
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, 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 the Prospectus Documents.

If you are in any doubt as to any aspect about this prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Mastermind Capital Limited** (the “Company”), you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the Shares and the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this prospectus.



MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter to the Open Offer



金利豐證券

KINGSTON SECURITIES

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Friday, 2 January 2015. The procedures for application are set out on pages 24 and 25 of this prospectus.

Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriter to terminate its obligations thereunder if at any time prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (2) any specified event comes to the knowledge of the Underwriter.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Friday, 5 December 2014 and that dealings in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Thursday, 8 January 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

16 December 2014

* for identification purposes only

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement”	the Company’s announcement dated 25 November 2014 in relation to the Open Offer and the change in board lot size
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a 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 are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Mastermind Capital Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amend from time to time)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amend from time to time)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Director(s)”	the directors of the Company
“GEM”	Growth Enterprise Market
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company 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 not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Latest Lodging Date”	4:30 p.m., on Monday, 8 December 2014 as the latest time for lodging transfer of Shares for registration in order to qualify for the Open Offer
“Last Trading Day”	25 November 2014, being the last trading day for the Shares
“Latest Practicable Date”	12 December 2014, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Friday, 2 January 2015 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 8 January 2015, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Offer Shares”	not less than 155,869,300 new Shares and not more than 156,444,300 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Optionholder Undertaking”	the irrevocable undertaking given by Mr. Mung to the Company and the Underwriter under the Underwriting Agreement for not exercising the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date
“Options”	the options issued or to be issued under the Share Option Scheme
“Options Shares”	a maximum of 1,150,000 new Shares to be allotted and issued upon the exercise of all the outstanding 1,150,000 Options (excluding the 2,100,000 outstanding Options held by Mr. Mung)
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“Mr. Mung”	Mr. Mung Kin Keung, the Chairman, an executive Director of the Company and the controlling shareholder of TDX, through which holds 78,000,000 Shares as at the date of the Underwriting Agreement and he is a holder of 2,100,000 Options
“PRC”	the People’s Republic of China

DEFINITIONS

“Prohibited Shareholder(s)”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form(s)
“Prospectus Posting Date”	Tuesday, 16 December 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Prohibited Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Monday, 15 December 2014, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrars of the Company
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Option Scheme”	the share option scheme adopted by the Company on 12 January 2009
“Share(s)”	ordinary share(s) of HK\$0.25 each in share capital of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.45 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“TDX”	China Tian Di Xing Logistics Holdings Limited (中國天地行物流控股集團有限公司), a company incorporated in Hong Kong with limited liability and is owned as to 99.99% by Mr. Mung as at the date of the Announcement
“TDX Undertaking”	the irrevocable undertaking given by TDX to the Company and the Underwriter under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 39,000,000 Offer Shares
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 25 November 2014 and entered into among the Company, the Underwriter, TDX and Mr. Mung in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	all the Offer Shares, other than those to be taken by TDX under the TDX Undertaking, being not less than 116,869,300 Offer Shares and not more than 117,444,300 Offer Shares underwritten by the Underwriter under the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that for the purposes of the termination clause of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (2) any specified event comes to the knowledge of the Underwriter.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties thereto shall forthwith cease and be null and void and none of the parties thereto shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the change in board lot size is set out below:

2015

Latest time for Acceptance	4:00 p.m. on Friday, 2 January
Latest Time for Termination by the Underwriter	4:00 p.m. on Thursday, 8 January
Announcement of the results of the Open Offer	Friday, 9 January
Despatch of share certificates for Offer Shares	Wednesday, 14 January
Despatch of refund cheques if the Open Offer is terminated	Wednesday, 14 January
Effective date and time of change in board lot size from 8,000 Shares to 16,000 Shares	9:00 a.m. on Wednesday, 14 January
Designated brokers starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Wednesday, 14 January
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange	9:00 a.m. on Thursday, 15 January
Designated brokers ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Wednesday, 4 February

All times in this Prospectus refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Friday, 2 January 2015:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

EXPECTED TIMETABLE

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriter. Any changes to the anticipated timetable for the Open Offer will be announced as and when appropriate.

LETTER FROM THE BOARD



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. Mung Bun Man, Alan

Independent non-executive Directors:

Mr. Man Kong Yui

Mr. Fung Wai Ching

Mr. Poon Wai Hoi, Percy

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Head Office and Principal place
of business in Hong Kong:*

Unit 1611

16/F., West Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

16 December 2014

To the Qualifying Shareholders

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF ONE OFFER SHARE
FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

The Company proposes to raise approximately HK\$70.14 million, before expenses, by way of the Open Offer at the Subscription Price of HK\$0.45 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date and payable in full on acceptance.

* *for identification purposes only*

LETTER FROM THE BOARD

Qualifying Shareholders are not entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Prohibited Shareholders.

