GLOBAL MASTERMIND
環 球 大 通

Global Mastermind Holdings Limited
環球大通集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8063)

ANNUAL RESULTS ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors of Global Mastermind Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

* *For identification purposes only*

The board of the directors (the "**Board**") of the Company announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2023 together with the comparative figures for 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Interest income from money lending business		**5,348**	13,402
Commission income from securities brokerage		**1,361**	2,057
Interest income from margin financing		**4,483**	6,883
Handling and settlement income arising from securities brokerage		**1,689**	3,787
Asset management fee income		**3**	3
Advisory fee income from corporate finance		**220**	120
Net realised gain on securities investment	*4*	**790**	10
Net unrealised loss on securities investment	*4*	**(3,368)**	(6,842)
Other income, other gains and losses	*6*	**1,299**	3,672
Staff costs		**(14,932)**	(15,303)
Depreciation and amortisation expenses		**(1,684)**	(340)
Gain/(loss) on fair value changes of investment properties		**2,900**	(5,000)
Allowance for expected credit loss on financial guarantee contract		**–**	(106)
Allowance for expected credit loss on account receivables from securities margin clients		**(3,724)**	(13,232)
Allowance for expected credit loss on account receivable from a securities cash client		**(121)**	–
Allowance for expected credit loss on account receivable from corporate finance		**(153)**	–
Allowance for expected credit loss on loan receivables		**(10,006)**	(112,975)
Other expenses	*7*	**(10,246)**	(18,554)
Finance costs	*8*	**(8,000)**	(8,000)
Loss before tax	*10*	**(34,141)**	(150,418)
Income tax expense	*9*	**–**	(12,398)
Loss and total comprehensive expense for the year		**(34,141)**	(162,816)

	Note	**2023**	2022
		HK$'000	*HK$'000*
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(34,140)**	(162,815)
Non-controlling interest		**(1)**	(1)
		(34,141)	(162,816)
Loss per share attributable to owners of the Company	*12*		
Basic and diluted *(HK cents)*		**(6.68)**	(31.87)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**41,850**	1
Investment properties		**121,900**	162,200
Intangible asset		**128**	461
		163,878	162,662
Current assets			
Trade and other receivables	*13*	**53,278**	54,506
Loan receivables	*14*	**14,315**	36,149
Financial assets at fair value through profit or loss		**11,458**	11,847
Tax recoverable		**–**	925
Bank trust account balances		**4,637**	13,513
Bank balances and cash		**16,675**	31,193
		100,363	148,133
Current liabilities			
Trade and other payables	*15*	**19,227**	26,710
Other borrowing		**100,000**	100,000
Financial guarantee contract		**–**	4,930
		119,227	131,640
Net current (liabilities)/assets		**(18,864)**	16,493
Total assets less current liabilities		**145,014**	179,155
Net assets		**145,014**	179,155
Capital and reserves			
Share capital		**51,079**	51,079
Share premium and reserves		**93,944**	128,084
Equity attributable to owners of the Company		**145,023**	179,163
Non-controlling interests		**(9)**	(8)
Total equity		**145,014**	179,155

1. GENERAL

Global Mastermind Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Exchange**"). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit 1201, 12/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong respectively.

The principal activities of the Company and its subsidiaries (the "**Group**") are the provision and operation of travel business, treasury management business, money lending business, provision of securities, asset management business and financial advisory business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatory effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The application of the above–mentioned change in accounting policy has had no material impact on the Group's consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

[1] Effective for annual periods beginning on or after a date to be determined

[2] Effective for annual periods beginning on or after 1 January 2024

[3] Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information in considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial instruments that are measured at fair values at the end of each reporting period.

Going concern

During the year ended 31 December 2023, the Group incurred a net loss of HK$34,141,000 and net cash used in operating activities of HK$6,551,000 for the year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by HK$18,864,000.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity, operating performance of the Group and its available sources of financing, and are of the opinion that the cash flow generated from operating activities and certain appropriate financing activities of the Group will be able to meet the funding needs of operations and repay the outstanding interest bearing borrowings. In order to improve the Group's financial position, the directors of the Company have been implementing various measures as follows:

i. taking active measures to collect loan receivables to improve operating cash flows and its financial position;

ii. entering into a supplemental loan agreement with the lender on 22 March 2024 to extend the maturity date of the unsecured other borrowing of HK$100,000,000 to 1 April 2025;

iii. reviewing its investments and actively considering to realise certain financial assets at fair value through profit or loss ("**FVTPL**"), in order to enhance the cash flow position of the Group whenever it is necessary; and

iv. implementing active cost-saving measures to control administrative costs through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group.

