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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in **MASTERMIND CAPITAL LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)**

**INCREASE IN AUTHORISED SHARE CAPITAL  
RE-ELECTION OF DIRECTORS AT THE AGM  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES OF THE COMPANY  
PROPOSED AMENDMENT OF SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Mastermind Capital Limited (the "Company") to be held at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 30th June 2010 at 3:00 p.m. is set out on pages 16 to 20 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company in Hong Kong at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting.

\* *for identification purpose only*

Hong Kong, 28th May 2010

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 30th June 2010 at 3:00 p.m., notice of which is set out on pages 16 to 20 of this circular
“Articles”	the articles of association of the Company
“associate”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Director(s)”	director(s) of the Company
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Company”	Mastermind Capital Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“connected person”	has the same meaning as defined in the Listing Rules
“Fund”	Asian Special Opportunities Fund
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26th May 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OP Calypso”	OP Calypso Capital Limited, the investment manager of the Company
“OPFI”	OP Financial Investments Limited, the parent company of OP Calypso
“Share(s)”	share(s) of HK\$0.025 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 12 January 2009

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## DEFINITIONS

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“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. MUNG Kin Keung (*Chairman*)

Mr. HA Wing Ho, Peter

Mr. CHEE Man Sang, Eric

Mr. Michael STOCKFORD

Mr. Benoit DESCOURTIEUX

*Registered office:*

Ugland House

P.O. Box 309

Grand Cayman, KY1-1104

Cayman Islands

*Independent Non-executive Directors:*

Mr. LEE Patrick

Mr. LO Tak Kin

Ms. YU Tin Yan, Winnie

*Principal place of business  
in Hong Kong:*

Room 1401-03, 14th Floor,

Tower 2, Admiralty Centre,

18 Harcourt Road,

Hong Kong

Hong Kong, 28th May, 2010

*To the shareholders*

Dear Sir or Madam,

**INCREASE IN AUTHORISED SHARE CAPITAL  
RE-ELECTION OF DIRECTORS AT THE AGM  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES OF THE COMPANY  
AND  
PROPOSED AMENDMENT OF SHARE OPTION SCHEME**

**INTRODUCTION**

The Board wishes to seek the approval of the Shareholders at the AGM for (i) increase in authorised share capital; (ii) re-election of Directors; (iii) granting of the general mandate to issue Shares (referred to in resolution no. 5 of the notice of the AGM accompanying this circular); (iv) granting of the general mandate to repurchase Shares (referred to in resolution no. 6 of the notice of AGM accompanying this circular) and (v) amendment of Share Option Scheme.

\* *for identification purpose only*

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## **LETTER FROM THE BOARD**

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The purpose of this circular is to (i) provide you with details of increase in authorised share capital; (ii) provide you with details of the Directors who are subject to re-election at the AGM; (iii) provide you with details of the general mandate to issue Shares; (iv) provide you with details of the general mandate to repurchase Shares; (v) set out an explanatory statement regarding the general mandate to repurchase Shares as required under the Listing Rules; (vi) provide you with details of proposed amendment of the Share Option Scheme and (vii) give you notice of the AGM.

### **INCREASE IN AUTHORISED SHARE CAPITAL**

An ordinary resolution set out as resolution 4 in the Notice will be proposed at the AGM to increase the Company's authorised share capital from HK\$50,000,000 to HK\$100,000,000 by the creation of an additional 2,000,000,000 shares for facilitating any issue of new shares in future. The Directors have no present intention of issuing any new shares.

### **RE-ELECTION OF DIRECTORS**

The Board currently consists of eight directors, namely Mr. MUNG Kin Keung, Mr. HA Wing Ho, Peter, Mr. Michael STOCKFORD, Mr. Benoit DESCOURTIEUX, Mr. CHEE Man Sang, Eric, Mr. LO Tak Kin, Ms. YU Tin Yan, Winnie and Mr. Patrick LEE.

In accordance with Article 123 of the Articles, Mr. Michael STOCKFORD, Mr. Benoit DESCOURTIEUX and Mr. Patrick LEE shall hold office until the AGM and shall then be eligible for re-election at the AGM. They all will offer themselves for re-election at the AGM.

In accordance with Article 157 of the Articles, Mr. MUNG Kin Keung and Mr. CHEE Man Sang, Eric will retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

Details of the above named Directors who are subject to re-election in the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **GENERAL MANDATE TO ISSUE SHARES**

It will be proposed at the AGM two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the issued share capital of the Company comprised 1,776,000,000 shares.