As at the Latest Lodging Date, the Company had 311,738,600 Shares in issue. Given that the register of members was closed from Tuesday, 9 December 2014, being the next Business Day immediately after the Latest Lodging Date, to Monday, 15 December 2014 and no further Shares were issued or repurchased during the book close period, the total number of issued Shares on the Record Date was the same as the Latest Lodging Date. As such, on the basis of one Offer Share for every two existing Shares held on the Record Date, 155,869,300 Offer Shares will be allotted and issued by the Company, of which 39,000,000 Offer Shares will be taken up by Mr. Mung pursuant to the TDX Undertaking and 116,869,300 Offer Shares will be underwritten by the Underwriter pursuant to the Underwriting Agreement.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer including the procedures for application and payment for the Offer Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

THE OPEN OFFER

Under the Open Offer, the Company proposes to raise not less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million before expenses by way of the Open Offer, details of which are set out as follows:

Issue statistics

Basis of the entitlement:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.45 per Offer Share
Number of Shares in issue as at the date of the Announcement:	311,738,600 Shares
Number of Shares in issue assuming the all Option Shares being allotted and issued on or before the Record Date:	312,888,600 Shares
Number of Offer Shares:	Not less than 155,869,300 Offer Shares and not more than 156,444,300 Offer Shares

LETTER FROM THE BOARD

Number of Offer Shares to be taken up or procure to be taken up by TDX pursuant to the TDX Undertaking:	TDX has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription for the 39,000,000 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer
Number of Offer Shares underwritten by the Underwriter:	Not less than 116,869,300 Offer Shares and not more than 117,444,300 Offer Shares. Accordingly, taken into account the TDX Undertaking and the Optionholder Undertaking, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	Not less than 467,607,900 Shares and not more than 469,332,900 Shares

As at the date of the Announcement, save for the outstanding 3,250,000 Options, of which 2,100,000 Options are held by Mr. Mung, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Mr. Mung has irrevocably undertaken to the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Assuming (i) no further issue of new Shares or repurchase of Shares; and (ii) all 1,150,000 outstanding Options (of which 2,100,000 outstanding Options held by Mr. Mung was excluded pursuant to the Optionholder Undertaking) being exercised and the 1,150,000 Option Shares being allotted and issued on or before the Record Date, the maximum of 156,444,300 Offer Shares will be allotted and issued which represents approximately 50.18% of the Company's issued share capital as at the date of the Announcement and approximately 33.33% of the Company's issued share capital of 469,332,900 Shares as enlarged by the allotment and issue of the 1,150,000 Option Shares and the 156,444,300 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$38,967,325 and not more than HK\$39,111,075.

LETTER FROM THE BOARD

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 155,869,300 Offer Shares and not more than 156,444,300 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not being the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 8 December 2014.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange.

Subscription Price

The Subscription Price is HK\$0.45 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 13.46% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (b) a discount of approximately 9.46% to the theoretical ex-entitlement price of HK\$0.497 based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 17.58% to the average closing price of approximately HK\$0.546 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 2.27% on the closing price of HK\$0.44 per Share on the Latest Practicable Date; and
- (e) a premium of approximately 44.69% on the unaudited net assets per Share of approximately HK\$0.311 as at 30 June 2014 (calculated based on the unaudited net asset value of the Group of approximately HK\$97,101,000 as per the interim report of the Group for the six months ended 30 June 2014 and 311,738,600 Shares in issue as at the Latest Practicable Date).

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.432.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. In compliance with the necessary requirements of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders.

According to the register of members of the Company as at the Latest Practicable Date, there were no Overseas Shareholders with registered addresses located outside of Hong Kong.

LETTER FROM THE BOARD

No person receiving a copy of this Prospectus and/or the Application Form in any territory or jurisdiction outside of Hong Kong may treat it as an offer or an invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) wishing to make an application for the Offer Shares to satisfy himself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the Application Form will constitute a warranty and representation by the relevant applicant(s) to the Company that all registration, legal and regulatory requirements of all relevant territories other than Hong Kong in connection with the acceptance of the Offer Shares have been duly complied with by such applicant(s). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If you are in any doubt as to your position, you should consult your professional advisers.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 14 January 2015. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 14 January 2015 by ordinary post at the respective Shareholders' own risk.

Each Qualifying Shareholder will receive one share certificate for all the fully-paid Offer Shares issued to him/her/it.

LETTER FROM THE BOARD

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional time and effort, in particular those in handling application for excess Offer Shares by parties who have made application for excess Offer Shares with a view of abusing such mechanism, to administer the excess application procedures.

Given the Open Offer provides an equal and fair opportunity to all the Qualifying Shareholders to participate in the Group's future development by his/her/its entitlements under the Open Offer, the Directors (including the independent non-executive Directors) consider that the excess application of the Offer Shares may not be effective so far as the interests of the Company and the Shareholders are concerned.

The Directors consider that (i) the terms of the Open Offer are structured with an intention to encourage all the Qualifying Shareholders to take up their respective assured allotment of the Offer Shares as the Subscription Price is set at a discount to the prevailing market price of the Shares which provides reasonable incentives to all the Qualifying Shareholders to participate in the Open Offer; (ii) the Qualifying Shareholders have the first right to decide whether to accept the Open Offer; and (iii) the absence of excess application would lower the administrative costs of the Open Offer to the Company. Also taking into account (i) each Qualifying Shareholder will be given equal and fair opportunity to subscribe for his/her/its assured entitlements under the Open Offer at the Open Offer Subscription Price; and (ii) the unsubscribed Offer Shares would be able to broaden Shareholders' base and attract potential investors/subscribers into the Group to be procured by the Underwriter under the Open Offer, the Directors (including the independent non-executive Directors) are of the view that the absence of excess application to Qualifying Shareholders and the unsubscribed Offer Shares to be taken up by the Underwriter and/or subscribers procured by it at the Subscription Price is fair and in the interest of the Company and the Shareholders as a whole.

Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

LETTER FROM THE BOARD

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and underwritten by the Underwriter.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

THE UNDERWRITING AGREEMENT

- Date: 25 November 2014
- Underwriter: Kingston Securities Limited
- Number of Offer Shares to be underwritten: Not less than 116,869,300 Offer Shares and not more than 117,444,300 Offer Shares. Accordingly, taking into account the TDX Undertaking and the Optionholder Undertaking, the Open Offer is fully underwritten.
- Undertakings relating to the Offer Shares:
- (i) TDX has given the TDX Undertaking in favour of the Company and the Underwriter to subscribe for 39,000,000 Offer Shares to which it is entitled under the Open Offer; and
 - (ii) Mr. Mung has given the Optionholder Undertaking in favour of the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

The Underwriter is a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:

- (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
- (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares not taken up procured by it shall be Independent Third Party; and (2) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of voting rights of the Company upon completion of the Open Offer.

LETTER FROM THE BOARD

It is expected that in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up, (i) the subscriber to be procured by the Underwriter will be the professional investor (under the definition of the SFO); and (ii) the minimum subscription amount by such subscriber will be not less than or equal to HK\$500,000.

On 10 December 2014, the Underwriter has entered into sub-underwriting agreements with two subscribers who are individuals to sub-underwrite for an aggregate of 25,000,000 Underwritten Shares (representing approximately 5.35% of the enlarged share capital of the Company immediately after completion of the Open Offer (the “Enlarged Capital”). The two subscribers are Independent Third Parties, one of which has procured to subscribe for 20,000,000 Underwritten Shares (representing approximately 4.28% of the Enlarged Capital) and the other one of which has procured to subscribe for 5,000,000 Underwritten Shares (representing approximately 1.07% of the Enlarged Capital).

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares, being 117,444,300 Offer Shares. The commission rate of the Open Offer was agreed between the Company and the Underwriter after arm’s length negotiations with reference to the recent underwriting commissions of the open offer/rights issue charged to other Hong Kong listed companies by the Underwriter. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertakings given by TDX and Mr. Mung

(1) TDX Undertaking:

As at the date of the Underwriting Agreement, TDX is interested in 78,000,000 Shares, representing approximately 25.02% of the total issued share capital of the Company. TDX has irrevocably undertaken to the Company and the Underwriter:

- (a) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date;
- (b) to accept or procure the acceptance for the 39,000,000 Offer Shares to be allotted and issued to TDX under its entitlement pursuant to the Open Offer; and

LETTER FROM THE BOARD

- (c) to lodge the Application Form(s) in respect of the 39,000,000 Offer Shares referred to in paragraph (b) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

(2) *Optionholder Undertaking:*

As at the date of the Underwriting Agreement, Mr. Mung is the holder of 2,100,000 Options. Mr. Mung has irrevocably undertaken to the Company and the Underwriter not to exercise the 2,100,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**

LETTER FROM THE BOARD

- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

LETTER FROM THE BOARD

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or**
- (2) any specified event comes to the knowledge of the Underwriter.**

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;**
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;**
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;**
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;**

LETTER FROM THE BOARD

- (e) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (f) compliance with and performance of all undertakings and obligations of TDX under the TDX Undertaking; and
- (g) compliance with and performance of the undertaking of Mr. Mung under the Optionholder Undertaking.

None of the above conditions are waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

PROCEDURES FOR APPLICATION

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may subscribe for any number of Offer Shares only up to the number set out in the Application Form.

If Qualifying Shareholders wish to exercise their rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise their rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 2 January 2015. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or bankers' cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Mastermind Capital Limited – Open Offer AC**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar, Tricor Secretaries Limited, by no later than 4:00 p.m. on Friday, 2 January 2015, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement.

All cheques or cashier's orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier's order, will constitute a warranty by the applicant that the cheque and/or cashier's order will be honoured on first presentation. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on Wednesday, 14 January 2015.

No action has been taken to permit the offering of the Offer Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Offer Shares will be accepted from any person who is a Prohibited Shareholder.

The Application Form is for use only by the person(s) name therein and is not transferable.

No receipt will be issued in respect of any application monies received.

LETTER FROM THE BOARD

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

The Shares have been dealt in on an ex-entitlement basis commencing from Friday, 5 December 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 8 January 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

	As at the Latest Practicable Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than TDX under the TDX Undertaking)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
TDX (<i>Note 1</i>)	78,000,000	25.02	117,000,000	25.02	117,000,000	25.02
Public						
The Underwriter and subscribers procured by the Underwriter (<i>Note 2</i>)	-	-	-	-	116,869,300	24.99
Existing public Shareholders	233,738,600	74.98	350,607,900	74.98	233,738,600	49.99
Total	311,738,600	100.00	467,607,900	100.00	467,607,900	100.00

LETTER FROM THE BOARD

Notes:

1. Pursuant to the TDX Undertaking, TDX has irrevocably undertaken to the Company and the Underwriter that (1) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (2) to accept or procure the acceptance for the 39,000,000 Offer Shares to be allotted and issued to TDX under its entitlement pursuant to the Open Offer; and (3) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 39,000,000 Offer Shares prior to the Latest Time for Acceptance.
2. Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:
 - (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
 - (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares not taken up procured by it shall be Independent Third Party; and (2) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of voting rights of the Company upon completion of the Open Offer.