The directors of the Company have carried out detail review on the Group's cash flow projection prepared by management. The cash flow projection covers a period of not less than twelve months from the end of the reporting period. In preparing the cash flow projection, the directors have considered historical cash requirements of the Group as well as other key factors, including the availability of the loan finance which may impact the operations of the Group during the next twelve-month period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2023 on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

4. NET LOSS ON SECURITIES INVESTMENT

Net realised gain or loss on securities investment represents the proceeds from sale of financial assets at FVTPL less the carrying amounts of respective financial assets measured at fair value at the end of last financial year, and dividend income is recognised when the Group's right to receive the dividend is established. Net unrealised gain or loss represents the remaining fair value changes on the financial assets at FVTPL.

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Net realised gain on financial assets at FVTPL		
Proceeds from sale of financial assets at FVTPL	**1,049**	–
Carrying amount of financial assets at FVTPL	**(571)**	–
	478	–
Dividend income from securities investment	**312**	10
	790	10
Net unrealised loss on financial assets at FVTPL	**(3,368)**	(6,842)
	(2,578)	(6,832)

5. OPERATING SEGMENTS

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the chief operating decision maker ("**CODM**") representing the board of directors of the Company, for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided or income derived from business engaged in. This is also the basis upon which the Group is arranged and organised.

For the years ended 31 December 2023 and 2022, the Group's operations are organised into six reporting and operating segments under HKFRS 8 *Operating Segments*:

Treasury management business	Investing in financial instruments
Money lending business	Money lending
Brokerage business	Providing brokerage services
Asset management business	Providing asset management services
Corporate finance advisory business	Providing corporate finance advisory services
Travel business	Providing services of making reservation of hotel rooms and arrangement of packaged tours

Segment revenue and results

The following is an analysis of the Group's revenue and results for the years ended 31 December 2023 and 2022 by reportable segments.

	Segment revenue		Segment losses	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Treasury management business	**790**	10	**(2,590)**	(6,844)
Money lending business	**5,348**	13,402	**(10,205)**	(119,797)
Brokerage business	**7,533**	12,727	**(4,646)**	(10,000)
Asset management business	**3**	3	**(15)**	(26)
Corporate finance advisory business	**220**	120	**(1,229)**	(1,893)
Travel business	**–**	–	**–**	–
Total	**13,894**	26,262	**(18,685)**	(138,560)
Gain/(loss) on fair value changes of investment properties			**2,900**	(5,000)
Unallocated income			**1,555**	3,637
Unallocated expenses			**(19,911)**	(22,893)
Loss for the year			**(34,141)**	(162,816)

All of the segment revenue reported above are from external customers.

Segment losses represent the losses incurred by each segment without allocation of gain/loss on fair value changes of investment properties, unallocated income (which mainly includes government grants and rental income) and unallocated expenses (which mainly include central administration costs, certain directors' salaries, certain depreciation for property, plant and equipment, amortisation of intangible assets and loss on financial guarantee contract). This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities at 31 December 2023 and 2022 by operating segments:

	2023	2022
	HK$'000	*HK$'000*
Segment assets		
Treasury management business	**11,299**	11,973
Money lending business	**14,662**	37,608
Brokerage business	**68,142**	84,098
Asset management business	**3,877**	8,553
Corporate finance advisory business	**120**	302
Travel business	**–**	–
Total reportable segment assets	**98,100**	142,534
Unallocated bank balances and cash	**740**	4,724
Unallocated assets	**165,401**	163,537
Consolidated assets	**264,241**	310,795
Segment liabilities		
Money lending business	**121**	57
Brokerage business	**10,782**	16,899
Asset management business	**25**	76
Corporate finance advisory business	**–**	–
Travel business	**–**	–
Total reportable segment liabilities	**10,928**	17,032
Unallocated liabilities	**108,299**	114,608
Consolidated liabilities	**119,227**	131,640

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, intangible asset, investment properties, certain deposits and prepayments and certain bank balances and cash.

- all liabilities are allocated to operating segments other than other borrowing, financial guarantee contract and certain accruals and other payables.

Other information

Amounts included in the measure of segment results or segment assets:

	Treasury management business	Money lending business	Brokerage business	Asset management business	Corporate finance advisory business	Travel business
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2023						
Allowance for expected credit loss ("**ECL**") on account receivables from securities margin clients	**–**	**–**	**3,724**	**–**	**–**	**–**
Allowance for ECL on account receivable from a securities cash client	**–**	**–**	**121**	**–**	**–**	**–**
Allowance for ECL on account receivable from corporate finance	**–**	**–**	**–**	**–**	**153**	**–**
Allowance for ECL on loan receivables	**–**	**10,006**	**–**	**–**	**–**	**–**
Year ended 31 December 2022						
Depreciation of property, plant and equipment	–	–	1	–	1	–
Allowance for ECL on account receivables from securities margin clients	–	–	13,232	–	–	–
Allowance for ECL on loan receivables	–	112,975	–	–	–	–

Geographical information

The Group mainly operates in Hong Kong.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of the assets are detailed below:

	Revenue from external customers For the year ended 31 December		Non-current assets at 31 December	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**13,894**	26,262	**163,878**	162,662