Subject to the passing of relevant resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 355,200,000 Shares, representing not more than 20% of the issued share capital of the Company at the Latest Practicable Date.

Subject to the passing of relevant resolution to approve the general mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the said general mandate to repurchase a maximum of 177,600,000 Shares.

At the annual general meeting of the Company held on 30th June, 2008, a general mandate was granted to the Directors to issue or otherwise deal with a maximum of 20% of the then total issued share capital of the Company, i.e. 48,000,000 Shares.

On 12th May, 2009, the Company issued 48,000,000 subscription shares pursuant to the general mandate, representing the maximum 20% limit of the general mandate granted to the Directors. The net proceeds from the subscription amounting to approximately HK\$5.9 million was intended to be used for general working capital in accordance with the Company's business policy of investing in listed and unlisted companies. The proceeds had been applied as to approximately HK\$1.3 million for investing in Medicfocus, a company listed in Toronto, Canada. The balance, which is intended to be applied for making further investments, has been placed into interest-bearing savings account maintained with banks in Hong Kong.

At the last annual general meeting of the Company held on 1st June, 2009, a general mandate was granted to the Directors to issue or otherwise deal with a maximum of 20% of the then total issued share capital of the Company, i.e. 288,000,000 Shares.

On 18th December, 2009, the Company issued 288,000,000 placing shares pursuant to the general mandate, representing the maximum 20% limit of the general mandate granted to the Directors. The net proceeds from the placing amounting to approximately HK\$35.04 million was intended to be used for future investment. Up to the Latest Practicable Date, the proceeds is kept in the Company's bank accounts for future investment use.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 1st June, 2009, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase shares. Such mandate will be lapsed at the conclusion of the forthcoming AGM to be held on Wednesday, 30th June, 2010. The Directors propose to seek your approval of an ordinary resolution regarding general mandate to repurchase Shares to be proposed at the forthcoming AGM.

An explanatory statement as required under the Listing Rules concerning the general mandate to repurchase Shares is set out in the Appendix II to this circular.

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## LETTER FROM THE BOARD

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### PROPOSED AMENDMENT OF SHARE OPTION SCHEME

The Share Option Scheme was adopted on 12th January, 2009. Paragraph 4.3 provides that:-

“...Where any grant of Options to a Director, chief executive or substantial shareholder (as that term is defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue for the time being; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such grant of Options shall be approved by the Shareholders (voting by way of poll)...”

Rule 17.04(1) of the Listing Rules provides that:-

“...Where any grant of options to a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by shareholders of the listed issuer...”

Paragraph 4.3 of the Share Option Scheme provides limit for grant of Options to a Directors, chief executive and substantial shareholder, whereas Rule 17.04(a) of the Listing Rules provides similar limit for grant of options to substantial shareholder and independent non-executive director only.

No option under the Share Option Scheme has been granted since its adoption. It is proposed that the Share Option Scheme be rectified to be in line with the relevant provisions of the Listing Rules, such that paragraph 4.3 be amended as limiting the grant of Options to substantial shareholder and independent non-executive director only.



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## LETTER FROM THE BOARD

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### AGM

At the AGM, resolutions will be proposed to the shareholders in respect of the ordinary business of the Company to be considered at the AGM, being the approval and adoption of the audited financial statements, the directors' report and the independent auditors' report for the year ended 31st December, 2009, the re-election of Directors and authorisation of the board to fix the remuneration of Directors, and the re-appointment of auditors and authorisation of the Board to fix their remuneration, and the special business of the Company to be considered at the AGM, being the increase in authorised share capital of the Company, the proposed grant of the general mandate for Directors to issue new Shares and repurchase shares and the amendment of the Share Option Scheme. The notice of AGM is set out on pages 16 to 20 of this circular.

You will find enclosed a proxy form for use at the AGM. Whether or not you are able to attend the AGM, you are required to complete the proxy form and return it to the principal place of business of the Company in Hong Kong at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not prevent you from attending and voting at the AGM if you so wish.

### VOTING AT AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meetings must be taken by poll. Therefore, the chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM.

### RECOMMENDATION

The Directors consider that the increase in authorised share capital of the Company, the re-election of Directors, the granting of the general mandates to Directors to issue Shares and repurchase Shares and the amendment of the Share Option Scheme are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of AGM.