On 10 December 2014, the Underwriter has entered into sub-underwriting agreements with two subscribers who are individuals to sub-underwrite for an aggregate of 25,000,000 Underwritten Shares (representing approximately 5.35% of the enlarged share capital of the Company immediately after completion of the Open Offer (the “Enlarged Capital”). The two subscribers are Independent Third Parties, one of which has procured to subscribe for 20,000,000 Underwritten Shares (representing approximately 4.28% of the Enlarged Capital) and the another one of which has procured to subscribe for 5,000,000 Underwritten Shares (representing approximately 1.07% of the Enlarged Capital).

3. It is expected that in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up, (i) the subscribers to be procured by the Underwriter will be professional investors (under the definition of the SFO); and (2) the minimum subscription amount by such subscribers will be not less than or equal to HK\$500,000.

LETTER FROM THE BOARD

REASONS FOR THE OPEN OFFER 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 gross proceeds from the Open Offer will not be less than approximately HK\$70.14 million and not more than approximately HK\$70.40 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$67.34 million but not more than HK\$67.60 million. It is intended the net proceeds of approximately HK\$60.0 million will be reserved for future investment activities. The remaining net proceeds of not less than approximately HK\$7.34 million (assuming the minimum of 155,869,300 Offer Shares are issued) will be reserved 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 in the coming 12 months.

Although there is no specific investment target identified as at the Latest Practicable Date, the Company intends to invest in the long-term interest bonds or debentures which would provide a stable interest to the Group. The Company is currently looking into a series of investment opportunities, 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.

In order to keep up the 7% GDP growth in 2015, the Company expects that the benchmark interest rate of the People's Bank of China will be cut twice in 2015, which in turn will stimulate the bond/preference share price of the Chinese A Stocks. Besides, the Company expects that the Shanghai Stock Exchange Composite Index would also be beneficial with the lower interest rate. Therefore, the Company considers it is an appropriate time to conduct the Open Offer at present to seize such investment opportunity.

The Board has considered other alternative means of fund raising before resolving to the Open Offer, including but not limited to debt financing, placing and rights issue, but is of the view that:

- (1) Further debt financing or bank loan would result in additional interest burden and finance cost to the Group;
- (2) placing would only be available to certain placees who were not necessarily the existing Shareholders and would dilute their shareholding in the Company;
- (3) although rights issue was similar to an open offer except that it enabled the Shareholders to trade in nil-paid rights, trading arrangement is required to be set up with the share registrar at the expense of the Company and would involve extra administrative work and cost from the Company would be involved;

LETTER FROM THE BOARD

- (4) although there would not be any trading in nil-paid rights in the Open Offer, with the entitlement of Offer Shares firmly attached to the Existing Shares held, it would ensure stability in the Company's shareholders base and provide the existing Shareholders with an opportunity to participate in and share the growth of the Company.

Based on the above, the Board considers that the Open Offer would be the most appropriate means for the fund raising exercise at present.

The Board also considers that the Open Offer represents an opportunity for the Group to raise funding for future investment activities, which is the principal activity of the Company, while broadening its shareholder and capital base thereby increasing the liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

CHANGE IN BOARD LOT SIZE

The Board announced on 25 November 2014 that the board lot size of the Shares for trading on the Stock Exchange will be changed from 8,000 Shares to 16,000 Shares with effect from 9:00 a.m. on Wednesday, 14 January 2015.

The Offer Shares will be traded in board lot of 16,000 Shares.

The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of approximately HK\$0.497 per Share (calculated based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$3,976 and the estimated market value of each proposed new board lot is HK\$7,952.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Cinda International Securities Limited as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 14 January 2015 to 4:00 p.m. on Wednesday, 4 February 2015 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Leung Siu Wa of Cinda International Securities Limited at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong (telephone: (852) 2235 7801 and facsimile: (852) 2907 6390) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

LETTER FROM THE BOARD

All existing share certificates in board lot of 8,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 8,000 Shares to new share certificates in board lot size of 16,000 Shares is necessary. With effect from Wednesday, 14 January 2015, any new certificate of the Shares will be issued in new board lot size of 16,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

FINANCIAL AND TRADING PROSPECT OF THE GROUP

As at 31 December 2013, the major investments of the Group were HK\$9,350,000 of a portfolio of listed equity securities and HK\$19,322,000 of direct investment in unlisted equity securities. The investment portfolio of the Group comprises equity securities in Hong Kong, Canada and China.

The listed equity securities held by the Group during 2013 were shares in Shougang Concord Technology Holdings Limited, APAC Resources Limited, Medifocus Inc., Kaisun Energy Group Limited and National Arts Entertainment and Culture Group Limited. No dividend income was received from the listed equity securities during the year.

The Group had made direct investments in unlisted equity securities in Ruyan Yao Autonomous Country hydroelectricity power plants (the “Power Plants”) in the PRC and GOGC Petroleum (China) Limited. Dividend from the Power Plants during the year was approximately HK\$1 million.

During 2013, the Group recorded a profit attributable to owners of the Company of approximately HK\$14,426,000, compared to a loss attributable to owners of the Company of approximately HK\$63,677,000 in the corresponding period of 2012. The profit during the year was mainly due to the written back of provision for impairment loss of deposits paid amounting to approximately HK\$26,400,000 (the “Written Back”), which had been made in the financial year ended 31 December 2012. Excluding the Written Back, the Group sustained a loss of approximately HK\$11,974,000 during the year.

