MASTERMIND CAPITAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

ANNOUNCEMENT OF 2009 FINAL RESULTS

The Board of Directors (the "Board") of Mastermind Capital Limited (the "Company") presents the annual consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2009 (the "Year") together with the comparative figures for the year ended 31st December 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Revenue	*5*	**11**	5
Other income	*5*	**341**	–
Administrative expenses		**(5,389)**	(2,361)
Loss before income tax	*6*	**(5,037)**	(2,356)
Income tax expense	*7*	**(79)**	–
Loss for the year		**(5,116)**	(2,356)
Other comprehensive income			
Revaluation of available-for-sale financial assets		**385**	–
Exchange difference on translation of financial statements of foreign operations		**(3)**	–
Other comprehensive income for the year		**382**	–
Total comprehensive income for the year		**(4,734)**	(2,356)

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Loss for the year attributable to the owners of the Company	*8*	**(5,116)**	(2,356)
Total comprehensive income attributable to the owners of the Company		**(4,734)**	(2,356)
Loss per share for loss attributable to the owners of the Company during the year	*9*		
Basic (HK cents)		**(0.35)**	(0.54)
Diluted (HK cents)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2009

	Note	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**1,375**	–
Available-for-sale financial assets		**14,254**	189
		15,629	189
Current assets			
Prepayments		**198**	308
Other receivables		**278**	–
Cash and cash equivalents		**13,516**	27,963
		13,992	28,271
Current liabilities			
Accruals and other payables		**(431)**	(555)
Provision for tax		**(79)**	–
		(510)	(555)
Net current assets		**13,482**	27,716
Total assets less current liabilities/Net assets		**29,111**	27,905
EQUITY			
Equity attributable to the Company's owners			
Share capital		**37,200**	36,000
Reserves		**(8,089)**	(8,095)
Total equity		**29,111**	27,905
Net asset value per share (HK$)	*10*	**0.02**	0.02

Notes:

1. GENERAL INFORMATION

Mastermind Capital Limited (the "Company") was domiciled in Hong Kong and incorporated in the Cayman Islands on 21st April, 1998, as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is Ugland House, PO Box 309, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Room 1401-3, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong.

The directors of the Company consider 中國天地行物流控股集團有限公司, a company incorporated in Hong Kong, to be the ultimate holding company.

The principal activity of the Company is to act as an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") principally invest in listed and unlisted companies.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements have been prepared on the historical cost basis except for financial instruments classified as available-for-sale which are stated at fair values.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1st January, 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 27 (Amendments)	Costs of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 2 (Amendments)	Share-based payment – vesting conditions and cancellations
HKFRS 7 (Amendments)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
Various	Annual improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented.

HKAS 1 (Revised 2007) Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. A third statement of financial position as at the beginning of the earliest comparative period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. It also gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Comparatives have been restated to conform with the revised standard. The Group has applied changes to its accounting policies on presentation of financial statements retrospectively. However, the changes to the comparatives have not affected the consolidated or company statement of financial position at 1st January 2008 and accordingly the third statement of financial position as at 1st January, 2008 is not presented.

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from a subsidiary in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The new accounting policy has been applied prospectively as required by these amendments to HKAS 27 and therefore no comparatives have been restated.

HKFRS 7 (Amendments) Improving disclosures about financial instruments

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierarchy, which reflects the extent of observable market data used in making the measurements. In addition, the maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segment.

The Group has applied changes to its accounting policies on segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or company statement of financial position at 1st January, 2008 and accordingly the third statement of financial position as at 1st January, 2008 is not presented.

New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed as the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial positions in the first year of application.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

Improvements to HKFRSs 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The directors are currently assessing the possible impact of the amendment on the Group's results and financial positions in the first year of application.

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The Group's principal activity is investment in listed and unlisted companies. The executive directors regard it as a single business segment and no segment information is presented.

At the reporting date, non-current assets included property, plant and equipment of approximately HK$1,375,000 (2008: Nil) and goodwill of approximately HK$4,258,000 (2008: Nil) are located in Hong Kong (domicile) and the People's Republic of China ("PRC") respectively. The place of domicile is determined based on the location of central management.

All of the Group's revenues are derived in Hong Kong.

5. REVENUE AND OTHER INCOME

The Group's principal activities are disclosed in note 1. Turnover of the Group is the revenue from these activities.

