors and films enthusiastically talked about in Korea. Huayi Tencent was confident that these productions would attain success and significantly boost its revenue generated from the entertainment and media operations. Against the backdrop of rapid expansion of Mainland China film market, Huayi Tencent had long since optimised its market footprint. Through the collaboration with Huayi Brothers International Ltd. in producing and distributing more appealing productions with first-rate content, Huayi Tencent looked forward to embracing the forthcoming new era in which Mainland China became the largest film market in the world. With the domination and supremacy of American films in worldwide entertainment, Huayi Tencent had been actively seeking global opportunities for investing in prime films and television dramas, and had already confirmed its investment in several film projects, including “Moonfall”, the Hollywood science-fiction and disaster epic. Huayi Tencent would continue developing projects with topnotch film studios and producers in North America and Europe, etc., so that different works might be presented to the audience continuously. As Korean films were well received in the market and audience both locally and internationally, including Mainland China, Huayi Tencent believed that high-quality Korean films and television dramas would be in strong demand in Korean as well as in other Asian markets. Therefore, Huayi Tencent would invest in those prime projects in the future and step up its efforts in hoarding up quality Korean intellectual property. As there were signs of the Korean entertainment and culture staging a comeback in the Mainland China’s market, Huayi Tencent would seize the chance and introduce preeminent Korean films and television dramas into Mainland China. The theatrical release of films in Mainland China and some other countries/regions was currently affected by the outbreak of COVID-19. Huayi Tencent would closely monitor the latest development of the epidemic and coordinate with the global distributors to set appropriate theatrical release slots in Mainland China and other countries/regions. Huayi Tencent did not expect there would be long-term material adverse impact to its global production and distribution of films. On the other hand, the repercussion of the epidemic on Huayi Tencent’s healthcare and wellness services operation was confined to the affiliated food and beverage operations thus far, as the 18-hole golf course in Beijing was closed in the winter season as it had been in prior years. Subject to the then development of the epidemic, the 18-hole golf course in Beijing was set to re-open in phases since the end of March 2020. Huayi Tencent would continuously monitor the development of the epidemic, evaluate the potential impact on its healthcare and wellness services operation, and formulate corresponding measures.

- (v) As disclosed in the annual report of Kaisa Group Holdings Ltd. (“**Kaisa Group**”) for the year ended 31 December 2019, looking ahead, the outbreak of COVID-19 was expected to exert pressure on the growth of the real estate market in the short run, the Kaisa Group had made proactive preparations for adversity in light of the current conditions. Pursuant to the government policy, the Kaisa Group had adjusted its project launch strategy, shifting away from centralized sales launch model. At the same time, the Kaisa Group organized multiple forms of online marketing, including live streaming, proprietary sales platform wechat mini program, mobile app, and major third-party platforms to facilitate its consumers’ housing transaction.

Despite short-term impacts brought by the COVID-19 epidemic and volatile US-China trade relations could undermine the steady growth of China’s economy, it was believed that the Chinese government would overcome the challenges facing society through a series of systematic reform as well as financial and monetary policies in the long run, and ultimately, would stabilise employment, finance, foreign trade, foreign capital, investment and expectations. At the same time, local governments would optimise their regulatory policies on certain districts, in order to stabilise the local economy and boost market confidence.

In view of the current market conditions, the Kaisa Group would capture opportunities in land replenishment by prudently participating in bidding, auction and listing as well as acquisition and merger, in order to maintain solid cash flow. In the meantime, the Kaisa Group would continue to strengthen its capital and budget management, optimise cost and expense management, and explored low-cost and diversified financing channels.

- (vi) As disclosed in the annual report of Kingston Financial Group Limited (“**Kingston Fin**”) for the year ended 31 March 2020, the outbreak and continued spread of COVID-19 had added uncertainties to the global and Hong Kong economies. In addition, the United States may pursue claims against China and threaten to impose tariffs on China under the pretext of COVID-19 damages, further intensifying the tension between China and the United States. However, countries had launched large-scale relief measures in terms of fiscal and monetary policies to address the unexpected economic and financial volatilities. Among them, the Federal Reserve made two substantial interest rate cuts respectively on 3 and 15 March, and had announced measures such as unlimited bond purchases.

The People’s Bank of China successively cut the reserve requirement ratio in January, March and April of this year, respectively to release market liquidity. At the same time, it introduced more easing measures, including lowering the medium-term lending facility and introducing tax reduction and fee reduction policies, to help small and medium-sized enterprises survive the challenging times. With the COVID-19 epidemic gradually brought under control, Mainland China had begun resumption of work and production. As for the outlook for Mainland China’s economic growth performance, it was estimated that gross domestic product (GDP) would bottom out by the end of the year with favorable expectations in the middle-term and long-term.

In addition, given the epidemic, fluctuation in the capital markets of Hong Kong was inevitable. However, it was expected that the launch of fiscal relief measures by the Hong Kong SAR Government, the advancement of the “Guangdong-Hong Kong-Macao Greater Bay Area” (“**GBA**”) and the development of the “Belt and Road Initiative” would bring more opportunities for Hong Kong as an international financial hub. The Kingston Fin would adhere to its prudent management strategy and rigorously deploy and implement development plans in line with market conditions, in order to grasp the opportunities arising from the Hong Kong capital market and the GBA market.