Looking ahead, the global economic growth will gradually accelerate in 2014. The Board will pay attention to the changes in global economy and continue to seek for business opportunities available in the market which can enhance the shareholders’ value and strengthen the financial position of the Group. In addition, the Directors also consider that the launch of the Hong Kong and Shanghai Connect will provide the Group with abundant investment opportunities for the Shanghai listed securities in future.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS PRIOR TO THE ANNOUNCEMENT AND THE LATEST PRACTICABLE DATE

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
16 October 2014	Placing of 51,952,000 existing Shares and subscription of 51,952,000 Shares at a placing price of HK\$0.54 per Share	Approximately HK\$26.7 million	For new investment of the Company and/or general working capital	HK\$10.0 million was used for new investment of the Company in listed securities in Hong Kong and the United States of America, HK\$5 million will be used for general working capital and HK\$11.7 million will be used for future investment
31 March 2014	Placing of 400,000,000 existing shares of HK\$0.025 each and subscription of 400,000,000 new shares of HK\$0.025 each at a placing price of HK\$0.10 per share of HK\$0.025 each	Approximately HK\$38.5 million	For new investment of the Company	HK\$38.5 million was used for new investment of the Company in listed securities in Hong Kong and the United States of America

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of the Announcement and the Latest Practicable Date.

INVESTMENT PORTFOLIO

Set out below are the details of the ten largest investments of the Group as at 30 June 2014, which include listed investments and unlisted investments with a value of more than 5% of the Group's gross assets as at 30 June 2014. Save for the investments disclosed herein, there are no other listed investments or other unlisted investments with a value of more than 5% of the Company's gross assets as at 30 June 2014.

Investment	Nature of securities	Number of Shares held	Cost (HK\$)	Market Value as at 30 June 2014 (HK\$)	Dividends received during the financial year 2014 (HK\$)	Value to the investment company	Holding interest (units held by the Company/ total issued units)
GOGC (note 1)	Equities	7	13,467,000	N/A	–	7.49%	7%
Brockman Mining (note 2)	Equities	50,000,000	17,056,250	24,500,000	–	22.7%	0.60%
Kaisun Energy Group (note 3)	Equities	55,550,000	9,999,000	5,832,750	–	5.4%	2.1%
Qihoo 360 Technology Co Ltd (note 4)	Equities	6,000	3,987,945	4,264,416	–	3.9%	less than 0.01%
Texhong (note 5)	Equities	1,126,000	5,865,127	6,609,620	–	6.1%	0.13%
China Lesso (note 6)	Equities	751,000	3,098,497	3,116,650	76,102	2.9%	0.02%
Nexteer (note 7)	Equities	540,000	2,752,785	2,916,000	32,439	2.7%	0.02%
CCB (note 8)	Equities	900,000	5,062,199	5,274,000	–	4.9%	less than 0.01%
WCC (note 9)	Equities	2,400,000	1,901,878	1,728,000	–	1.6%	0.05%
A50 (note 10)	Equities	200,000	1,699,715	1,688,000	–	1.6%	less than 0.01%

LETTER FROM THE BOARD

Note 1 As of 31 December 2013, the audited consolidated net asset value of GOGC is RMB630 million.

Note 2 As of 31 December 2013, the unaudited consolidated net asset value of Brockman Mining is HK\$2,612 million.

Note 3 As of 30 June 2014, the unaudited consolidated net asset value of Kaisun Energy Group is HK\$446 million.

Note 4 As of 30 June 2014, the unaudited consolidated net asset value of Qihoo 360 Technology Co. Ltd. is US\$963 million.

Note 5 As of 30 June 2014, the unaudited consolidated net asset value of Texhong is RMB3,309 million.

Note 6 As of 30 June 2014, the unaudited consolidated net asset value of China Lesso is RMB2,631 million.

Note 7 As of 30 June 2014, the unaudited consolidated net asset value of Nexteer is RMB646 million.

Note 8 As of 30 June 2014, the unaudited consolidated net asset value of CCB is RMB11,470,012 million.

Note 9 As of 30 June 2014, the unaudited consolidated net asset value of WCC is RMB5,138 million.

Note 10 As of 31 December 2013, the audited consolidated net asset value of A50 is HK\$52,271 million.

1) GOGC Petroleum (China) Limited (“GOGC”)

GOGC is principally engaged in the business of oil and gas development and production in the PRC. In the opinion of the directors of the Company, the Group has not been in a position to exercise any significant influence over the financial and operating policies of GOGC as the Group has no representative in the board of directors of GOGC. Accordingly, the investment is accounted for as an available-for-sale financial asset.

As at 31 December 2013, the audited net asset value of GOGC was approximately RMB 630 million (equivalent to approximately HK\$800 million). The carrying value of the investment of GOGC in the audited consolidated financial statements of the Company for the year ended 31 December 2013 is approximately HK\$8,093,000.

As at 30 June 2014, the group held 7% interest in the issued share capital of GOGC. On 19 November 2014, Billion City Investment Limited, an directly wholly-owned subsidiary of the Company, as the vendor (the “**Vendor**”) entered into a sale and purchase agreement with Mr. Han Jinfeng, an independent third party as the purchaser (the “**Purchaser**”), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the 7% interest of GOGC at a consideration of HK\$29,387,500. As at the Latest Practicable Date, the transaction has not yet been completed.

LETTER FROM THE BOARD

2) Brockman Mining Limited (“Brockman”)

Brockman was incorporated in Bermuda, and its shares are listed on the Main Board of the Stock Exchange (stock code: 0159). The company is engaged on exploration and development of iron ore mining projects in Western Australia; exploitation, processing and production of copper ore concentrates in the PRC.

