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MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

ISSUE OF NEW SHARES PURSUANT TO GENERAL MANDATE

The Directors are pleased to announce that on 14 October 2010 (after trading hours), the Company entered into the Subscription Agreements with Allysino Holdings, Mega Start, and Tang Hao respectively, pursuant to which the Company had agreed to issue and (i) Allysino Holdings had agreed to subscribe for 100,000,000 Shares, (ii) Mega Start had agreed to subscribe for 100,000,000 Shares, and (iii) Tang Hao had agreed to subscribe for 155,200,000 Shares at the Subscription Price of HK\$0.125 per Share (HK\$44,400,000 in aggregate). The Subscriptions are conditional upon the granting of approval for the listing of and permission to deal in all of the Subscription Shares by the Listing Committee of the Stock Exchange. An application will be made to the Listing Committee of the Stock Exchange for the granting of approval for the listing of and permission to deal in all of the Subscription Shares.

The Company will use the net proceeds from the Subscriptions of approximately HK\$44.37 million for general working capital and future investment purposes.

As the Subscriptions are subject to the satisfaction of a condition precedent and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

Subscription Agreements

(1) Date : 14 October 2010

Parties : Issuer – the Company

Subscriber – Allysino Holdings

(2) Date : 14 October 2010

Parties : Issuer – the Company

Subscriber – Mega Start

(3) Date : 14 October 2010

Parties : Issuer – the Company

Subscriber – Tang Hao

Issue of Subscription Shares

The total number of Subscription Shares is 355,200,000 Shares, which represents approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the enlarged issued share capital of the Company immediately after the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$8,880,000. The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Subscription Price

The Subscription Price is HK\$0.125 per Subscription Share representing (i) a discount of approximately 1.57% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of approximately 11.61% to the average of the closing price of approximately HK\$0.112 per Share quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; (iii) a premium of approximately 16.82% to the average of the closing price of approximately HK\$0.107 per Share quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date; and (iv) a premium of approximately 278.79% of the unaudited consolidated net asset value per share of the Company as of 31 August 2010 of approximately HK\$0.033.

The aggregate Subscription Price amounting to HK\$44,400,000 is payable in cash by the Subscribers upon completion.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers by reference to the recent market price and taking into account the current market condition. The Board (including the independent non-executive Directors) consider the Subscription Price and the terms of the Subscription Agreements are fair and reasonable, on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

Independence of the Subscribers

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquires, each of the Subscribers is Independent Third Party.

Condition of the Subscription Agreements

Completion of the Subscriptions is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

In the event that the Condition Precedent shall not have been fulfilled on or before 30 November 2010 or such other day as the Company and the Subscribers may agree, then the Subscription Agreements shall be terminated.

Completion

Completion of the Subscriptions shall take place (a) five Business Days after the condition stated above shall have been satisfied or (b) such other time or date as the Company and the Subscribers shall agree.

General Mandate

The Subscription Shares will be issued under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the Company's annual general meeting held on 30 June 2010. As such, the Subscription is not subject to Shareholders' approval. As at the date of this announcement, no Shares have been issued under such general mandate. The maximum number of Shares that may be issued under the general mandate is 355,200,000 Shares representing 20% of the total issued share capital of the Company as at the date of granting the general mandate and as at the date of this announcement. Upon completion of the Subscriptions, there will be no outstanding Shares that may be issued under the general mandate.