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Disaggregation of revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by types of services		
– Commission income from securities brokerage	**1,361**	2,057
– Handling and settlement income arising from securities brokerage	**1,689**	3,787
– Asset management fee income	**3**	3
– Advisory fee income from corporate finance	**220**	120
	3,273	5,967
Revenue from other sources		
– Net realised gain on securities investment	**790**	10
– Interest income from money lending business	**5,348**	13,402
– Interest income from margin financing	**4,483**	6,883
	10,621	20,295
Total revenue	**13,894**	26,262
Timing of revenue recognition		
– point in time	**3,050**	5,844
– over time	**223**	123
Revenue from contracts with customers	**3,273**	5,967

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
From money lending business		
Customer A	**2,033**	3,821
Customer B	**N/A***	4,746
Customer F	**1,958**	3,070
From brokerage business		
Customer K	**1,585**	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME, OTHER GAINS AND LOSSES

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Rental income from related parties	**1,460**	3,458
Government grants*		
– Employment Support Scheme from the Hong Kong government	**–**	480
Bank interest income	**33**	2
Loss on financial guarantee contract	**(297)**	(290)
Others	**103**	22
	1,299	3,672

* The conditions of all those government grants had been fulfilled and the Group had received the government grants already.

7. OTHER EXPENSES

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Expense relating to short-term leases	**2,707**	3,057
Handling fee and commission arising from brokerage business	**2,622**	4,775
Auditors' remuneration	**1,165**	910
Legal and professional fees	**836**	4,649
Telecommunication expenses	**731**	738
Building management fee	**523**	326
Computer expenses	**502**	661
Publication and translation cost	**352**	559
Others	**808**	2,879
	10,246	18,554

8. FINANCE COSTS

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Interest on other borrowing	**8,000**	8,000

9. INCOME TAX EXPENSE

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
The tax charge/(credit) comprises:		
Current tax		
– Hong Kong Profits Tax	**–**	2
Overprovision in prior years		
– Hong Kong Profits Tax	**–**	(10)
Deferred tax – current year	**–**	12,406
	–	12,398

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000 for both years.

10. LOSS FOR THE YEAR

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Directors' emoluments	**1,432**	2,058
Salaries and other benefits (excluding directors' emoluments)	**13,200**	12,950
Retirement benefits scheme contribution (excluding directors' emoluments)	**300**	295
Total staff costs	**14,932**	15,303
Gross rental income from investment properties	**(1,460)**	(3,458)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**148**	–
	(1,312)	(3,458)
Auditors' remuneration for audit services:		
Auditors of the Company	**1,080**	820
Other auditors	**85**	90
	1,165	910
Amortisation of intangible assets	**333**	334
Depreciation for property, plant and equipment	**1,351**	6
Expense relating to short-term leases	**2,707**	3,057

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2023 and 2022, nor has any dividend been proposed since the end of both years.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(34,140)**	(162,815)

	For the year ended 31 December	
	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**510,794**	510,794

For the years ended 31 December 2023 and 2022, the computation of diluted loss per share was the same as the basic loss per share as there was no potential dilutive ordinary shares.

13. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Account receivables from brokerage business:		
– Margin clients, net of accumulated allowance for ECL *(Note i)*	**42,614**	49,213
– Cash clients, net of accumulated allowance for ECL *(Note ii)*	**1,198**	2,086
– Clearing house *(Note ii)*	**7,293**	1,206
Trade receivables from asset management business	**–**	30
Trade receivables from corporate finance advisory business, net of accumulated allowance for ECL	**120**	303
Brokers receivables	**9**	84
Deposits, prepayments and other receivables	**2,044**	1,584
	53,278	54,506

Notes:

(i) As at 31 December 2023, loans to securities margin clients are secured by clients' pledged securities with fair value of HK$119,588,000 (2022: HK$147,373,000). The loans are repayable on demand and carry interest typically at Hong Kong prime rate +3% to +10% per annum. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by securities margin clients. No aging analysis is disclosed as, in the opinion of the directors, an aging analysis does not give additional value in view of the nature of brokerage business of securities margin financing.

During the year ended 31 December 2023, a loan (2022: two loans) to securities margin client with gross carrying amount of HK$2,204,000 (2022: HK$7,057,000) was reclassified from Stage 1 (initial recognition) to Stage 3 (credit-impaired), as the securities margin client failed to repay or provide additional collateral when the eligible margin value of the securities fell below the outstanding amount of the loan for more than 90 days.

At 31 December 2023, loans to securities margin clients with gross carrying amount of HK$28,080,000 (2022: HK$25,372,000) have been classified as Stage 3 (credit-impaired). These margin loans were secured by pledged securities with fair value of HK$3,975,000 (2022: HK$4,991,000) and accumulated allowances for ECL of HK$24,105,000 (2022: HK$20,381,000) have been provided.