As at 30 June 2014, the Group held 50,000,000 shares in Brockman, representing 0.60% interest in the issued share capital of Brockman. Based on the interim report of Brockman for the six months ended 31 December 2013, the unaudited consolidated loss from attribute to equity holders of Brockman was HK\$105 million with basic loss per share of HK\$0.0133. As at 30 June 2014, the market value of shares in Brockman held by the Group was approximately HK\$2,450,000.

3) Kaisun Energy Group Limited (“Kaisun Energy”)

Kaisun Energy was incorporated in Cayman Islands, and its shares are listed on the GEM board of the Stock Exchange (stock code: 8203). The company is engaged in investments in mining, sale and processing coal in the PRC.

As at 30 June 2014 the Group held 55,550,000 shares in Kaisun Energy, representing 2.1% interest in the issued share capital of Kaisun Energy. Based on the interim report of Kaisun Energy for the six months ended 30 June 2014, the unaudited consolidated loss from attribute to equity holders of Kaisun Energy was HK\$24.996 million with basic loss per share of HK\$0.96 cent. As at 30 June 2014, the market value of shares in Kaisun Energy held by the Group was approximately HK\$5,450,000.

4) Qihoo 360 Technology (“Qihoo”)

Qihoo was incorporated in Cayman Islands, and its shares are listed on the NASDAQ stock market (stock code: QIHU). Qihoo is a China based company. The company provides a series of internet services and sales of third party anti-virus software in the PRC, it also provides internet and mobile security products in China.

As at 30 June 2014, the Group held 6,000 shares in Qihoo, representing less than 0.01% interest in the issued share capital of Qihoo. Based on the 2nd quarter report of Qihoo for the second quarter ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of Qihoo was USD39.1 million with basic profit per share of USD0.30. As at 30 June 2014, the market value of shares in Qihoo held by the Group was approximately HK\$4,264,416.

LETTER FROM THE BOARD

5) **Texhong Textile Group Ltd (“Texhong Textile”)**

Texhong Textile was incorporated in Cayman Islands, and its shares are listed on the Main Board of the Stock Exchange (stock code: 2678). Texhong is a China and Vietnam based company. The company principally engaged in the manufacture and sale of yarn, grey fabrics and garment fabrics.

As at 30 June 2014, the Group held 1,126,000 shares in Texhong Textile, representing 0.13% interest in the issued share capital of Texhong Textile. Based on the interim report of Texhong Textile for the six months ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of Texhong Textile was RMB125 million with basic profit per share of RMB0.141. As at 30 June 2014, the market value of shares in Texhong Textile held by the Group was approximately HK\$4,264,416.

6) **China Lesso Group Holdings Limited (“China Lesso”)**

China Lesso was incorporated in Cayman Islands, and its shares are listed on the Main Board of the Stock Exchange (stock code: 2128). The company is principally engaged in the manufacture and sale of plastic pipes and pipe fittings.

As at 30 June 2014, the Group held 751,000 shares in China Lesso, representing less than 0.02% interest in the issued share capital of China Lesso. Dividends of HK\$76,102 were received during the years. Based on the interim report of China Lesso for the six months ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of China Lesso was RMB628 million with basic earnings per share of RMB0.20. As at 30 June 2014, the market value of shares in China Lesso held by the Group was approximately HK\$3,116,650.

7) **Nexteer Automotive Group Limited (“Nexteer”)**

Nexteer was incorporated in Cayman Islands, and its shares are listed on the Main Board of the Stock Exchange (stock code: 1316). The company is principally engaged in developments, manufactures and supplies advanced steering and driveline systems to original equipment manufacturers throughout the world.

As at 30 June 2014, the Group held 540,000 shares in Nexteer, representing less than 0.02% interest in the issued share capital of Nexteer. Dividends of HK\$32,439 were received during the years. Based on the interim report of Nexteer for the six months ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of Nexteer was USD80.9 million with basic earnings per share of USD0.03. As at 30 June 2014, the market value of shares in Nexteer held by the Group was approximately HK\$2,916,000.

LETTER FROM THE BOARD

8) China Construction Bank Corporation (“CCB”)

CCB was incorporated in the PRC, and its shares are listed on the Main Board of the Stock Exchange (stock code: 0939). The company is principally engaged in a range of banking services and related financial services.

As at 30 June 2014, the Group held 900,000 shares in CCB, representing less than 0.01% interest in the issued share capital of CCB. Based on the interim report of CCB for the six months ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of CCB was RMB130.66 billion with basic earnings per share of RMB0.52. As at 30 June 2014, the market value of shares in CCB held by the Group was approximately HK\$5,274,000.

9) West China Cement Limited (“WCC”)

WCC was incorporated in Jersey, and its shares are listed on the Main Board of the Stock Exchange (stock code: 2233). The company is engaged in the production and sale of cement in western China.

As at 30 June 2014, the Group held 2,400,000 shares in WCC, representing less than 0.05% interest in the issued share capital of WCC. Based on the interim report of WCC for the six months ended 30 June 2014, the unaudited consolidated profit attribute to equity holders of WCC was RMB160.2 million with basic earnings per share of RMB0.035. As at 30 June 2014, the market value of shares in WCC held by the Group was approximately HK\$1,728,000.