The Company will apply to the Listing Committee of the Stock Exchange for granting approval for the listing of and permission to deal in the Subscription Shares.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The entire net proceeds from the Subscriptions amount to approximately HK\$44.37 million, and the net price is approximately HK\$0.1249 per Subscription Share. The Company is an investment company under Chapter 21 of the Listing Rules and intends to use the proceeds for general working capital and future investment of the Group when investment opportunities arise in accordance with the Company's business policy of investing in listed and unlisted companies in Hong Kong and the PRC so as to achieve capital appreciation of its assets.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of Announcement	Fund raising activity	Intended use of proceeds	Actual use of proceeds
18 December 2009	Issue of 288,000,000 new Shares at the subscription price of HK\$0.125 per Share	Approximately HK\$35.04 million for future investment of the Group	General working capital and future investment of the Group

EFFECTS ON SHAREHOLDING

The following table summarises the effect on the shareholding structure of the Company pursuant to the Subscriptions (assuming that other than the Subscription Shares, no Shares are issued or purchased by the Company on or after the date of this announcement up to the date of completion of the Subscriptions):

	As at the date of this announcement		Immediate upon completion of the Subscriptions	
	No. of Shares	%	No. of Shares	%
<i>Connected persons</i>				
中國天地行物流控股集團有限公司 ⁽¹⁾	1,080,000,000	60.81	1,080,000,000	50.68
Asian Special Opportunities Fund ⁽²⁾	123,200,000	6.94	123,200,000	5.78
Sub-total:	1,203,200,000	67.75	1,203,200,000	56.46
<i>Public Shareholders</i>				
Allysino Holdings	—	—	100,000,000	4.69
Mega Start	—	—	100,000,000	4.69
Tang Hao	—	—	155,200,000	7.28
Other public Shareholders	572,800,000	32.25	572,800,000	26.88
Sub-total:	572,800,000	32.25	928,000,000	43.54
Total:	1,776,000,000	100.00	2,131,200,000	100.00

Notes:

- (1) These shares were registered in the name of and were beneficially owned by 中國天地行物流控股集團有限公司 (“天地行”), a company in which Mr. Mung Kin Keung holds 99.99% equity interests. Therefore, Mr. Mung Kin Keung is deemed to have an interest in the shares in which 天地行 is interested.
- (2) Mr. Michael Stockford, an executive Director, is a director of the Asian Special Opportunities Fund (the “Fund”). Mr. Michael Stockford and Mr. Benoit Descourtieux, executive Directors, are directors of the investment manager of the Fund.

As the Subscriptions are subject to the satisfaction of a condition precedent and may or may not proceed to completion, Shareholders and prospective investors shall exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Allysino Holdings” Allysino Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, one of the Subscribers, subscribing for 100,000,000 new Shares

“Board”	the board of Directors
“Business Day”	a day (excluding 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 in Hong Kong are open for business
“Company”	Mastermind Capital Limited, a company incorporated in Cayman Islands whose shares are listed on the main board of the Stock Exchange
“Condition Precedent”	the condition precedent to the completion of the Subscription Agreements as more particularly described above
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Group and connected persons (as defined in the Listing Rules) of the Group
“Last Trading Day”	14 October 2010, being the last full trading day of the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mega Start”	Mega Start Limited, a company incorporated in the British Virgin Islands with limited liability, one of the Subscribers, subscribing for 100,000,000 new Shares
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively (i) Allysino Holdings, (ii) Mega Start and (iii) Tang Hao

“Subscription Agreements”	Three subscription agreements dated 14 October 2010 entered into between the Company and the Subscribers respectively in relation to the Subscriptions
“Subscription Price”	HK\$0.125 per Share
“Subscription Shares”	new Shares to be subscribed for by the Subscribers pursuant to the Subscription Agreements
“Subscriptions”	the subscriptions of the Subscription Shares pursuant to the terms of the Subscription Agreements
“Tang Hao”	Mr. Tang Hao (唐顥), one of the Subscribers, subscribing for 155,200,000 new Shares
“%”	Percentage

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

Hong Kong, 14 October 2010

As at the date of this announcement, the Board comprises of five executive directors, namely, Mr. Mung Kin Keung, Mr. Ha Wing Ho, Peter, Mr. Chee Man Sang, Eric, Mr. Michael Stockford and Mr. Benoit Descourtieux and three independent non-executive directors, namely, Mr. Lo Tak Kin, Ms. Yu Tin Yan, Winnie and Mr. Patrick Lee.

* *for identification purpose only*