

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## MASTERMIND CAPITAL LIMITED

慧德投資有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 905)**

### 2015 INTERIM RESULTS ANNOUNCEMENT

The board (the “Board”) of directors (the “Directors”) of Mastermind Capital Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2015*

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>1,130</b>	190
Write back of impairment provision on deposits paid		–	500
Fair value gain on financial assets at fair value through profit or loss		<b>21,133</b>	1,659
Reclassification from equity to profit or loss on disposal of available-for-sale financial assets, at fair value		<b>(3,188)</b>	74
Net gain on disposal of subsidiaries	5	<b>19,404</b>	–
Administrative expenses and other operating expenses		<b>(5,934)</b>	(2,992)
Finance costs		<b>(3,336)</b>	(47)
<b>Profit/(loss) before income tax</b>	6	<b>29,209</b>	(616)
Income tax expense	7	<b>(1,709)</b>	–
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>27,500</b>	(616)

\* *For identification purposes only*

		<b>Six months ended 30 June</b>	
		<b>2015</b>	2014
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited) (Restated)
<b>Earnings/(loss) per share</b>	<b>8</b>		
– <b>Basic</b> ( <i>HK cents</i> )		<u><b>5.56</b></u>	<u>(0.23)</u>
– <b>Diluted</b> ( <i>HK cents</i> )		<u><b>N/A</b></u>	<u>N/A</u>
Profit/(loss) for the period		<b>27,500</b>	(616)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Change in fair value of available-for-sale financial assets		<b>49,693</b>	6,003
Reclassification relating to disposal of available-for-sale financial assets		<b>3,188</b>	(74)
Reclassification of exchange difference related to disposal of subsidiaries		<u><b>(89)</b></u>	<u>–</u>
Other comprehensive income for the period		<u><b>52,792</b></u>	<u>5,929</u>
Total comprehensive income for the period attributable to owners of the Company		<u><b>80,292</b></u>	<u>5,313</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	<i>Notes</i>	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		703	41
Club membership		2,720	2,720
Available-for-sale financial assets	9	<u>141,443</u>	<u>85,541</u>
		<u>144,866</u>	<u>88,302</u>
<b>Current assets</b>			
Prepayments		181	766
Other receivables		2,910	4,907
Deposits paid	10	–	–
Financial assets at fair value through profit or loss	11	251,815	56,046
Cash and cash equivalents		<u>14,538</u>	<u>104,632</u>
		<u>269,444</u>	<u>166,351</u>
<b>Current liabilities</b>			
Accruals and other payables		18,845	6,726
Unsecured loan		80,000	80,000
Amount due to a director		–	2,000
Amount due to a related company		–	5
Provision for income tax		<u>1,709</u>	<u>–</u>
		<u>100,554</u>	<u>88,731</u>
<b>Net current assets</b>		<u>168,890</u>	<u>77,620</u>
<b>Total assets less current liabilities</b>		<b>313,756</b>	165,922
<b>Non-current liability</b>			
Other financial liability – non-convertible bond	12	<u>9,769</u>	<u>9,751</u>
<b>Net assets</b>		<u><b>303,987</b></u>	<u>156,171</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		116,902	77,935
Reserves		<u>187,085</u>	<u>78,236</u>
<b>Total equity</b>		<u><b>303,987</b></u>	<u>156,171</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2015*

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands 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 address of the Company's registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is Unit 1611, 16/F, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

Principal activities of the Company and its subsidiaries (the "Group") include the investments in listed and unlisted companies in Hong Kong, the United States and the other parts of the People's Republic of China (the "PRC"), excluding Hong Kong.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Interim Financial Statements are unaudited but have been reviewed by the audit committee of the Company.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2014 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the Interim Financial Statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

The Interim Financial Statements were approved for issue by the Board on 28 August 2015.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate. The accounting policies adopted in the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) which are effective for accounting periods beginning on or after 1 January 2015, as detailed in note 2 of the Group's 2014 annual financial statements.

The adoption of such new/revised HKFRSs has no material impact on the Interim Financial Statements.