	2009	2008
	HK$'000	*HK$'000*
Revenue		
Interest income	**11**	5
Other income		
Sundry income	**341**	–

6. LOSS BEFORE INCOME TAX

	2009	2008
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging:		
Auditors' remuneration	**240**	180
Depreciation on owned assets	**125**	–
Investment management fees	**600**	600
Operating lease charges on an office premise	**114**	–
Loss on disposal of a subsidiary	**2**	–

7. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided in the financial statements as the Group has no estimated assessable profits arising in Hong Kong during the year (2008: Nil). Taxation on profits arising in the PRC has been calculated on the estimated assessable profits for the year at the rate of 25%.

	2009	2008
	HK$'000	*HK$'000*
The PRC		
– Current tax	**79**	–

Reconciliation between income tax expense and accounting loss at applicable tax rates:

	2009	2008
	HK$'000	*HK$'000*
Loss before income tax	**(5,037)**	(2,356)
Tax on loss before taxation, calculated at the rates applicable to the tax jurisdictions concerned	**(810)**	(389)
Tax effect of non-deductible expense	**42**	2
Tax effect of non-taxable revenue	**(2)**	(1)
Tax effect of temporary difference not recognised	**(154)**	–
Tax losses not recognised as deferred tax asset	**1,003**	388
Income tax expense	**79**	–

The Hong Kong SAR Government enacted a reduction in the Profits Tax Rate from 17.5% to 16.5% from the year of assessment 2008/2009. Accordingly, the relevant current and deferred tax liabilities have been calculated using the new tax rate.

8. LOSS FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Of the consolidated loss for the year attributable to the owners of the Company of HK$5,116,000 (2008: HK$2,356,000), a loss of HK$5,236,000 (2008: HK$2,340,000) has been dealt with in the financial statements of the Company.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the owners of the Company of HK$5,116,000 (2008: HK$2,356,000) and the weighted average number of 1,472,000,000 (2008: 439,000,000) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31st December, 2008 and 2009 is not presented as there is no dilutive potential ordinary share in existence during the years.

10. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Group as at 31st December, 2009 of HK$29,111,000 (2008: HK$27,905,000) and the 1,488,000,000 (2008: 1,440,000,000) ordinary shares in issue.

FINAL DIVIDEND

The Directors do not recommend the payment of any dividend for the year (2008: Nil).

CHAIRMAN'S STATEMENT

It has been an exceptional year for China as the country managed to decouple from the rest of the world while its government implemented a comprehensive stimulus package to keep its economy growing despite the global economic crisis. An extremely loose monetary policy that was put in action by a banking sector which is entirely under State control, combined with an authoritative Central government, allowed key measures to be implemented immediately throughout the country. The cornerstone of the stimulus package was a focus on rural consumption combined with a vast infrastructure development plan. Fiscal measures and other financial incentives were plentiful to offset the impact on GDP of a sharp drop in exports that the government could do nothing about.

By wisely focusing on its countryside, China managed to significantly reduce the risks of social unrest that an increasing wealth gap had built up over the years. By successfully avoiding pitfalls while boosting its economy at a critical time, China finally gained the political and economical status of superpower that it had been dreaming of since Deng Xiaoping opened up the country in the early eighties. The most damaging global economic crisis of the past 80 years ended up being a blessing for China.

The consequences for the rest of the world are important. By moving up the economic ladder, China won't remain the "factory of the world" for long. Prices are going up as the population gets wealthier and as the country is moving towards the final phase of its industrialization where it produces for itself before it does for others. Inflation will undoubtedly be a key factor to take into account in 2010 as the Chinese growth will drive up commodity prices and as the Chinese inflation will spread out through its exports.

The decision made by the Central government to literally peg the yuan to the US dollar in order to protect its exports at a time when the US dollar is weakening had important consequences. The yuan getting de facto weaker against the euro and the yen while China's GDP keeps on being strong and its current account remains vastly positive translated into pressure building up and inevitably leading to asset inflation. We believe an asset bubble has been created, but we also believe that it can be a multi-year bubble that may last as long as the Chinese currency is not significantly revalued (which we do not believe will happen anytime soon) and as long as the Central government manages to avoid a hard landing of its economy.

Despite the strong global equity markets rally, particularly in Asia and in China, we do not consider that the equity markets we focus on are overheating.

Preemptive measures are already being taken by the Central government to cool down the Chinese economy, including a slowdown of the new loans growth, an increase in the Required Reserve Ratio imposed on banks and stringent conditions attached to the financing of properties. More measures are anticipated in the coming months, including increases in interest rates.