(ii) The normal settlement terms of account receivables from cash clients and clearing house are two trading days after trade date. As at 31 December 2023, the gross amount of account receivables from cash clients were HK$1,319,000 (2022: HK$2,086,000).

Account receivables from cash clients which are neither past due nor impaired mainly represent unsettled client trades on securities exchange transacted on the last two business days prior to the end of the reporting period. As a securities cash client went bankruptcy during the year ended 31 December 2023, the directors concluded that an allowance for ECL on account receivable from the securities cash client of HK$121,000 (2022: nil) was required for year ended 31 December 2023.

14. LOAN RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Loan receivables	**281,071**	291,668
Accrued interest receivables	**17,925**	19,156
Less: accumulated allowance for ECL	**(284,681)**	(274,675)
	14,315	36,149
Analysed as		
Current	**14,315**	36,149

The range of interest rate on the Group's loan receivables are ranged from 8% to 15% per annum (2022: 8% to 15% per annum). The loans are respectively repayable in two to six years (2022: two to six years) from the drawdown date. Pursuant to loan agreements, the Group retains a discretionary right to demand the repayment from the borrowers in full before the maturity of the loans.

At 31 December 2023, the net carrying amount of loan receivables amounting to HK$14,315,000 (2022: HK$16,456,000) are secured and guaranteed and HK$nil (2022: HK$19,693,000) are unsecured and unguaranteed.

No aging analysis is disclosed, as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of money lending business.

15. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Account payables from brokerage business:		
– Margin clients	**2,823**	4,488
– Cash clients	**7,172**	11,025
– Clearing house	**609**	1,237
Trade payables from asset management business	**–**	46
Accruals	**4,233**	5,805
Interest payable	**658**	658
Tenant deposits received	**247**	848
Other payables	**3,485**	2,603
	19,227	26,710

For the brokerage business, the normal settlement terms of account payables to clients, clearing house and broker(s) are two trading days after trade date. No aging analysis is disclosed for the account payables from the brokerage business as, in the opinion of directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report regarding the consolidated financial statements of the Group for the year ended 31 December 2023.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK$34,141,000 and net cash used in operating activities of HK$6,551,000 during the year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by HK$18,864,000. As stated in note 3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

RESULTS OF OPERATIONS

The Group recorded a loss attributable to owners of the Company of HK$34,140,000 for the year ended 31 December 2023 (2022: HK$162,815,000). The decrease in the loss for the year was mainly due to (i) a HK$102,969,000 decrease in allowance for expected credit loss ("**ECL**") on loan receivables, (ii) a HK$9,508,000 decrease in the allowance for ECL on account receivables from securities margin clients, and (iii) the absence of the previous year's income tax expense in the amount of HK$12,398,000.

Revenue and profitability

An analysis of the Group's revenue for the years ended 31 December 2023 and 2022 was as follows:

	2023 ***HK$'000***	2022 *HK$'000*
Interest income from money lending business	**5,348**	13,402
Net realised gain on securities investment	**790**	10
Revenue derived from financial services business	**7,756**	12,850
	13,894	26,262

For the year ended 31 December 2023, the revenue of the Group amounted to HK$13,894,000, which was comprised of interest income from money lending business of HK$5,348,000 (2022: HK$13,402,000), net realised gain on securities investment of HK$790,000 (2022: HK$10,000), and revenue derived from financial services business of HK$7,756,000 (2022: HK$12,850,000). Revenue derived from financial services business includes commission income from securities brokerage, interest income from margin financing, handling and settlement income arising from securities brokerage, asset management fee income, and advisory fee income from corporate finance.

The Group reported a decrease of 47% in its revenue for the year ended 31 December 2023 compared to HK$26,262,000 for the year ended 31 December 2022. This decrease was mainly attributable to (i) a HK$8,054,000 decrease in interest income from the money lending business, and (ii) a HK$5,094,000 decrease in revenue derived from financial services business.

Other income, other gains and losses

Other income, other gains and losses for the year ended 31 December 2023 amounted to a net income of HK$1,299,000, representing a decrease of 65% compared to the net income of HK$3,672,000 for the year ended 31 December 2022. This decrease was mainly due to the decrease in rental income from related parties, as the leasing of two office units was terminated during the reporting period.

Staff costs, depreciation and amortisation expenses, and other expenses

For the year ended 31 December 2023, staff costs amounted to HK$14,932,000 (2022: HK$15,303,000). Depreciation and amortisation expenses amounted to HK$1,684,000 (2022: HK$340,000). Other expenses amounted to HK$10,246,000 (2022: HK$18,554,000).

The increase in depreciation and amortisation expenses was mainly attributable to the additional depreciation recognised on an office unit reclassified from investment properties to properties, plant and equipment due to this office unit becoming owner-occupied property in January 2023.

The decrease in other expenses was mainly due to a HK$3,813,000 decrease in legal and professional fees and a HK$2,153,000 decrease in handling fee and commission arising from the Group's securities brokerage business.