### 3. REVENUE

	<b>Six months ended 30 June</b>	
	<b>2015</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2014</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Dividend Income	<b>1,061</b>	175
Interest income	<b>69</b>	15
	<b>1,130</b>	190

### 4. SEGMENT INFORMATION

No segment information is presented as all of the revenue, contribution to operating results, assets and liabilities of the Group are attributable to activities which are carried out or originated principally in Hong Kong.

### 5. NET GAIN ON DISPOSAL OF SUBSIDIARIES

The Group disposed its subsidiaries, Billion City Investment Limited, Ocean Power Limited and Excellent Base Development Limited which are engaged in investment holding. The investment held by Billion City Investment Limited is unlisted equity interest of 7% in GOGC Petroleum (China) Limited, which is principally engaged in the business of oil and gas development and production in the PRC. The investments held by Ocean Power Limited and Excellent Base Development Limited are unlisted equity interest of 30% in 乳源瑤族自治縣二灣水電站, 乳源瑤族自治縣坪坑仔水電站, 乳源瑤族自治縣天泉水電站 and 乳源瑤族自治縣上山水電站, which are principally engaged in the operation of hydro-electricity power plants in the PRC. The net assets of Billion City Investment Limited, Ocean Power Limited and Excellent Base Development Limited based on their unaudited management account at the date of disposal were as follows:

	<b>Billion City</b> <b>Investment</b> <b>Limited</b> <i>HK\$'000</i>	<b>Ocean Power</b> <b>Limited</b> <i>HK\$'000</i>	<b>Excellent Base</b> <b>Development</b> <b>Limited</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Available-for-sale financial assets	8,093	3,225	3,225	14,543
Cash and cash equivalents	14	17	40	71
Other receivable	–	1,146	1,238	2,384
Other payable	–	(200)	(113)	(313)
Exchange difference	–	(32)	(57)	(89)
	8,107	4,156	4,333	16,596
Gain/(Loss) on disposal	21,893	(1,156)	(1,333)	19,404
Total Consideration	<b>30,000</b>	<b>3,000</b>	<b>3,000</b>	<b>36,000</b>

	<b>Billion City Investment Limited HK\$'000</b>	<b>Ocean Power Limited HK\$'000</b>	<b>Excellent Base Development Limited HK\$'000</b>	<b>Total HK\$'000</b>
Satisfied by:				
Cash	30,000	3,000	500	33,500
Other receivable	—	—	2,500	2,500
	<u>30,000</u>	<u>3,000</u>	<u>3,000</u>	<u>36,000</u>
Net cash inflow arising on disposal:				
Cash consideration	30,000	3,000	500	33,500
Cash and cash equivalents disposed of	(14)	(17)	(40)	(71)
	<u>29,986</u>	<u>2,983</u>	<u>460</u>	<u>33,429</u>

## 6. PROFIT/(LOSS) BEFORE INCOME TAX

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit/(Loss) before income tax is arrived at after charging:		
Directors' remuneration	<b>1,380</b>	943
Depreciation on owned assets	<b>51</b>	155
Investment management fees	—	250
Staff costs	<b>1,660</b>	494
Operating lease charges on an office premise	<u><b>197</b></u>	<u>160</u>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	<u>1,709</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2015. No Hong Kong profits tax has been provided for the six months ended 30 June 2014.

## 8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on the profit attributable to owners of the Company of approximately HK\$27,500,000 (six months ended 30 June 2014: loss of approximately HK\$616,000) and the weighted average number of 494,322,609 (six months ended 30 June 2014: 262,668,703 (restated)) ordinary shares in issue during the period, as adjusted to reflect the impact of the open offers on 14 January 2015 and 24 August 2015. For the six months ended 30 June 2014, the weighted average number of ordinary shares have also been adjusted to reflect the impact of the share consolidation and open offers with effect on 10 October 2014, 14 January 2015 and 24 August 2015 respectively.

The computation of diluted earnings/(losses) per shares does not assume the exercise of the Company's outstanding share options as the exercise price of these options is higher than the average market price for shares for six months ended 30 June 2015 and 2014.

