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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)

VOLUNTARY ANNOUNCEMENT PROPOSED ISSUE OF BOND

On 16 April 2014 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber agreed to subscribe and the Company agreed to issue the Bond in an principal amount of HK\$10 million.

The Subscription Agreement

Date: 16 April 2014

Parties

Issuer : the Company, as issuer

Subscriber : an individual, as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Conditions

The Subscription Agreement is unconditional.

The principal terms of the Bond are set out hereunder:

Issuer : The Company

Principal amount : HK\$10 million

* For identification purpose only

Issue price	:	100% of the principal amount of the non-convertible Bond to be issued
Maturity date	:	the date falling 7 years from the date of issue of the Bond
Interest rate	:	The Bond shall bear 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. For example if the first year's Net Profit is increased by 30% as compared to the previous year, the interest rate shall be 2% plus 3% i.e. 5%. In the event that there was a net loss in any financial year, that year shall be deemed to have zero Net Profit. For the first year, the previous year Net Profit shall be deemed to be zero. No appointment of interest will be made for any non-complete full financial year.
Default rate	:	If the Company fails to pay any sum payable under the Bond when due, the Company shall pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate of 5% above the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time per annum.
Status	:	The Bond constitute general, unsecured obligations of the Company and rank, and will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. No application will be made for a listing of the Bond.
Transferability	:	The Bond (nor any part thereof) may not be transferred, except, where the Subscriber is a company, by a transfer to wholly-owned subsidiaries or the holding company (as defined in the Companies Ordinance (Cap.622 of the Laws of Hong Kong)) of the Subscriber. The Bond may not be transferred by the Subscriber, without the prior written consent of the Company, to any connected person (as defined in the Listing Rules) of the Company.
Redemption	:	The Subscriber shall not redeem the Bond before the maturity date.
Repayment	:	Subject as provided herein, the outstanding principal amount of the Bond (together with interests) shall be repaid subject to and in accordance with the terms of the Bond on the date falling 7 years from the date of issue of the Bond.

Prepayment : The Company may prepay the outstanding principal amount of the Bond (together with interests) at any time before the maturity date.

The terms of the Bond were determined by the Board with reference to the prevailing market conditions.

REASONS FOR THE SUBSCRIPTION OF BOND 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 net proceeds (after deducting the related costs and expenses) from the Subscription are estimated to be approximately HK\$9.8 million. The net proceeds from the issue of the Bond will be utilised as investment capital of the Group.

The issue of the Bond will not result in any dilution effect on the shareholding of the existing Shareholders.

The Directors are of the view that the issue of the Bond provides a good opportunity to strengthen the Company's financial position and the terms of the Subscription are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Bond”	the 2% (subject to adjustment) unsecured and non-convertible bond in the aggregate principal amount of HK\$10,000,000 issued by the Company to the Subscriber
“Company”	Mastermind Capital Limited, a company incorporated in Cayman Islands with limited liability and issued Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) 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 independent of the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Profit”	the consolidated net profit after tax and before extraordinary items of the Company
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	an independent private investor
“Subscription Agreement”	the subscription agreement dated 16 April 2014 entered into between the Subscriber and the Company in respect of the subscription for the Bond
“HK\$”	Hong Kong dollar, 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, 16 April 2014

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