Gain on fair value changes of investment properties

At the end of the reporting period, the Group remeasured its investment properties in Hong Kong at fair value based on a valuation prepared by an independent qualified valuer, and recognised a gain of HK$2,900,000 (2022: a loss of HK$5,000,000) on the fair value changes of investment properties. The recognition of the gain on fair value changes of investment properties was due to the better performance for comparable premises in the vicinity of investment properties as compared with last year.

Allowance for ECL on loan receivables

At the end of the reporting period, the directors performed an ECL assessment on the Group's loan receivables with reference to a valuation prepared by an independent professional valuer. Having performed the ECL assessment, the directors concluded that an allowance for ECL on loan receivables of HK$10,006,000 (2022: HK$112,975,000) was required for the year ended 31 December 2023. The decrease in allowance for ECL on loan receivables is discussed in the "Money lending business" section under "Business Review" below.

Allowance for ECL on account receivables from securities margin clients

At the end of the reporting period, the directors performed an ECL assessment on the account receivables from the securities margin clients. As the market values of the pledged securities held by four securities margin clients fell below the outstanding amounts of their respective margin loans, the directors concluded that an allowance for ECL on the account receivables from securities margin clients of HK$3,724,000 (2022: HK$13,232,000) was required for the year ended 31 December 2023.

Finance costs

For the year ended 31 December 2023, the finance costs amounted to HK$8,000,000 (2022: HK$8,000,000), which represented interest expense on other borrowing.

Income tax expense

There was no income tax expense was recognised for the year ended 31 December 2023. For the year ended 31 December 2022, the Group recognised an income tax expense of HK$12,398,000 as a result of the derecognition of the deferred tax assets in respect of the allowance for ECL on loan receivables previously recognised.

BUSINESS REVIEW

Money lending business

During the year ended 31 December 2023, the Group's money lending business generated interest income on loans of HK$5,348,000, representing a 60% decrease from HK$13,402,000 for the previous year, and reported a segment loss of HK$10,205,000, a 91% decrease from HK$119,797,000 for the previous year.

The decrease in interest income was mainly contributed by no further interest income recognised from six loans classified under stage 3 (credit-impaired) as the Group cast doubt on their ability to repay, whereas no further interest income recognised from five loans for the previous year. Other than the decrease in interest income, the decrease in the segment loss was attributable to a HK$102,969,000 decrease in allowance for ECL as discussed below.

During the year ended 31 December 2023, the Group did not grant any new loan or extend any existing loan, and a customer made a drawing of HK$1,000,000 from an existing loan and two customers repaid HK$11,597,000 to the Group.

As at 31 December 2023, nine loans remained outstanding, in which (i) a loan receivable with a gross balance of HK$14,377,000 was classified under stage 1 (initial recognition), and (ii) eight loan receivables with the aggregate gross balance of HK$284,619,000 were classified under stage 3 (credit-impaired). During the year ended 31 December 2023, a loan receivable with a gross outstanding balance of HK$27,435,000 was transferred from stage 2 (significant increase in credit risk) to stage 3 (credit-impaired) as the customer failed to settle the outstanding principal and interest for more than 90 days.

At the end of the reporting period, the directors performed an ECL assessment on the Group's loan receivables with reference to a valuation prepared by an independent professional valuer. The valuation measured ECL on loan receivables using the general approach, which is often referred to "three-stage model" under HKFRS 9 Financial Instruments. Based on the valuation, an allowance for ECL on loan receivables of HK$10,006,000 was made. Of the total allowance for ECL, HK$18,526,000 was recognised for the loan receivable reclassified from stage 2 (significant increase in credit risk) to stage 3 (credit-impaired), HK$101,000 was reversed for the loan receivable classified under stage 1 (initial recognition), and HK$8,419,000 was reversed for the loan receivable classified under stage 3 (credit-impaired) resulting from partial repayment of the loan.

As at 31 December 2023, the Group's loan receivables and accrued interest receivables (before accumulated allowance for ECL) amounted to HK$298,996,000 (31 December 2022: HK$310,824,000). Return on loan receivables for the year ended 31 December 2023 is 2% (2022: 5%) which is measured as a percentage against average loan receivables before accumulated allowance for ECL and accrued interest receivables. The decrease in return on loan receivables was due to the decrease in interest income recognised for the loans classified under stage 3 (credit-impaired) in the year ended 31 December 2023.

Treasury management business

During the year ended 31 December 2023, the Group acquired Hong Kong-listed equity securities with an aggregate market value of HK$3,550,000. The Group made a trading gain of HK$478,000 by selling its Hong Kong-listed equity securities with a carrying amount of HK$571,000 at net proceed of HK$1,049,000, together with the dividend income of HK$312,000 from its securities investment, the Group recognised a net realised gain of HK$790,000 (2022: HK$10,000) in the year ended 31 December 2023. As at 31 December 2023, the Group remeasured its securities investment at fair value and recorded a net unrealised loss of HK$3,368,000 (2022: HK$6,842,000) arising on changes in fair values of securities investment.

