

TARGET

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**GLOBAL MASTERMIND HOLDINGS LTD:
HOLDING ONE'S BREATH MAY NOT BE ADVISABLE
IF ONE IS PRAYING FOR THE SUN TO SHINE IN THE COMING YEAR**

On or about August 30, 2021, Senior Management of Global Mastermind Holdings Ltd (環球大通集團有限公司), Code: 8063, The Growth Enterprise Market – The GEM – made the determination to dispose of its entire Issued Share Capital of Harvest Well International Ltd.

The resultant effect of this single determination was to cease all its travel businesses in The Republic of Singapore ... and, perhaps, elsewhere.

At Page Five of the 2022 Annual Report of Global Mastermind Holdings Ltd, which was published and disseminated on or about March 31, 2023, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Mr Elton Cheung Kwok Wai (張國偉), the Chairman of the Board of Directors of the Company, explains his reasoning in respect of his Company's determination to cease all operations in travel agency industry:

'In this (Financial) year, we have been monitoring the environment of travel business in Hong Kong. Nowadays, most people prefer to book their flights, hotels or cars hire online. The travel agency market has been dominated by the large global online agents which have well-developed booking systems or mobile applications. There are many challenges that we would have to face, such as the increased competition from large conglomerates and the rise in online booking channels. Hence, we have to examine thoroughly the profitability, capital requirements and risks before moving forward in this industry.'

Under the heading, '**Management Discussion and Analysis**,' found at Page Seven of the 2022 Annual Report of the Company, one was apprised of the travel business industry in The Republic of Singapore in a single paragraph:

'Given that the travel business in Singapore suffered sustained losses in recent years due to severe market competition and the outbreak of the COVID-19 pandemic, Global Mastermind Holdings Limited (the "Company", together with its subsidiaries as the "Group") ceased its travel business in Singapore by disposing of its entire issued share capital

of Harvest Well International Limited (“Harvest Well”) on 30 August 2021. The principal subsidiary of Harvest Well was Safe2Travel Pte Ltd (“Safe2Travel”), which was engaged in the travel business in Singapore. Accordingly, the results of Safe2Travel for the period from 1 January 2021 to the date of disposal of Harvest Well had been restated to re-present as a discontinued operation for financial reporting purposes.’

Then, at Page 130 of the 2022 Annual Report of the Company, under the heading, ‘**DISPOSAL OF SUBSIDIARIES**,’ one was informed of the following:

‘The Harvest Well Group

‘During the year ended 31 December 2021, the Group entered into a sale and purchase agreement to dispose of its entire equity interests in Harvest Well at a consideration of HK\$1 as adjusted by the mechanisms of Outcome Sharing Adjustment (as defined below), if any, respectively. The disposal was completed on 30 August 2021.

‘Pursuant to the sale and purchase agreement relating to the disposal of the entire equity interests in Harvest Well, if the purchaser successfully recovers any value in the assets of the Harvest Well Group subsequent to the completion of the disposal, any proceeds recovered shall be distributed between the Group and the purchaser in the proportions of 70% to 30% (the “Outcome Sharing Adjustment”).’

Aside from the above-mentioned travel agency’s disposal in The Republic of Singapore, Global Mastermind Holdings Ltd, during the Five Financial Years, ended December 31, 2022, the Company experienced an unbroken chain of material losses, aggregating \$HK732,247,000.00.

Reverting, once again, to the Chairman’s Statement at Page Five of the 2022 Annual Report, Chairman Elton Cheung Kwok Wai went on record, stating the following:

‘During the year ended 31 December 2022, we reported a loss attributable to owners of the Company of HK\$162.82 million, representing a 11% improvement as compared to last year. This improvement was mainly attributable to the absence of the previous year’s one-off loss on fair value changes of convertible bonds of HK\$96.34 million, but which was partially offset by (i) a HK\$36.66 million increase in allowance of expected credit loss (“ECL”) on loan receivables, (ii) the recognition of a HK\$6.83 million net realised and unrealised losses on securities investment in 2022, in contrast to a HK\$14.39 million net realised and unrealised gains on securities investment last year, and (iii) a HK\$14.48 million decrease in interest income from money lending business.

‘The segment loss of our money lending business increased from HK\$60.08 million in 2021 to HK\$119.80 million in 2022. The increase was mainly due to the HK\$36.66 million increase in allowance of ECL on loan receivables and the HK\$14.48 million decrease in interest income. As strict COVID restrictions and weakening global demand suppressed spending

and exports, the global economy suffered a contraction last year. Barely out of the pandemic, we will slow down our pace in business expansion and closely monitor our loan portfolio's performance.

'We recorded a segment loss of HK\$6.84 million for our treasury management business in 2022, in contrast to a segment profit of HK\$14.38 million last year. The deterioration was due to the net unrealised loss of HK\$6.84 million arising on changes in fair values of securities investments. We will closely monitor and adjust our listed securities portfolio from time to time.

'The segment loss of our financial services business increased from HK\$2.58 million in 2021 to HK\$11.92 million in 2022. The increase was due to a HK\$6.08 million increase in allowance of ECL on account receivables from securities margin clients and a decrease of HK\$2.58 million in commission income from securities brokerage ... '.

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