10) iShares FTSE A50 China Index ETF (“FTSE A50”)

iShares FTSE A50 China Index ETF (stock code: 2823) is a sub-fund of the iShares Asia Trust. The Fund seeks to provide investment results that correspond generally to the performance of publicly traded securities (A-shares) in the China market, as measured by the FTSE China A50 Index (Index).

As at 30 June 2014, the group held 200,000 shares in FTSE A50, representing less than 0.01% interest in the issued share capital of FTSE A50. As at 30 June 2014, the market value of shares in FTSE A50 held by the Group was approximately HK\$1,699,715.

The Company does not currently intend to invest in options, warrants, commodities, futures contracts, unlisted securities and precious metals.

LETTER FROM THE BOARD

The table below shows the provisions for diminution in value of investments of the Company as at 30 June 2014:

Name of investment	Cost (HK\$)	Provision made (HK\$)	Book value (HK\$)	Reason for the provision
Koffman Asset Holding Limited	3,063,720	(3,063,720)	–	Koffman Asset Holding Limited was in financial difficulties and had ceased operations since 2004.
GOGC Petroleum (China) Limited	13,466,732	(5,374,558)	8,092,174	The present value of the estimated future cash flow of this investment was below the carrying value.

GENERAL

Your attention is drawn to the information contained in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP INCORPORATED BY REFERENCE

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for each of the three years ended 31 December 2011, 31 December 2012 and 31 December 2013, have been disclosed in the following annual reports of the Company which are available on the Company's website at www.mastermindcapitalhk.com and the website of the Stock Exchange at www.hkexnews.hk:

- the annual report of the Company for the year ended 31 December 2011 (pages 4 to 5 and 26 to 79) published on 27 March 2012;
- the annual report of the Company for the year ended 31 December 2012 (pages 4 to 5 and 31 to 85) published on 27 March 2013; and
- the annual report of the Company for the year ended 31 December 2013 (pages 4 to 5 and 31 to 83) published on 27 March 2014.

The unaudited condensed financial information and position, including the notes thereto, and the management discussion and analysis of the Group for the six-month period ended 30 June 2014, have been disclosed in pages 3 to 27 and 28 to 31 of the 2014 interim report of the Company which are available on the Company's website at www.mastermindcapitalhk.com and the website of the Stock Exchange at www.hkexnews.hk.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding borrowings of approximately HK\$28 million comprising unsecured loan from a third party of approximately HK\$18 million and unsecured non-convertible bonds of approximately HK\$10 million.

As at the close of business on 31 October 2014, the Group has no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal accruals and other payables in the ordinary course of the business, as at the close of business on 31 October 2014, the Group did not have other outstanding mortgages, charges, or other loan capital, bank overdrafts, loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

Save as the loan agreement dated 4 December 2014 entered into between the Company as the borrower and 21 Holdings Limited as the lender in relation to an unsecured loan in the principal amount of HK\$80 million (further details are set out in the paragraph headed “Material Contracts” in Appendix III to this Prospectus), the Directors confirmed that no material changes in the indebtedness and contingent liabilities of the Group since 31 October 2014 up to and including the Latest Practicable Date.

3. WORKING CAPITAL SUFFICIENT STATEMENT

The Directors, after due and careful consideration, are of the opinion that after taking into account the present internal resources and presently available bank performance guarantees granted to the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus, in the absence of any unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up, as at the Latest Practicable Date.

5. BUSINESSES ACQUIRED AFTER 31 DECEMBER 2013

No business was acquired by the Group after 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group was made up.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “Unaudited Pro Forma Financial Information”) prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Open Offer, which issuing not less than 155,869,300 Offer Shares and not more than 156,444,300 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 held on the Record Date, on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Open Offer had taken place on 30 June 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company derived from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2014, as extracted from the published interim report of the Company for the six months ended 30 June 2014 and is adjusted for the effect of the Open Offer.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purpose only, based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Open Offer actually been completed as at 30 June 2014 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 <i>(Note 1)</i>		Estimated net proceeds from the Share Offer	Unaudited pro forma adjusted consolidated net tangible assets		Unaudited pro forma adjusted consolidated net tangible assets per Share
	HK\$'000	Note	HK\$'000	HK\$'000	Note	HK\$'000
Based on 155,869,300 Offer Shares to be issued at Subscription Price of HK\$0.45 per Offer Share	<u>97,101</u>	2	<u>67,341</u>	<u>164,442</u>	4	<u>0.352</u>
Based on 156,444,300 Offer Shares to be issued at Subscription Price of HK\$0.45 per Offer Share	<u>97,101</u>	3	<u>67,600</u>	<u>164,701</u>	5	<u>0.351</u>