## 9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June	31 December
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Listed equity securities, at fair values	135,588	70,998
Unlisted bond, at fair values	5,855	–
Unlisted equity securities, at cost less impairment ( <i>note</i> )	<u>–</u>	<u>14,543</u>
	<u>141,443</u>	<u>85,541</u>

*Note:*

During the period, the unlisted equity securities held by the subsidiaries were disposed of as explained in Note 5.

## 10. DEPOSITS PAID

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Audited)
Deposit paid	–	27,000
Recovery of impairment loss previously recognised	–	(1,500)
Written off	–	(25,500)
	<u>–</u>	<u>(25,500)</u>
	<u>–</u>	<u>–</u>

On 16 September 2010, the Company entered into non-binding memorandum of understandings (“MOUs”) with vendors for the acquisition of equity interests in three investment projects in the PRC, with deposits paid of HK\$10,000,000 for each of the investment projects. According to the MOUs, Mr. Mung Kin Keung (“Mr. Mung”), a director and a substantial shareholder of the Company, has given a personal guarantee on the deposits paid as security in the event that the vendors are unable to fulfil their responsibilities under the MOUs.

### – Investment 1

On 8 April 2011, the Company entered into a letter of intent with the vendor to extend the expiry date of one of the MOUs. On 31 December 2011, the acquisition of equity interest in the investment project had not been executed or completed. On 21 March 2012, the Company and the vendor entered into an agreement to terminate the acquisition, and the vendor agreed to refund the deposit of HK\$10 million with a premium of HK\$3 million to the Company on or before 30 June 2012.

On 29 June 2012, a supplemental agreement was entered into among the Company, Mr. Mung and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 31 December 2012. In the event that the vendor could introduce investment project which is accepted by the Company by 31 December 2012, the vendor would only be required to refund the deposit of HK\$10 million.

On 31 December 2012, another supplemental agreement was entered into among the Company, Mr. Mung and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 30 September 2013. Other terms in this agreement are the same as the supplemental agreement dated 29 June 2012.



– **Investment 2**

On 8 April 2011, the Company entered into a sale and purchase agreement (the “Agreement 1”) with an individual and the vendor upon the expiry of one of the MOUs. Pursuant to the Agreement 1, this individual provided personal guarantee in favour of the Company the due and punctual performance of the Agreement 1. In the event that completion of Agreement 1 does not take place, this individual should refund the related deposit of HK\$10 million plus a premium of HK\$3 million in total to the Company. Subsequently, the Agreement 1 was not completed as certain conditions precedents to the execution of the Agreement 1 had not been fulfilled. On 21 March 2012, the Company entered into an agreement with the vendor to terminate the acquisition, and the vendor agreed to refund the deposit of HK\$10 million with a premium of HK\$3 million to the Company on or before 30 June 2012.

On 29 June 2012, a supplemental agreement was entered among the Company, the individual and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 31 December 2012. In the event that the vendor could introduce investment project which was accepted by the Company by 31 December 2012, the vendor would only be required to refund the deposit of HK\$10 million.

On 31 December 2012, another supplemental agreement was among the Company, the individual and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 30 September 2013. Other terms in this supplemental agreement are the same as the supplemental agreement dated 29 June 2012.

– **Investment 3**

On 8 April 2011, the Company entered into four other sale and purchase agreements (the “Agreements 2”) with the vendor upon the expiry of the remaining MOU. According to the Agreements 2, two individuals provided personal guarantees in favour of the Company the due and punctual performance of the Agreements 2. On 31 December 2011, the Agreements 2 was not completed as certain conditions precedents to the execution of the Agreements 2 have not been fulfilled. On 21 March 2012, the Company entered into an agreement with the vendor to terminate the acquisition, and the vendor agreed to refund the deposit of HK\$10 million with a premium of HK\$3 million to the Company on or before 30 June 2012.

On 29 June 2012, a supplemental agreement was entered between the Company and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 31 December 2012. In the event that the vendor could introduce investment project which is accepted by the Company by 31 December 2012, the vendor would only be required to refund the deposit of HK\$10 million.

