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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)

OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AND CHANGE IN BOARD LOT SIZE

Underwriter to the Open Offer



金利豐證券

KINGSTON SECURITIES

(1) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

The Company proposes to raise not less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million before expenses by issuing not less than 155,869,300 Offer Shares and not more than 156,444,300 Offer Shares at the Subscription Price of HK\$0.45 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for Offer Shares in excess of their respective entitlements under the Open Offer and any such Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Prohibited Shareholders.

* For identification purposes only

The Subscription Price of HK\$0.45 per Offer Share represents (i) a discount of approximately 13.46% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 9.46% to the theoretical ex-entitlement price of HK\$0.497 based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day; and (iii) a discount of approximately 17.58% to the average closing price of approximately HK\$0.546 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day.

Assuming (i) no further issue of new Shares or repurchase of Shares; and (ii) all 1,150,000 outstanding Options (excluding the 2,100,000 outstanding Options held by Mr. Mung) being exercised and the 1,150,000 Option Shares being allotted and issued on or before the Record Date, the maximum of 156,444,300 Offer Shares will be allotted and issued which represents approximately 50.18% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital of 469,332,900 Shares as enlarged by the allotment and issue of the 1,150,000 Option Shares and the 156,444,300 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The gross proceeds from the Open Offer will not be less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$67.34 million but not more than HK\$67.60 million, which are intended to be used for future investment activities when such investment opportunities arise.

To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Monday, 8 December 2014. The register of members of the Company will be closed from Tuesday, 9 December 2014 to Monday, 15 December 2014, both days inclusive, to determine the eligibility of the Open Offer. The Record Date is Monday, 15 December 2014. The last day of dealings in the Shares on cum-entitlement basis of the Open Offer is Thursday, 4 December 2014. The Shares will be dealt in on ex-entitlement basis of the Open Offer from Friday, 5 December 2014.

(2) CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 8,000 Shares to 16,000 Shares with effect from 9:00 a.m. on Wednesday, 14 January 2015. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots (if any).

(3) GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or Substantial Shareholder (or an associate of any of them) pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is therefore not subject to Shareholders' approval requirement under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders, and the Overseas Letter together with the Prospectus will be despatched to the Prohibited Shareholders for their information only on Tuesday, 16 December 2014.

(4) WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

The Shares will be dealt in on an ex-entitlement basis commencing from Friday, 5 December 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

(1) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

On 25 November 2014 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement. The terms of the Open Offer are set out as follow:

The Open Offer

Under the Open Offer, the Company proposes to raise not less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million before expenses by way of the Open Offer, details of which are set out as follows:

Issue statistics

Basis of the entitlement:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.45 per Offer Share
Number of Shares in issue as at the date of this announcement:	311,738,600 Shares
Number of Shares in issue assuming the all Option Shares being allotted and issued on or before the Record Date:	312,888,600 Shares
Number of Offer Shares:	Not less than 155,869,300 Offer Shares and not more than 156,444,300 Offer Shares
Number of Offer Shares to be taken up or procure to be taken up by TDX pursuant to the TDX Undertaking:	TDX has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription for the 39,000,000 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer

Number of Offer Shares underwritten by the Underwriter: Not less than 116,869,300 Offer Shares and not more than 117,444,300 Offer Shares. Accordingly, taken into account the TDX Undertaking and the Optionholder Undertaking, the Open Offer is fully underwritten

Number of enlarged Shares in issue upon completion of the Open Offer: Not less than 467,607,900 Shares and not more than 469,332,900 Shares

As at the date of this announcement, save for the outstanding 3,250,000 Options, of which 2,100,000 Options are held by Mr. Mung, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Mr. Mung has irrevocably undertaken to the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Assuming (i) no further issue of new Shares or repurchase of Shares; and (ii) all 1,150,000 outstanding Options (of which 2,100,000 outstanding Options held by Mr. Mung was excluded pursuant to the Optionholder Undertaking) being exercised and the 1,150,000 Option Shares being allotted and issued on or before the Record Date, the maximum of 156,444,300 Offer Shares will be allotted and issued which represents approximately 50.18% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital of 469,332,900 Shares as enlarged by the allotment and issue of the 1,150,000 Option Shares and the 156,444,300 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$38,967,325 and not more than HK\$39,111,075.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 155,869,300 Offer Shares and not more than 156,444,300 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not being the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 8 December 2014.