Yours faithfully,  
For and on behalf of the Board  
**MUNG Kin Keung**  
*Chairman*

**Mr. Mung Kin Keung (“Mr. Mung”)**, aged 49, has been appointed as an executive director of the Company with effect from 9th March, 2007. Mr. Mung holds a Conferment of Honorary Doctoral Degree from Sinte Gleska University of California. In November 2007, Mr. Mung was awarded the 9th World Outstanding Chinese Award by the World Chinese Business Investment Foundation. He has over 10 years’ experience in areas of business management, strategic planning and development. Mr. Mung was appointed as an executive director of Hong Kong Resources Holdings Company Limited (Stock Code: 2882) on 27 November, 2008 and Shougang Concord Technology Holdings Limited (Stock Code: 521) (“SCTHL”) on 16th February, 2009.

The Company currently holds 1,888,000 shares in SCTHL. Mr. Mung currently holds 113,726,000 shares in SCTHL and share options of SCTHL which represent 10,000,000 shares in SCTHL. Accordingly, Mr. Mung is taken to be interested in 125,614,000 shares in SCTHL, representing approximately 5.86% of its entire issued shareholding. As an executive director of SCTHL, Mr. Mung’s role in SCTHL is to design, develop and implement strategic plans for SCTHL in a costs-effective and time-efficient manner. He is also responsible for the day-to-day operation of the SCTHL, including managing committees and staff and developing business plans in collaboration with the board of SCTHL for the future. Besides the above, Mr. Mung has no interests in any other investments of the Company as at the Latest Practicable Date.

Mr. Mung has entered into a service contract with the Company. The appointment of Mr. Mung is of a term of one year commencing from the date of appointment and shall continue unless and until terminated by either Mr. Mung or the Company by one month’s notice. The remuneration of Mr. Mung comprises of an annual salary of HK\$960,000, which will be reviewed annually by the Board. There will be no discretionary/fixed bonus. The amount of remuneration of Mr. Mung is determined with reference to his experiences and efforts to be contributed to the Company.

As at the Latest Practicable Date, Mr. Mung is not connected with any directors, senior management, substantial or controlling shareholders of the Company. 中國天地行物流控股集團有限公司 is holding 1,080,000,000 shares in the Company. Since Mr. Mung is interested in 99.99% of the entire issued share capital of 中國天地行物流控股集團有限公司, he is deemed to be interested in 1,080,000,000 shares in the Company under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), representing approximately 60.81% of the total issued share capital of the Company. Save as disclosed above and his directorship in the Company, Mr. Mung does not hold any positions with the Company and other members of the Company, and did not hold any directorships in other listed public companies in the last three years.

In relation to the re-election of Mr. Mung as an executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

**Mr. Chee Man Sang, Eric (“Mr. Chee”)**, aged 48, has been appointed as an Independent non-executive director of the Company with effect from 9th March, 2007. Mr. Chee has been re-designated as an executive director with effect from 13 May 2010. Mr. Chee is a practicing Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of certified public accountants. Mr. Chee holds a Bachelor Degree in Commerce (majoring in Accounting) from Birmingham University. He had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Chee was appointed as an independent non-executive director of Hop Fung Group Holdings Limited (Stock Code: 2320) on 4th September, 2003 and Coolpoint Energy Limited (Stock Code: 8032) on 18th February, 2009.

As at the Latest Practicable Date, Mr. Chee has entered into a service contract with the Company. The appointment of Mr. Chee is of a term of 1 year commencing from the date of appointment and shall continue unless and until terminated by either Mr. Chee or the Company by one month’s notice. The remuneration of Mr. Chee comprises of an annual salary of HK\$180,000, which will be reviewed annually by the Board. There will be no discretionary/fixed bonus. The amount of remuneration of Mr. Chee is determined with reference to his experiences and efforts to be contributed to the Company. Mr. Chee is not connected with any directors, senior management, substantial or controlling shareholders of the Company, nor as he has any interest or deemed interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above and his directorship in the Company, Mr. Chee does not hold any positions with the Company or any of its subsidiaries nor did he hold any directorship in any other listed public company in the last three years.

In relation to the re-election of Mr. Chee as an executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

**Mr. Michael Stockford**, aged 50, is the Head of Asset Management Operations of OPFI, a listed company in Hong Kong (Stock Code: 1140) and the parent company of OP Calypso. He graduated with a bachelor degree in accounting and finance in 1981. Mr. Stockford is a full member of Hong Kong Securities Institute, member of the Committee of Inspection for Peregrine Derivatives Limited and member of Global Association of Risk Professionals. Mr. Stockford was the co-founder of the OP Calypso.

Mr. Stockford has entered into a service contract with the Company for a term of one year and he will be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Mr. Stockford is not entitled to receive any director’s emoluments.

Save as being an executive director of the Company, Mr. Stockford does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any other listed public company in the last three years.