On 31 December 2012, another supplemental agreement was entered among the Company, the individual and the vendor to extend the refund of the deposit of HK\$10 million and the premium of HK\$3 million on or before 30 September 2013. Other terms in this supplemental agreement are same as the supplemental agreement dated 29 June 2012.

The repayment of the above deposits is secured by the personal guarantee from Mr. Mung.

As the repayment of the above deposits involved uncertainty as at 31 December 2012, provision for impairment of HK\$30,000,000 was therefore made by the directors in the financial statements for the year ended 31 December 2012.

The vendors of investments 1, 2 and 3 did not repay the deposits during the year ended 31 December 2013. In addition, as impairment provision had been made for the deposits resulted from uncertainty of recoverability, the premium in aggregate of HK\$9,000,000 will only be recognised as other revenue by the Group until the premium received by the Group.

Upon the failure of refund by the vendors by 30 September 2013 as mentioned above, the management further negotiated with the vendors for the refund schedule of the deposits. On 6 January 2014, settlement agreements (the "Settlement Agreements") for refund of the deposits were entered into between the Company and the vendors. Pursuant to the Settlement Agreements, the deposits refund together with the premium should be due on 28 February 2014. If the vendors fail to repay by the vendors, 36% annual interest rate would be charged on the total outstanding balance accordingly.

In January 2014, part of deposits amounting to HK\$3,000,000 were refunded by the vendors. It was recognised as a write back of impairment provision on deposits paid for the year ended 31 December 2013.

However, the vendors did not refund the remaining balance of deposits amounting to HK\$27,000,000 by 28 February 2014. On 28 March 2014, the directors resolved to take legal action to recover the remaining balance of deposits. In addition, once the directors considered the deposits could not be recovered from vendors, the personal guarantee from Mr. Mung would be executed by the Company. On 15 July 2014, the vendors refunded part of deposits amounting to HK\$500,000 to the Company. It was recognised as a write back of impairment provision on deposits paid for the year ended 31 December 2014.

On 29 August 2014, the Company instructed its legal advisor to take the necessary actions against the vendors. On 2 September 2014, the vendors further repaid part of deposits amounting to HK\$1,000,000 to the Company. It was also recognised as a write back of impairment provision on deposits paid for the year ended 31 December 2014. As the vendors failed to repay the remaining balance of the deposits, the premium and the interests after the Group has taken legal actions, Mr. Mung had fulfilled his responsibility as a personal guarantee and settled all outstanding balance and interest agreed on the Settlement Agreements totalling HK\$45,330,000 on 30 December 2014. Part of the Capital Contribution of HK\$18,124,000 was settled by Mr. Mung via the repayment of an unsecured loan and related interest expenses in December 2014.

The personal guarantee from Mr. Mung was provided for preventing the Group from suffering loss of deposits paid for the investments 1, 2 and 3, and Mr. Mung is a substantial shareholder of the Company. Therefore, the total amount of HK\$45,330,000 including the outstanding balance refunded and interest agreed should be recognised as a capital contribution (the “Capital Contribution”) to the Group and the Company.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Listed securities held for trading		
– Equity securities in Hong Kong	<b>240,165</b>	44,240
– Equity securities outside Hong Kong	<b>11,650</b>	11,806
	<u><b>251,815</b></u>	<u>56,046</u>

## 12. OTHER FINANCIAL LIABILITY

On 16 April 2014, the Company issued a non-convertible bond in a principal amount of HK\$10,000,000 (the “Bond”) which mature on 7 years from the date of issue of the Bond (the “Maturity Date”). The Company has an option (the “Prepayment Option”) to repay the outstanding principal amount of the Bond at any time before the Maturity Date, but the bondholder shall not redeem the Bond before the Maturity Date.

The Bond carries interest at the rate of 2% per annum payable annually in arrears on the last day of each year from the date of the Bond, provided that the final repayment of the interest shall be on the Maturity Date. However, for every 10% increase in the net profit in any financial year during the term of the Bond as compared to the immediate previous year, the interest rate shall be increased by 1% for that financial year and with retrospective effect. The following year’s interest rate will be reset at 2% subject to adjustment depending on the net profit. The interest rate during the term shall not be less than 2% per annum and not more than 6% per annum (the “Cap”).