The return on financial assets at FVTPL, measured as a percentage of gains and losses arising on change on fair value, trading gains and losses and dividend income against the opening fair value of financial assets at FVTPL and the total investments made at cost during the year, recorded a negative return of 17% (2022: 37%) for the year ended 31 December 2023.

Financial services business

During the year ended 31 December 2023, the revenue of the Group's financial services business decreased by 40% to HK$7,756,000 (2022: HK$12,850,000).

Commission income from securities brokerage for the year ended 31 December 2023 decreased by 34% to HK$1,361,000 (2022: HK$2,057,000). This decrease was due to a decrease in customers' transaction volumes resulting from poor market sentiment.

Interest income from margin financing for the year ended 31 December 2023 decreased by 35% to HK$4,483,000 (2022: HK$6,883,000) as the interest income from three margin loans classified under stage 3 (credit-impaired) was calculated based on effective interest rate on their net carrying amounts (after deducting accumulated allowance for ECL) rather than their gross amounts. The average monthly outstanding balance of loans of securities margin clients (before accumulated allowance for ECL) decreased from HK$70,973,000 in the year ended 31 December 2022 to HK$68,607,000 in the year ended 31 December 2023.

The handling and settlement income arising from securities brokerage for the year ended 31 December 2023 decreased by 55% to HK$1,689,000 (2022: HK$3,787,000) due to the decrease in customers' transaction volumes resulting from poor market sentiment.

The asset management fee income for the year ended 31 December 2023 was HK$3,000 (2022: HK$3,000).

The advisory fee income from corporate finance for the year ended 31 December 2023 increased by 83% to HK$220,000 (2022: HK$120,000).

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, and borrowings. Equity attributable to owners of the Company decreased from HK$179,163,000 at 31 December 2022 to HK$145,023,000 at 31 December 2023. This decrease was due to the loss incurred by the Group for the year ended 31 December 2023.

As at 31 December 2023, the bank balances and cash of the Group amounted to HK$16,675,000 (2022: HK$31,193,000).

As at 31 December 2023, the Group had an outstanding borrowing of HK$100,000,000 (2022: HK$100,000,000) granted by a finance company, which is interest-bearing at 8% per annum, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Cheung Kwok Wai Elton, the Chairman of the Board and an executive director, and maturing on 1 April 2025.

Gearing ratio

At 31 December 2023, the Group's gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 69% (2022: 56%).

Net current assets/liabilities and current ratio

As at 31 December 2023, the Group's net current liabilities and current ratio were HK$18,864,000 (2022: net current asset of HK$16,493,000) and 0.8 (2022: 1.1) respectively. The occurrence of net current liabilities and decrease in current ratio was mainly attributable to decrease in loan receivables and bank balance and cash.

CAPITAL STRUCTURE

There was no change in the Company's capital structure during the year ended 31 December 2023.

EXCHANGE RATE RISK

The Group's principal place of business is in Hong Kong, hence transactions arising from its operations were generally settled in Hong Kong Dollars, which is the functional currency of the Group. Apart from the financial guarantee contract of the Group was denominated in Singapore Dollars, the Group was not exposed to any significant foreign currency risk nor had employed any financial instrument for hedging.

PLEDGE OF ASSETS

As at 31 December 2023, there was no pledge of the Group's assets. As at 31 December 2022, the Group's investment properties in Hong Kong with a carrying amount of HK$162,200,000 were pledged to a bank in Singapore for securing its liabilities under a financial guarantee contract.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no material contingent liabilities.

MATERIAL COMMITMENTS

As at 31 December 2023, the Group had no material commitments.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2023, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint venture.

ENVIRONMENTAL POLICIES

The Group is committed to acting in an environmentally responsible manner in our business operations and promoting green measures towards environmental protection to our employees. Our Group adheres to the principle of Recycling, Reducing and Reusing. Doubled-sided printing and copying, use of recycled paper and the reduction of energy consumption by switching off idle lightings and electrical appliance are encouraged for implementation by the Group. In order to enhance environmental sustainability, our Group will review its environmental practices from time to time and will consider implementing other eco-friendly measures and practices in the Group's business operation if and when appropriate.

COMPLIANCE WITH REGULATIONS

The Group recognises the importance of compliance with regulatory requirements. Risks of non-compliance with the relevant requirements could lead to adverse impact on business operation and financial position of the Group. The Board as a whole is responsible to ensure the Group is in compliance with relevant laws and regulations that have a significant impact on the Company.

During the year ended 31 December 2023, the Group complied with applicable laws and regulations such as the Money Lenders Ordinance and the Money Lenders Regulations for its money lending business in Hong Kong, the Securities and Futures Ordinance for its financial services business in Hong Kong, the GEM Listing Rules, the Hong Kong Companies Ordinance (Cap. 622), and other applicable laws and regulations in which the Group operates.