As at the date of this announcement, Mr. Stockford does not have any relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Stockford is a director of the Fund which holds 123,200,000 shares representing approximately 6.94% in the issued capital of the Company, and a director of the investment manager of the Fund. Save as disclosed herein, Mr. Stockford does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Stockford as an executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

**Mr. Benoit Descourtieux (“Mr. Descourtieux”)**, aged 47, is the Chief Investment Officer of OPFI, a listed company in Hong Kong (Stock Code: 1140), and a Principal at OP Calypso, an affiliate of OPFI. Mr. Descourtieux obtained a diploma from the Institute for Political Studies in Paris in 1986 and is a Chartered Financial Analyst (CFA) since 1994. Mr. Descourtieux has over 20 years of investment management in Asia, having started his career at Credit Agricole in Hong Kong and Japan, then becoming President and CEO of Lombard Odier (Asia) Limited in Hong Kong in 1999 before founding OP Calypso in 2003. Mr. Descourtieux was head of the Institute for Political Studies Alumni Association in Japan, was the creator and editor in chief of “mediAsia” and was a member of the CFA Institute’s Candidate Curriculum Committee. Mr. Descourtieux is currently a Project Consultant for the CFA Institute.

Mr. Descourtieux has entered into a service contract with the Company for a term of one year and he will be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Mr. Descourtieux is not entitled to receive any director’s emoluments.

Save as being an executive director of the Company and save as disclosed above, Mr. Descourtieux does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any other listed public company in the last three years.

As at the date of this announcement, Mr. Descourtieux does not have any relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Descourtieux is a director of the investment manager of the Fund which holds 123,200,000 shares representing approximately 6.94% in the issued capital of the Company. Save as disclosed herein, Mr. Descourtieux does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Descourtieux as an executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

As disclosed in the announcement made by the Company dated 30 April 2010, OP Calypso was appointed as its investment manager. Mr. Stockford and Mr. Descourtieux are directors and responsible officers of OP Calypso. Mr. Stockford is also a director of the Fund which holds 123,200,000 shares representing approximately 6.94% in the issued capital of the Company.

OP Calypso is the investment manager of both the Company and the Fund, in which it has different degrees of involvements in the investment decision making. For the Fund, OP Calypso is the discretionary investment manager which can make investment decisions itself. For the Company, OP Calypso will put forward proposals for investments for the Board to consider and approve. Although Mr. Descourtieux and Mr. Stockford are Directors, they cannot control the decision of the Board in respect of such proposals. Thus, the Company does not envisage any conflicts arising as investments that are good for the Company are also good for the Fund as it will increase the net asset value of the Company and thus the value of interests in the Company held by the Fund. All investment opportunities will be referred by OP Calypso to the Fund and the Company on an equitable basis, after considering factors such as the investment policies and objectives in terms of risk and reward profile of the Fund and the Company.

There will not be cross sale from the Fund to the Company or vice versa. There will also be no common investments held by the Company and the Fund.

**Mr. Patrick Lee (“Mr. Lee”)**, aged 46, is a practicing certified public accountant and he has over 20 years of experience in accounting and auditing. He started his career in auditing with PricewaterhouseCoopers since his graduation from the Polytechnic University in 1989. After about 3 years of service in auditing, he then joined a number of commercial organizations, taking up positions as finance manager, financial controller, and chief financial officer. Mr. Lee has a wide spectrum of commercial experiences in organizations like trading conglomerate, fast moving consumer products manufacturing and retail, gold and jewelry trading and retail, travel agency, media, and vehicle dealer. Mr. Lee also has plenty of experiences with listed companies listed in Hong Kong, US and Malaysia. Mr. Lee graduated from the Polytechnic University, major in accountancy. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

As at the Latest Practicable Date, Mr. Lee has entered into a service contract with the Company. The appointment of Mr. Lee is of a term of 1 year commencing from the date of appointment and shall continue unless and until terminated by either Mr. Lee or the Company by one month’s notice. The remuneration of Mr. Lee comprises of an annual salary of HK\$60,000, which will be reviewed annually by the Board. There will be no discretionary/fixed bonus. The amount of remuneration of Mr. Lee is determined with reference to his experiences and efforts to be contributed to the Company. Mr. Lee is not connected with

any directors, senior management, substantial or controlling shareholders of the Company, nor as he has any interest or deemed interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above and his directorship in the Company, Mr. Lee does not hold any positions with the Company or any of its subsidiaries nor did he hold any directorship in any other listed public company in the last three years.