The Prepayment Option and the Cap are regarded as embedded derivatives in host contract. The directors consider that the fair value of the Prepayment Option and the Cap were insignificant on initial recognition and at the end of the reporting period and were not accounted for.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the period (2014: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial review**

During the period, the Group recorded a profit attributable to owners of the Company of approximately HK\$27,500,000, compared to a loss attributable to owners of the Company of approximately HK\$616,000 in the corresponding period of 2014. The turnaround is mainly attributable to (i) the increase in the fair value gain on financial assets at fair value through profit or loss; and (ii) the net gain on disposal of subsidiaries.

### **Investment review**

As at 30 June 2015, the major investments of the Group were approximately HK\$393,258,000 of a portfolio of listed equity securities. The investment portfolio of the Group comprises equity securities in Hong Kong, Canada, the United States and the PRC.

Dividend from listed equity investments during the period was approximately HK\$1,061,000. Interest income from bond during the period was approximately HK\$68,000.

### **Liquidity and Financial Resources**

As at 30 June 2015, the Group had cash and cash equivalents approximately HK\$14,538,000 (as at 31 December 2014: approximately HK\$104,632,000).

As at 30 June 2015, the Group had net current assets of approximately HK\$168,890,000, as compared to approximately HK\$77,620,000 as at 31 December 2014.

As at 30 June 2015, the current ratio of the Group was 2.68 compared to 1.87 as at 31 December 2014.

## **Charges on assets**

As at 30 June 2015, there were no charges on the Group's assets (as at 31 December 2014: Nil).

## **Capital commitment and contingent liabilities**

As at 30 June 2015 and 31 December 2014, the Group had no material capital commitment and contingent liabilities.

## **Foreign exchange exposure**

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

## **Share Capital and Capital Structure**

On 8 January 2015, the Company raised HK\$70.14 million before expenses by way of open offer (the "Open Offer") issuing 155,869,300 offer shares at the subscription price of HK\$0.45 per offer share on the basis of one offer share for every two existing shares of the Company held on 15 December 2014, being the record date. The net proceeds from the Open Offer was HK\$67.34 million of which (a) approximately HK\$60.0 million were intended to be used for the investment in the long-term interest bonds or debentures which would provide a stable interest to the Group and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect Scheme; and (b) approximately HK\$7.34 million were intended to be used for general working capital for the payment of (i) staff costs of approximately HK\$5.0 million; and (ii) other operating expenses of approximately HK\$2.34 million of the Group with 12 month period.

On 17 June 2015, the Board announced to apply the net proceeds of HK\$60 million of the Open Offer 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.

On 30 June 2015, approximately HK\$6.0 million was used for investment in bond, approximately HK\$54.0 million was used for the purchase of shares of Hong Kong listed companies and approximately HK\$4.2 million was used as working capital; the remaining balance of approximately HK\$3.14 million are kept in bank.

Save as disclosed above, there was no change in the capital structure of the Company for the six months ended 30 June 2015.

### **Material Acquisitions and Disposals of Subsidiaries**

On 23 April 2015 a disposal agreement entered into between the Company, as the vendor and Mr. Cao Yingfeng, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Billion City Investment Limited at a cash consideration of HK\$30,000,000.

On 29 June 2015 a disposal agreement entered into between the Company, as the vendor and Miss Zhang Jin, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Ocean Power Limited at a cash consideration of HK\$3,000,000.

On 29 June 2015 a disposal agreement entered into between the Company, as the vendor and Mr. Kong Chunhong, an independent third party, as the purchaser in relation to the disposal of 100% equity interest of Excellent Base Development Limited at a cash consideration of HK\$3,000,000.

Save as disclosed above, the Group did not have material acquisition and disposal of subsidiaries.

## **Staff costs**

As at 30 June 2015, the Group had 15 employees. The Group's total staff costs (including directors' emoluments) for the period ended 30 June 2015 amounted to approximately HK\$3,040,000 (six months ended 30 June 2014: approximately HK\$1,437,000).