Closure of register of members for the Open Offer

The Company's register of members will be closed from Tuesday, 9 December 2014 to Monday, 15 December 2014, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$0.45 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 13.46% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.46% to the theoretical ex-entitlement price of HK\$0.497 based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 17.58% to the average closing price of approximately HK\$0.546 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.432.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Tuesday, 16 December 2014. The Company will send copies of the Prospectus to the Prohibited Shareholders for their information only, but no Application Form will be sent to them.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 14 January 2015. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 14 January 2015 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and underwritten by the Underwriter.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

The Underwriting Agreement

Date:	25 November 2014
Underwriter:	Kingston Securities Limited
Number of Offer Shares to be underwritten:	Not less than 116,869,300 Offer Shares and not more than 117,444,300 Offer Shares. Accordingly, taking into account the TDX Undertaking and the Optionholder Undertaking, the Open Offer is fully underwritten.
Undertakings relating to the Offer Shares:	<ul style="list-style-type: none">(i) TDX has given the TDX Undertaking in favour of the Company and the Underwriter to subscribe for 39,000,000 Offer Shares to which it is entitled under the Open Offer; and(ii) Mr. Mung has given the Optionholder Undertaking in favour of the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

The Underwriter is a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:

- (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
- (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares not taken up procured by it shall be Independent Third Party; and (2) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of voting rights of the Company upon completion of the Open Offer.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares, being 117,444,300 Offer Shares. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertakings given by TDX and Mr. Mung

(1) TDX Undertaking:

As at the date of the Underwriting Agreement, TDX is interested in 78,000,000 Shares, representing approximately 25.02% of the total issued share capital of the Company. TDX has irrevocably undertaken to the Company and the Underwriter:

- (a) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date;

- (b) to accept or procure the acceptance for the 39,000,000 Offer Shares to be allotted and issued to TDX under its entitlement pursuant to the Open Offer; and
- (c) to lodge the Application Form(s) in respect of the 39,000,000 Offer Shares referred to in paragraph (b) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

(2) *Optionholder Undertaking:*

As at the date of the Underwriting Agreement, Mr. Mung is the holder of 2,100,000 Options. Mr. Mung has irrevocably undertaken to the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) **in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
 - (a) **the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or**
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or**
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or**

- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or**
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,**

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or**
- (2) any specified event comes to the knowledge of the Underwriter.**

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (e) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (f) compliance with and performance of all undertakings and obligations of TDX under the TDX Undertaking; and
- (g) compliance with and performance of the undertaking of Mr. Mung under the Optionholder Undertaking.

None of the above conditions are waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

(a) *Assuming all the Options Shares were not allotted and issued on or before the Record Date*

	As at the date of this announcement		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than TDX under the TDX Undertaking) (Note 2)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
TDX (Note 1)	78,000,000	25.02	117,000,000	25.02	117,000,000	25.02
Public						
The Underwriter	-	-	-	-	116,869,300	24.99
Existing public Shareholders	233,738,600	74.98	350,607,900	74.98	233,738,600	49.99
Total	<u>311,738,600</u>	<u>100.00</u>	<u>467,607,900</u>	<u>100.00</u>	<u>467,607,900</u>	<u>100.00</u>

(b) *Assuming all the Option Shares were allotted and issued on or before the Record Date*

	As at the date of this announcement		Upon issue of the Option Shares on or before the Record Date		Upon issue of the Option Shares on or before the Record Date and the completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon issue of the Option Shares on or before the Record Date and the completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than TDX under the TDX Undertaking) (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
TDX (Note 1)	78,000,000	25.02	78,000,000	24.93	117,000,000	24.93	117,000,000	24.93
Public								
The Underwriter	-	-	-	-	-	-	117,444,300	25.02
Existing public Shareholders	233,738,600	74.98	234,888,600	75.07	352,332,900	75.07	234,888,600	49.32
Total	311,738,600	100.00	312,888,600	100.00	469,332,900	100.00	469,332,900	100.00

Notes:

- Pursuant to the TDX Undertaking, TDX has irrevocably undertaken to the Company and the Underwriter that (1) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (2) to accept or procure the acceptance for the 39,000,000 Offer Shares to be allotted and issued to TDX under its entitlement pursuant to the Open Offer; and (3) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 39,000,000 Offer Shares prior to the Latest Time for Acceptance.
- This scenario is for illustrative purpose only and will not occur.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:

- the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and

- (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares not taken up procured by it shall be Independent Third Party; and (2) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of voting rights of the Company upon completion of the Open Offer.

Reasons for the Open Offer and use of proceeds

The principal activity of the Company is to act as an investment holding company. The Group principally invests in listed and unlisted companies.

The gross proceeds from the Open Offer will not be less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$67.34 million but not more than HK\$67.60 million.

The Company intends to apply the proceeds from the Open Offer for general working capital and/or future investment activities when such investment opportunities arise.