In relation to the re-election of Mr. Lee as an independent non-executive director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders of the Company.

This section includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the general mandate to repurchase Shares proposed to be granted to the Directors at the AGM.

### **1. STOCK EXCHANGE RULES FOR REPURCHASE OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase Shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of Shares by a company with a primary listing on the Stock Exchange must be approved by Shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the Shares to be repurchased must be fully paid up.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,776,000,000 fully paid Shares of HK\$0.025 each.

Subject to the passing of relevant resolution to approve the general mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the said general mandate to repurchase a maximum of 177,600,000 Shares.

### **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

### **4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Law. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Companies Law.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2009) in the event that the power to repurchase Shares was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the power to repurchase Shares if such general mandate will be granted to them to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
May 2009	0.170	0.129
June 2009	0.180	0.131
July 2009	0.170	0.150
August 2009	0.155	0.117
September 2009	0.145	0.116
October 2009	0.138	0.120
November 2009	0.133	0.098
December 2009	0.195	0.114
January 2010	0.175	0.122
February 2010	0.150	0.125
March 2010	0.138	0.120
April 2010	0.164	0.121
May 2010 (up to the Latest Practicable Date)	0.144	0.098

## 6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the general mandate to repurchase Shares if such is approved by the Shareholders of the Company.



No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the general mandate to repurchase Shares is approved by the Shareholders of the Company.

## 7. EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the general mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Codes. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Codes.

As at the Latest Practicable Date, the register maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows the following Shareholders having interests in Shares of 5% or more of the issued Shares:

Name	No. of Shares	Percentage of issued capital
中國天地行物流控股集團有限公司 (“天地行”) (note 1)	1,080,000,000	60.81%
Asian Special Opportunities Fund (note 2)	123,200,000	6.94%

*Notes:*

- (1) 1,080,000,000 Shares are held by 天地行, a company in which Mr. MUNG Kin Keung holds 99.99% equity interests.

Based on such shareholdings and in the event that the Directors exercise in full the power to repurchase Shares pursuant to the general mandate, the shareholdings of 天地行 would be increased to approximately 67.57% of the issued share capital of the Company.

- (2) Mr. Michael STOCKFORD, an executive Director, is a director of the Fund. Mr. STOCKFORD and Mr. DESCOURTIEUX, an executive Director, are directors of the investment manager of the Fund.

Saved as disclosed above, the Directors are not aware of any consequence that would give rise to an obligation on the part of 天地行 to make a mandatory offer under Rule 26 of the Takeovers Code.

## 8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that an annual general meeting of the Company will be held at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 30th June, 2010 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors of the Company (“Directors”) and independent auditors for the year ended 31st December, 2009.
2. To re-elect retiring Directors and authorise the board of Directors to fix the remuneration of Directors.
3. To re-appoint auditors and authorise the board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed with or without amendments, as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

4. “**THAT:**

the authorised share capital of the Company be and is hereby increased from HK\$50,000,000 to HK\$100,000,000 by the creation of an additional 2,000,000,000 new shares of HK\$0.025 each in the capital of the Company.”

5. “**THAT:**

(a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.025 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for grant or issue of shares or rights to acquire shares of the Company; shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register on fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.025 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Directors is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** subject to the passing of Resolutions No. 5 and No. 6 set out in the notice convening the meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 6 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

8. “**THAT**,

Paragraph 4.3 of the share option scheme of the Company adopted on 12th January, 2009 (the “Share Option Scheme”) be deleted in its entirety and be replaced by the following paragraph:

“The grant of Options to any Director, chief executive or substantial shareholder (as that term is defined in the Listing Rules) of the Company or their respective associates shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive director who is the proposed grantee of the Option). Where any grant of Options to an independent non-executive director or substantial shareholder (as that term is defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue for the time being; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be approved by the Shareholders (voting by way of poll). All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.”

By Order of the Board  
**CHAN Wai Man**  
*Company Secretary*

Hong Kong, 28th May, 2010

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- i. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote for him. A proxy need not be a member of the Company.
- ii. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusions of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- iii. In order to be valid, a form of proxy must be deposited at the Company's principal place of business in Hong Kong at Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.
- iv. With regard to item no. 2 in this notice, the board of directors of the Company proposes that the retiring directors, namely Messers. MUNG Kin Keung, CHEE Man Sang, Eric, Michael STOCKFORD, Benoit DESCOURTIEUX and Patrick LEE be re-elected as directors of the Company. Details of such retiring directors proposed to be re-elected at the AGM are set out in Appendix I to the circular to shareholders dated 28th May 2010.