## **Prospects**

The Shanghai-Hong Kong Stock Connect and the increased liquidity in China were amongst the catalysts for the Hong Kong market in the first half of 2015. Although there are more uncertainties in the global stock market in the second half of 2015, the Board will continue to monitor the market dynamics and adopt a conservative approach on investment, so as to enhance value for shareholders.

## **SUBSEQUENT EVENT**

The following is the significant events which have taken place subsequent to the end of the reporting period:

On 13 May 2015, the Company announced the proposal to raise not less than approximately HK\$280.56 million and not more than approximately HK\$281.27 million before expenses by issuing not less than 935,215,800 offer shares and not more than 937,564,736 offer shares at the subscription price of HK\$0.30 per offer share on the basis of two offer shares for every one existing share held on the record date. The Company intended the proceeds to be used for future investment activities when such investment opportunities arise. The offer shares not taken up under the open offer was fully underwritten by China Tian Di Xing Logistics Holdings Limited, a company which is owned as to 99.99% by Mr. Mung Kin Keung and an underwriter. The open offer was completed on 24 August 2015 and 935,215,800 offer shares were issued at HK\$0.30 per offer share. Details of the open offer were set out in the Company's announcements dated 13 May 2015, 5 June 2015, 19 June 2015, 25 June 2015 and 24 August 2015.

On 13 May 2015, the Company announced that the board lot size of the shares of the Company for trading on the Stock Exchange will be changed from 16,000 shares to 32,000 shares which was effective from 9:00 a.m. on Tuesday, 25 August 2015. Details of the change in board lot size of the shares of the Company were set out in the Company's announcements dated 13 May 2015, 5 June 2015, 19 June 2015 and 25 June 2015.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

In the opinion of the Board, the Company has complied with the CG Code during the period under review, except for the following deviations:

- Code provision A.4.1

Code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term and subject to re-election. All the independent non-executive Directors are not appointed for a specific term but are subject to retirement from office by rotation and re-election at least once every three years in accordance with the articles of association of the Company. As such, the Board considers that such provision is sufficient to meet the underlying objective of this code provision.

- Code provision E.1.2

Code provision E.1.2 of the CG Code states that the chairman of the Board should attend the annual general meeting of the Company. Mr. Mung Kin Keung, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 5 June 2015 (the “Annual General Meeting”) due to other engagements. However, arrangements including the attendance of another member of the Board had been in place to ensure the Annual General Meeting was in order.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the six months ended 30 June 2015.



## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, Mr. Poon Wai Hoi, Percy (chairman of the Audit Committee), Mr. Fung Wai Ching and Mr. Man Kong Yui. The primary duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and result of the Group.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2015.

## **DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

The change in information on Directors subsequent to the date of the 2014 annual report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

<b>Name of Director</b>	<b>Details of Changes</b>
Mr. Mung Kin Keung	<ul style="list-style-type: none"><li>– resigned as co-chairman and an executive director of China Star Entertainment Limited* (Stock Code: 326) with effect from 1 May 2015</li><li>– resigned as co-chairman and an executive director of HNA International Investment Holdings Limited* (formerly known as Shougang Concord Technology Holdings Limited) (Stock Code: 521) with effect from 3 June 2015</li><li>– resigned as an executive director of Bestway International Holdings Limited* (Stock Code: 718) ("Bestway") with effect from 18 June 2015</li></ul>

<b>Name of Director</b>	<b>Details of Changes</b>
Mr. Mung Bun Man, Alan	– resigned as an executive director of Bestway* with effect from 30 June 2015
Mr. Fung Wai Ching	– resigned as an independent non-executive director of Lajin Entertainment Network Group Limited (formerly known as China Star Cultural Media Group Limited)# (Stock Code: 8172) with effect from 30 June 2015

\* *companies whose shares are listed on the Main Board of the Stock Exchange*

# *a company whose shares are listed on the GEM of the Stock Exchange*

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

Hong Kong, 28 August 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.*