It was still difficult to assess the negative impact of COVID-19 accurately on Macau’s tourism and gaming industry. However, as the epidemic gradually subsides, travelers from Mainland China under the Individual Visit Scheme (IVS) were expected to return. The improvement of infrastructure inside and outside Macau had made it more convenient for tourists to visit Macau. In addition, Macau planned to request the central government to expand the IVS to cover more cities in Mainland China. The Kingston Fin would regularly review its policy to respond timely to the changing environment and sustain its growth.

- (vii) Kaisa Group Holdings Ltd. (stock code: 01638) issued an aggregate principal amount of USD350,000,000, 3 years, 11.25% senior notes on 9 April 2019 and listed on Singapore Exchange Securities Trading Limited with the coupon rate 11.25% per annum, interest payable semi-annually and matured on 9 April 2022.

- (viii) New HK Island Three Holdings Limited was incorporated in Hong Kong. The company ceased business on 31 December 2018. The principal activity before cessation was investment holding.
- (ix) Oddup Inc. was incorporated in the United States of America and is principally engaged in operating a research platform that provides analytical information on startups, their trends, and both current and expected future valuations.

For five months ended 31 May 2020, the unaudited consolidated loss attributable to the owners of the company was approximately US\$2,399,000 and its unaudited consolidated net assets was approximately US\$16,607,000.

- (x) 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 2019, the unaudited net assets attributable to holders was approximately US\$2,403,000.

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 2020, the Group had cash and cash equivalents approximately HK\$2,617,000 (as at 31 December 2019: approximately HK\$3,857,000).

As at 30 June 2020, the Group had other financial liability of approximately HK\$9,957,000 (as at 31 December 2019: approximately HK\$9,936,000) and lease liabilities of approximately HK\$4,637,000 (as at 31 December 2019: approximately HK\$6,355,000).

The gearing ratio (total debts/total equity) as at 30 June 2020 was 5.8% (as at 31 December 2019: 5.5%). Total debts included other financial liability and lease liabilities.

As at 30 June 2020, the Group had net current assets of approximately HK\$238,707,000 as compared to approximately HK\$294,812,000 as at 31 December 2019.

As at 30 June 2020, the current ratio of the Group was 8.42 compared to 10.93 as at 31 December 2019.

Charges on assets

As at 30 June 2020, there were no charges on the Group's assets (31 December 2019: Nil).

Capital commitment and contingent liabilities

As at 30 June 2020 and 31 December 2019, 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 2020, the Company had 700,333,925 shares of HK\$0.01 each in issue (31 December 2019: 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 2020.

Prospects

First half of 2020 has been one of the most challenging time in decades. Due to the COVID-19 pandemic, authorities around the world implemented lockdown measures that have brought the global economy to a halt. With the weekly average of new COVID-19 reaches record high, increased geopolitical risk, and higher levels of market volatility, the company had made significant adjustment on its portfolio to better adapt on the potential risk ahead.

After experiencing a heavy sell-off in March and a slow recovery in the 2nd quarter, the market sentiment remained mix. Technology stocks were outperforming traditional industry like travel and banking and is expected to remain strong for a short period of time.

As a result, the company will remain focus on finding and invest on companies that are trading at an attractive value, invest in industries that are not closely correlated with the COVID-19, and decrease on investment that might have a negative outlook due to COVID-19. The board believes that the portfolio is positioned to weather the impact of the COVID-19 pandemic, and is hoping a vaccine could be released soon.

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 were 15 employees, including 2 executive Directors and 3 independent non-executive Directors at 30 June 2020. 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 2020 amounted to approximately HK\$3,950,000 (six months ended 30 June 2019: approximately HK\$4,244,000).

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 2020. 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**”) up to 31 March 2020. As such, the Board considers that such provision is sufficient to meet the underlying objective of this code provision.

Mr. Poon Wai Hoi, Percy, an independent non-executive Director, entered into a letter of appointment with the Company on 1 April 2020 to renew his directorship in the Company for an initial term of one year from 1 April 2020 unless terminated by not less than one month’s notice in writing served by either party. The term shall be automatically renewed for consecutive term(s) of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

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) up to 31 March 2020. 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 statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Mr. Poon Wai Hoi, Percy, an independent non-executive Director, entered into a letter of appointment with the Company on 1 April 2020 to renew his directorship in the Company for an initial term of one year from 1 April 2020 unless terminated by not less than one month’s notice in writing served by either party. The term shall be automatically renewed for consecutive term(s) of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

Mr. Mung Bun Man, Alan, an executive Director, entered into a service contract with the Company on 1 April 2020 to renew his directorship in the Company for an initial term of one year from 1 April 2020 (subject to rotation according to the bye-laws of the Company) and shall continue thereafter until terminated by not less than two months’ notice in writing served by either party.

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 2020.

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 2020 interim report and the condensed consolidated financial statements of the Group for the six months ended 30 June 2020.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The COVID-19 pandemic has a negative impact on the capital market to certain extent. However, the degree of impact will depend on the situation and duration of the epidemic prevention and control. The Group will continue to pay close attention to the development of the COVID-19 pandemic as well as the various control policies, assess and react actively to its impacts on the financial position and operating results of the Group.

PUBLICATION OF THE CONSOLIDATED INTERIM RESULTS AND 2020 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 2020 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, 21 August 2020

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.