Despite such measures creating on and off some shivering on the markets, we see them as good news as the main risk China is facing in 2010 is the risk of overshooting by a wide margin its unofficial growth target of 10%, which would lead inevitably to a hard landing of the economy. We see the Chinese government as being proactive enough to avoid such a scenario. Hence our optimism for 2010.

We are starting to hear arguments about the imminent bursting of the China bubble because of asset inflation, over-investments and an ultra-loose credit environment, some people even predicting a Japanese-style two-decade long recession. We do not subscribe to the views of these doomsayers as we believe that they fail to appreciate the latitude China enjoys being an authoritarian state (which of course has consequences we can only deplore) with a very healthy financial position. We see this flexibility as the key to managing such a vast economy in the most effective way.

We believe internal consumption and green energy will remain a key driving force and as a result we have partially invested our cash reserve in certain hydroelectric power plants in Southern China in 2009 as we also believe that the Chinese government will shift its focus from hard infrastructure to soft infrastructure such as education, healthcare, clean energy and water treatment. This will be another investment theme in 2010.

Over the past year we have continued our diligent work in identifying and analyzing investment opportunities with promising potentials.

On 12th May, 2009 we entered into a subscription agreement with Mr. Chen Zhong, an independent third party, for the subscription of 48,000,000 new ordinary shares in the Company at HK$0.125 each with a gross proceed of HK$6 million which will be applied to these investment opportunities as they arise.

MUNG Kin Keung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

During the year, the Group recorded a loss of approximately HK$5,116,000 (2008: approximately HK$2,356,000) after deducting administrative expenses of approximately HK$5,389,000 (2008: approximately HK$2,361,000).

Financial position

As at 31st December, 2009, the Group had bank and cash balances of approximately HK$13,516,000 (2008: approximately HK$27,963,000).

The Group had no borrowing as at 31st December, 2009 (2008: Nil).

As at 31st December, 2009, the Group had net current assets of approximately HK$13,482,000, as compared to approximately HK$27,716,000 as at 31st December, 2008.

As at 31st December, 2009, the current ratio of the Group was 27.43 compared to 50.94 at 31st December, 2008.

Charges on assets

As at 31st December, 2009, there were no charges on the Group's assets (2008: Nil).

Foreign currency fluctuation

Most of the business transactions of the Group are denominated in Hong Kong dollars. The Board believes the foreign exchange risk is minimal.

Contingent liabilities

The Group had no contingent liabilities as at 31st December, 2009 (2008: Nil).

Employees and remuneration policy

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

There are five employees, four executive directors and three independent non-executive directors. Remuneration policies are reviewed by the remuneration committee in accordance with the market situation and the performance of individual directors from time to time.

The Group's total staff costs (including directors' emoluments) for the year under review amounted to approximately HK$2,357,000 (2008: approximately HK$951,000).

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of annual results for the year ended 31st December, 2009.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of, and complied with, the applicable code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Listing Rules throughout the financial year ended 31st December, 2009, except for certain deviations which are summarised below:

Code provision A.2.1

The code provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

An individual chief executive officer was not appointed during the year. The Board considers that based on the existing size and structure of the Company, the appointment of an individual chief executive officer of the Company is not necessary. Furthermore, the Company has engaged Hua Yu Investment Management Limited as its investment manager.

Code provision A.4.1

The code provision A.4.1 of the CG Code states that non-executive directors should be appointed for a specific term subject to election.

All independent non-executive directors are not appointed for specific term. They are, however, subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association.

Code provision B.1.3

The code provision B.1.3 of the CG Code states that the terms of reference of the remuneration committee provides the discharge of certain specific duties by the remuneration committee.

The remuneration committee of the Company held its meeting in February, 2009 to discuss and approve the remuneration of executive directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by directors and by relevant employees (as defined in the Code). All directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code throughout the year 2009.

By Order of the Board
HA Wing Ho, Peter
Executive Director

Hong Kong, 22 April, 2010

As at the date of this announcement, the board of directors comprises Mr. MUNG Kin Keung, Mr. HA Wing Ho, Peter, Mr. LEONG Chi Wai and Mr. LEUNG King Yue, Alex as executive directors; Mr. CHEE Man Sang, Eric, Mr. LO Tak Kin and Ms. YU Tin Yan, Winnie as independent non-executive directors.