During the year ended 31 December 2023, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

EMPLOYEES INFORMATION

As at 31 December 2023, the total number of employees of the Group was 31 (2022: 27). Staff costs (including directors' emoluments) for the year ended 31 December 2023 amounted to HK$14,932,000 (2022: HK$15,303,000).

OUTLOOK

The global economy outlook is still uncertain as affected by the persistently high interest rates, further escalation of conflicts and sluggish international trade. The prospects of a prolonged period of tighter credit conditions and high interest rates pose significant challenges to global growth and in need of more investments to resuscitate the flagging economy. Mainland China and Hong Kong economy grew at a slower pace than the original estimation. The directors expect that the Hong Kong equity market will continue to face with mounting pressure marked by global economic fragility and interest rate hikes. The directors will closely monitor the Hong Kong equity market, proactively adjust the Group's securities portfolio from time to time, and realise the securities investment into cash as and when appropriate.

In light of the uncertain economic outlook, the Group has taken a cautious and conservative stance in considering the grant of new loans to new customers, as a matter of prudent measures to reduce the Company's business risks. The directors intend to maintain the size of the Group's loan portfolio in 2024. Meanwhile, the Group will closely monitor the performance of the Group's loan portfolio, especially in each customer's repayment and financial condition, and continue to focus on the recovery of the overdue loans so as to safeguard the interest of the Group.

In 2023, investors tended to be more conservative in the Hong Kong-listed equities, and the market turnover of the Hong Kong equity market showed a downward trend, which harmed the Group's financial services business. In response to the sluggish market conditions, the Hong Kong Government has recently undertaken various measures to revitalise the development of the Hong Kong equity market and Hong Kong's status as an international financial center, such as a stamp duty cut on securities transactions and a reform of the GEM Listing Rules to enhance GEM's attractiveness. The directors are hoping these measures would attract capital to Hong Kong and boost trading volumes of the Hong Kong equity market, which in turn would improve the profitability of the Group's financial services business in the future.

Based on the results of research and feasibility studies on travel business in Hong Kong conducted by the Company, the directors consider that developing travel business in Hong Kong would be challenging and costly. There are many challenges that the Company would have to face, such as the increased competition from large conglomerates and online booking channels. Hence, the Company has to examine thoroughly the profitability, capital requirements and potential risks before moving forward in this industry.

For the coming years, the directors will continue to lead the Group to weather the challenges and continue to monitor the business environment and strengthen the Group's business foundation by focusing on its existing businesses. In addition to focusing on the Group's existing businesses, the directors will continue to identify suitable investment opportunities for the Group to diversify its businesses and broaden its revenue.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 December 2023 and up to the date of this announcement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces the following key risks and uncertainties. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below. Investors are advised to make their own judgment or consult their own investment advisers before making any investment in the shares.

Principal risks	Description	Mitigating actions
Business risk	Business risk is the risk of rapid changes in customers' preference and price driven competition faced by the travel business and brokerage business which could impact the Group's performance.	• Continuous review of market trends and maintaining a competitive position by recruiting and retaining experienced staff to provide flexible and comprehensive support services to the customers.
Economic risk	Economic risk is the risk that any downturn in economic conditions, including those arisen from COVID-19, which could impact the Group's performance.	• Regularly tracking and closely monitoring the trends of macro economy and investment and equities markets. • Periodical review of investment portfolio on a timely basis, including the review of trading positions and activities, unrealised gain or loss, risk exposure, etc. • Limiting the investment loss by setting up the investment cap for each individual investment. • Establishing and implementing business contingency plans if business is disrupted by non-controllable events.
Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	• Full understanding of customers and the carrying out of credit quality assessment on customers before granting new loans.

Principal risks	Description	Mitigating actions
		• Regularly monitoring loan receivables and assessing the recoverability of loan receivables on an ongoing basis. • Making of margin calls when the outstanding balances due from margin customers exceed their respective limits with consideration of the credibility of the customers and quality and liquidity of the stocks held by the customers. • Failure or delay to meet margin calls may result in prohibition of further purchases of securities or liquidation of the customer's position.
Liquidity risk	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or failure to satisfy the capital requirements to carry out the Group's financial services business in the ordinary course.	• Regular monitoring of liquidity and financial position of the Group. • Maintenance of appropriate liquidity to cover its commitments. • Maintenance of adequate liquid capital to comply with the Securities and Futures (Financial Resources) Rules. • Limiting liquidity risk exposure on treasury management business by investing in securities listed on stock markets. • Ensuring acceptable and appropriate finance in place before committing to investment projects.

