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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the announcement of Mastermind Capital Limited (the “**Company**”) dated 25 November 2014 and the prospectus of the Company dated 16 December 2014 (the “**Prospectus**”) relating to the open offer on the basis of one new share for every two existing shares of the Company held on the record date (the “**Previous Open Offer**”). Unless the content otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

As disclosed in the Prospectus, the Company intended to apply the net proceeds from the Previous Open Offer of approximately HK\$67.34 million to the followings:

- (i) approximately HK\$60.0 million for future investment activities, in particular for investment in (a) the long-term interest bonds or debentures which would provide a stable interest to the Group, including the high yield preference shares/bond issued by China’s companies; and (b) Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect scheme; and
- (ii) the remaining of approximately HK\$7.34 million for general working capital for the payment of (a) staff costs of approximately HK\$5.0 million; and (b) other operating expenses of approximately HK\$2.34 million of the Group in the 12 months following completion of the Previous Open Offer.

* *For identification purposes only*

In view of the recent positive and encouraging market sentiments in the Hong Kong stock market and in order to capture any potential investment opportunities, the Board would like to apply the net proceeds for the abovementioned future investment activities to the investment in the listed companies in Hong Kong in addition to the investment in the long-term interest bonds or debentures, including the high yield preference shares/bond issued by China's companies and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect scheme as originally intended.

The Board is of the view that the expansion in the scope of use of the net proceeds will allow the Group to capture the potential investment opportunities arising in the Hong Kong stock market and therefore is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the net proceeds from the Previous Open Offer was used as to (i) approximately HK\$6.0 million for investment in bonds; (ii) approximately HK\$10.0 million for investment in listed companies in Hong Kong; and (iii) approximately HK\$4.2 million was used as working capital.

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

Hong Kong, 17 June 2015

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.