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MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The Directors proposed to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.025 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.25 each.

The Existing Shares are currently traded on the Main Board of the Stock Exchange in board lot size of 80,000 Shares. The Directors also proposed to change the board lot size of the Consolidated Shares of the Company from eighty-thousand (80,000) Existing Shares to eight-thousand (8,000) Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation is subject to Shareholders' approval at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular, among other things, contain (i) further information on the Share Consolidation; and (ii) a notice to convene the EGM will be despatched to the Shareholders on or before 22 August, 2014.

* *For identification purposes only*

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

SHARE CONSOLIDATION

The Directors proposed to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.025 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.25 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

CHANGE OF BOARD LOT SIZE

The Directors also proposed to change the board lot size of the Shares of the Company from eighty-thousand (80,000) Existing Shares to eight-thousand (8,000) Consolidated Shares upon the Share Consolidation becoming effective.

EFFECTS OF THE SHARE CONSOLIDATION AND THE CHANGE OF THE BOARD LOT SIZE

As at the date of this announcement, the authorized share capital of the Company is HK\$100,000,000 divided into 4,000,000,000 Existing Shares of HK\$0.025 each, of which 2,597,866,000 Existing Shares are in issue and fully paid. Immediately after the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$100,000,000 divided into 400,000,000 Consolidated Shares of HK\$0.25 each, of which 259,786,600 Consolidated Shares will have been issued and fully paid.

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company’s memorandum and articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon the following:

- (1) the passing of the necessary resolutions by the Shareholders to approve the Share Consolidation at the EGM; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares on the basis of every ten (10) Existing Shares for one (1) Consolidated Share, with new nominal value of HK\$0.25 each, without any fractional Consolidated Share. It is expected that the new certificates for the Consolidated Shares will be available for collection within ten (10) Business Days after the submission of the existing share certificates to Tricor Secretaries Limited. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for the cancellation of each share certificate for the Existing Shares cancelled or the issue of each new share certificate for the Consolidated Shares, whichever number of certificates cancelled/issued is higher. The existing share certificate for the Existing Shares will cease to be valid for trading and settlement purpose; nevertheless, such share certificates for existing Shares will remain valid and effective as document of legal title and may be exchanged for certificates for Consolidated Shares at any time.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities house to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the securities house and odd lot arrangement will be set out in the circular to be despatched to the Shareholders in relation to the Share Consolidation.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Consolidation and change in board lot size:

Despatch of circular with notice of EGM.	Friday, 22 August 2014
Latest time for lodging proxy form	2:00 p.m. on Saturday, 6 September 2014
Date of EGM	2:00 p.m. on Monday, 8 September 2014
Announcement on results of EGM	Monday, 8 September 2014
Effective date for the Share Consolidation	Wednesday, 10 September 2014
First day for free exchange of existing share certificates for new share certificates	Wednesday, 10 September 2014
Original counter for trading in Shares in board lots of 80,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. Wednesday, 10 September 2014
Temporary counter for trading in Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. Wednesday, 10 September 2014
Original counter for trading in Consolidated Shares in new board lots of 8,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. Wednesday, 24 September, 2014

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) commences 9:00 a.m. Wednesday,
24 September, 2014

Designated broker starts to stand in the market
to provide matching services
for odd lots of Consolidated Shares 9:00 a.m. Wednesday,
24 September, 2014

Temporary counter for trading in Consolidated Shares
in board lots of 8,000 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m. Thursday,
16 October, 2014

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) closes 4:00 p.m. Thursday,
16 October, 2014

Designated broker ceases to stand in the market
to provide matching services for odd lots of
Consolidated Shares 4:00 p.m. Thursday, 16 October, 2014

Last day for free exchange of existing share
certificates for new share certificates Monday, 20 October, 2014

OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are outstanding options granted under the Share Option Scheme to subscribe for 82,000,000 Shares. The Directors will determine according to the rules of the Share Option Scheme any adjustments required to be made in respect of the outstanding options as a result of the Share Consolidation. The Company will make further announcements about the adjustment (if any) in due course.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

It is expected that the Share Consolidation would bring a corresponding increase in the trading price of the Consolidated Shares. The change in board lot size would lower the trading amount for each board lot and hence facilitate trading of the Consolidated Shares. Accordingly, the Board is of the view that the Share Consolidation and change in board lot size are in the interest of the Company and the Shareholders as a whole.

EGM AND CIRCULAR

The Share Consolidation is subject to the Shareholders' approval at the EGM and to the best knowledge, information and belief of the Directors, no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the EGM will be despatched to the Shareholders on or before 22 August, 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the Board of directors of the Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Mastermind Capital Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Consolidated Shares”	ordinary share(s) of HK\$0.25 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Share Consolidation

“Existing Shares”	ordinary share(s) of HK\$0.025 each, whether issued or unissued in the share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the share(s) of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share in the issued and unissued share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 12 January 2009
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Mastermind Capital Limited
MUNG Bun Man, Alan
Executive Director

Hong Kong, 4 August, 2014

As at the date of this announcement, the Board comprises of four executive directors, namely, Mr. Mung Kin Keung (Chairman), Mr. Ha Wing Ho, Peter, Mr. Chee Man Sang, Eric and Mr. Mung Bun Man, Alan; and three independent non-executive directors, namely, Mr. Lo Tak Kin, Ms. Yu Tin Yan, Winnie and Mr. Patrick Lee.