The Board also considers that the Open Offer represents an opportunity for the Group to raise funding for future investment activities, which is the principal activity of the Company, while broadening its shareholder and capital base thereby increasing the liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
16 October 2014	Placing of 51,952,000 existing Shares and subscription of 51,952,000 Shares at a placing price of HK\$0.54 per Share	Approximately HK\$26.7 million	For new investment of the Company and/or general working capital	HK\$10.0 million was used for new investment of the Company and general working capital
31 March 2014	Placing of 400,000,000 existing shares of HK\$0.025 each and subscription of 400,000,000 new shares of HK\$0.025 each at a placing price of HK\$0.10 per share of HK\$0.025 each	Approximately HK\$38.5 million	For new investment of the Company	HK\$38.5 million was used as intended

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of this announcement.

(2) CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 8,000 Shares to 16,000 Shares with effect from 9:00 a.m. on Wednesday, 14 January 2015.

The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of approximately HK\$0.497 per Share (calculated based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$3,976 and the estimated market value of each proposed new board lot is HK\$7,952.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Cinda International Securities Limited as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 14 January 2015 to 4:00 p.m. on Wednesday, 4 February 2015 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Leung Siu Wa of Cinda International Securities Limited at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong (telephone: (852) 2235 7801 and facsimile: (852) 2907 6390) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

(3) EXPECTED TIMETABLE

The expected timetable for the Open Offer and change in board lot is set out below:

2014

Last day of dealings in Shares on cum-entitlements basis of the Open Offer.	Thursday, 4 December
First day of dealings in Shares on ex-entitlements basis of the Open Offer.	Friday, 5 December
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Monday, 8 December
Register of members close (both days inclusive)	Tuesday, 9 December to Monday, 15 December
Record Date	Monday, 15 December
Register of members reopen	Tuesday, 16 December
Despatch of Prospectus Documents	Tuesday, 16 December

Latest time for Acceptance	4:00 p.m. on Friday, 2 January
Latest Time for Termination by the Underwriter.	4:00 p.m. on Thursday, 8 January
Announcement of the results of the Open Offer	Friday, 9 January
Despatch of share certificates for Offer Shares.	Wednesday, 14 January
Despatch of refund cheques if the Open Offer is terminated.	Wednesday, 14 January
Effective date and time of change in board lot size from 8,000 Shares to 16,000 Shares	9:00 a.m. on Wednesday, 14 January
Designated brokers starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Wednesday, 14 January
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange.	9:00 a.m. on Thursday, 15 January
Designated brokers ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Wednesday, 4 February

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

(4) GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or Substantial Shareholder (or an associate of any of them) pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is therefore not subject to Shareholders' approval requirement under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders, and the Overseas Letter together with the Prospectus will be despatched to the Prohibited Shareholders for their information only on Tuesday, 16 December 2014.

(5) WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

The Shares will be dealt in on an ex-entitlement basis commencing from Friday, 5 December 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

(6) TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amend from time to time)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amend from time to time)

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Last Trading Day”	25 November 2014, being the last trading day for the Shares being the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Friday, 2 January 2015 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 8 January 2015, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Offer Shares”	not less than 155,869,300 new Shares and not more than 156,444,300 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Optionholder Undertaking”	the irrevocable undertaking given by Mr. Mung to the Company and the Underwriter under the Underwriting Agreement for not exercising the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date
“Options”	the options issued or to be issued under the Share Option Scheme adopted on 12 January 2009
“Options Shares”	a maximum of 1,150,000 new Shares to be allotted and issued upon the exercise of all the outstanding 1,150,000 Options (excluding the 2,100,000 outstanding Options held by Mr. Mung)
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong

“Mr. Mung”	Mr. Mung Kin Keung, the Chairman, an executive Director of the Company and the controlling shareholder of TDX, through which holds 78,000,000 Shares as at the date of the Underwriting Agreement and he is a holder of 2,100,000 Options
“Prohibited Shareholder(s)”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Tuesday, 16 December 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Prohibited Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Monday, 15 December 2014, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrars of the Company

“Share Option Scheme”	the share option scheme adopted by the Company on 12 January 2009
“Share(s)”	ordinary share(s) of HK\$0.25 each in share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.45 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“TDX”	China Tian Di Xing Logistics Holdings Limited (中國天地行物流控股集團有限公司), a company incorporated in Hong Kong with limited liability and is owned as to 99.99% by Mr. Mung as at the date of this announcement
“TDX Undertaking”	the irrevocable undertaking given by TDX to the Company and the Underwriter under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 39,000,000 Offer Shares
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Underwriting Agreement”	the underwriting agreement dated 25 November 2014 and entered into among the Company, the Underwriter, TDX and Mr. Mung in relation to the underwriting arrangement in respect of the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Mastermind Capital Limited
Mung Kin Keung
Chairman and Executive Director

Hong Kong, 25 November 2014

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. MAN Kong Yui, Mr. FUNG Wai Ching and Mr. POON Wai Hoi, Percy.