Principal risks	Description	Mitigating actions
		• Maintenance of revolving loan facilities and bank overdraft facilities etc. to meet any contingency in operations.
Price risk	Price risk is the risk of fluctuations of fair value on financial assets and investment properties which will affect the Group's income and the value of its holdings of equities.	• Frequent review and monitoring of investment portfolio to ensure prompt actions being taken and the loss arising from the changes in the fair values being capped within an acceptable range. • Spread price risk exposure by investing in different equities.
Exchange risk	Exchange risk is the risk that changes in foreign exchange rates which will affect the Group's income and the value of its holdings of assets.	• Continuous monitoring of the exchange rate trend, the Group's statement of financial position and cash flow and the adoption of financial instruments when appropriate, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge exchange risk.
People risk	People risk is the risk that loss of the services of any directors, senior management and other key personnel, and the deviating from their expected behaviour in a way which could have a material adverse effect on the Group's business operations and financial performance.	• Providing attractive and competitive reward and benefit packages to retain experienced, qualified and competent employees. • Providing the right working environment to its staff to optimise their work standard and maximise their work satisfaction.

Principal risks	Description	Mitigating actions
		• Ensuring all transactions of the Group involving cash withdrawals/ investment for the amount of over HK$5,000,000 can only be conducted with the written approval by at least two executive directors. • Ensuring that at least one executive director is appointed to every active and/or asset-holding subsidiaries of the Company, or alternative measures are adopted in special circumstances. • Ensuring that at least one executive director is added as bank signatory of every bank accounts of the Company and its subsidiaries in Hong Kong. For bank accounts in countries outside Hong Kong without any residing executive director, a regional head of management is designated by the Board to be responsible for payment approvals and local bank signatories, who shall regularly report to at least one executive director.
Legal and regulatory risk	Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/ or criminal proceedings and reputational damage.	• Close monitoring of changes and developments in the regulatory environment and ensuring that sufficient resources being made available to implement any required changes timely. • Seeking legal or other specialist advice as appropriate.

Principal risks	Description	Mitigating actions
Information technology risk	Information technology risk is the risk on failure of the information technology ("**IT**") system, operation errors of the IT system, virus and hacker attack and customer data loss and exposure, resulting in business disruption, legal proceedings from customers, loss of clients, reputation damage and regulatory issues.	• Continuous strengthening of the security of the Group's IT system by upgrade of firewall and anti-virus software to prevent potential cyber-attacks. • Regular backup of the Group's data to reduce the impact of data loss. • Maintenance of awareness and caution of possible cyber-attacks and identification and implementation of measures to mitigate the occurrence of possible attacks. • Establishing business contingency plan to ensure business continuity in the event of disruption caused by IT hazards.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 December 2023, the Company was in compliance with the code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the GEM Listing Rules, except for the deviations as explained below:

- Code provision C.2.1 of the Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not appointed a Chief Executive Officer, and the roles of the Chief Executive Officer are performed by the executive directors collectively.

- Code provision C.3.3 of the Code provides that issuers should have formal letters of 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). However, the directors shall be subject to retirement by rotation in accordance with the articles of association of the Company (the "**Articles**"). In any event, all directors, including those without a letter of appointment, must retire by rotation in the manner prescribed under the Articles, and on re-election of the retiring directors, Shareholders 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" (where applicable) published by The Hong Kong Institute of Directors in performing their duties and responsibilities as directors. The directors are also required to comply with the requirements under statue and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as those mentioned above, in the opinion of the directors, the Company has met the code provisions set out in the Code during the year ended 31 December 2023.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standards of dealings regarding securities transactions by directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. All the directors have confirmed that they had complied with the required standards as set out in the GEM Listing Rules during the year ended 31 December 2023.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

REVIEW OF FINANCIAL INFORMATION

The audit committee (the "**Audit Committee**") has reviewed this annual results announcement and the annual report of the Company for the year ended 31 December 2023 and agreed to the accounting policies and practices adopted by the Company.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (for the year ended 31 December 2022: Nil).

ANNUAL GENERAL MEETING

The notice of the 2024 annual general meeting of the shareholders of the Company will be published and despatched to the shareholders of the Company in the manner as required by the GEM Listing Rules in due course.

AUDIT COMMITTEE

The Company established the Audit Committee on 19 October 2000 which currently consists of three independent non-executive directors, namely Mr. Law Kwok Ho Kenward (as chairman), Mr. Fung Wai Ching and Mr. Lai Hok Lim, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023 and is of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and any other applicable laws and has been adequately disclosed.

By Order of the Board
Global Mastermind Holdings Limited
Cheung Kwok Wai Elton
Chairman and Executive Director

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises Mr. Cheung Kwok Wai Elton, Mr. Mung Kin Keung and Mr. Mung Bun Man Alan as executive directors; Mr. Wong Chun Hung Hanson as non-executive director and Mr. Law Kwok Ho Kenward, Mr. Fung Wai Ching and Mr. Lai Hok Lim as independent non-executive directors.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its publication and on the Company's website at www.globalmholdings.com.