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- 1) As at 30 June 2014, the unaudited consolidated net tangible assets per share of the Company of HK\$0.025 each is HK\$0.037 which is calculated based on 2,597,866,000 shares of the Company of HK\$0.025 each in issue on 30 June 2014. The share consolidation of every ten (10) issued and unissued shares of HK\$0.025 each into one Share of HK\$0.25 each in the issued and unissued share capital of the Company has become effective on 10 October 2014 (“Share Consolidation”). After considering the Share Consolidation, the unaudited consolidated net tangible assets per Share is HK\$0.37 as at 30 June 2014 which is calculated based on 259,786,600 Shares.
- 2) The unaudited estimated net proceeds from the Open Offer of approximately HK\$67,341,000 is calculated based on 155,869,300 Offer Shares (the Company had 311,738,600 Shares in issue on the Latest Practicable Date) on the basis of one Offer Share for every two Shares held on 30 November 2014, being the latest practicable date at the Subscription Price of HK\$0.45 per Offer Share, after deduction of the estimated related expenses of approximately HK\$2,800,000.
- 3) The unaudited estimated net proceeds from the Open Offer of approximately HK\$67,600,000 is calculated based on 156,444,300 Offer Shares (the Company had 311,738,600 Shares in issue on 30 November 2014, being the latest practicable date and assuming 1,150,000 outstanding Options (excluding the 2,100,000 outstanding Options held by Mr. Mung) being exercised and the 1,150,000 Option Shares being allotted and issued on or before the Latest Practicable Date) on the basis of one Offer Share for every two Shares held on the Latest Practicable Date at the Subscription Price of HK\$0.45 per Offer Share, after deduction of the estimated related expenses of approximately HK\$2,800,000.
- 4) The pro forma adjusted consolidated net tangible assets per Share of the Company after the completion of the Open Offer is calculated based on 467,607,900 Shares assuming that the Open Offer had been completed on 30 June 2014.
- 5) The pro forma adjusted consolidated net tangible assets per Share of the Company after the completion of the Open Offer is calculated based on 469,332,900 Shares assuming that (i) 1,150,000 outstanding Options (excluding the 2,100,000 outstanding Options held by Mr. Mung) being exercised and the 1,150,000 Option Shares being allotted and issued on or before 30 June 2014 and (ii) the Open Offer had been completed on 30 June 2014.
- 6) The unaudited pro forma financial information of the Group presented above does not take account of any trading result or other transactions of the Group entered into subsequent to 30 June 2014.

2. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report from BDO Limited, the independent reporting accountants, in respect of the unaudited pro forma financial information of the Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The Directors
Mastermind Capital Limited

Dear Sirs

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mastermind Capital Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets of the Group as at 30 June 2014, and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages 39 to 40 of the Prospectus issued by the Company dated 16 December 2014. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 39 to 40 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact in respect of the proposed Open Offer and placing of Shares of the Company (the “Share Offer”) on the Group’s financial position as at 30 June 2014 as if the Share Offer had taken place at 30 June 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited interim financial statements for the six months ended 30 June 2014 which was published on 25 September 2014.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2014 would have been as presented.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong, 16 December 2014

1. RESPONSIBILITY STATEMENT

The Prospectus Documents, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Prospectus Documents is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in the Prospectus Documents misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer are as follows:

Authorised share capital:

	<i>HK\$</i>
<u>4,000,000,000</u> Shares	<u>1,000,000,000.00</u>

Issued and fully paid share capital or credited as fully paid:

311,738,600 Shares in issue as at the Latest Practicable Date	77,934,650.00
<u>155,869,300</u> Offer Shares to be issued	<u>38,967,325.00</u>
<u>467,607,900</u> Shares in issue and fully paid immediately upon completion of the Open Offer	<u>116,901,975.00</u>

As at the Latest Practicable Date, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares save for the outstanding 3,250,000 Options.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

All Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

The issued Shares are listed and traded on the Main Board of the Stock Exchange. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Directors

(a) Directors' interests in the Company

As at the Latest Practicable Date, the interests of the Directors in the Shares and the underlying Shares and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers of the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares held	Approximate % of interest held
Mr. Mung	Beneficial owner	2,100,000 (Note 2)	0.45% (Note 1)
	Interest of controlled corporation	117,000,000 (Note 3)	24.93% (Note 1)

Notes:

- The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the maximum number of Offer Shares and the 1,150,000 new Shares allotted and issued upon the exercise of all the outstanding 1,150,000 Options, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 469,332,900.
- These shares represent the 2,100,000 Options held by Mr. Mung.
- Mr. Mung owns 99.99% of the entire issued share capital of TDX. By virtue of the SFO, Mr. Mung is deemed to be interested in all the Shares held by TDX. These Shares comprise (i) 78,000,000 Shares held by TDX; and (ii) 39,000,000 Offer Shares to be allotted to TDX under its entitlement under the Open Offer pursuant to the TDX Undertaking.

All interests stated above represent long positions.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Directors' interests in assets and contracts of the Company

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Group were made up.

Save for Mr. Mung in the TDX Undertaking and the Optionholder Undertaking, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

(c) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company or any other member of the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

(d) Directors' interests in competing businesses

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

(ii) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the following persons (other than the Directors or chief executives of the Company) had interests or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held
Link Chance Investment (Hong Kong) Limited <i>(Note 2)</i>	Beneficial owner	30,000,000	6.39% <i>(Note 1)</i>
Searainbow Holding Corporation <i>(Note 2)</i>	Interest of controlled corporation	30,000,000	6.39% <i>(Note 1)</i>
Kingston Securities Limited	Beneficial owner	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
Galaxy Sky Investments Limited	Interest of controlled corporation	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
Kingston Capital Asia Limited	Interest of controlled corporation	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
Kingston Financial Group Limited	Interest of controlled corporation	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
Active Dynamic Limited	Interest of controlled corporation	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
Chu Yuet Wah	Interest of controlled corporation	117,444,300 <i>(Note 3)</i>	25.02% <i>(Note 1)</i>
TDX	Beneficial owner	117,000,000 <i>(Note 4)</i>	24.93%
Tao Jie	Beneficial owner	18,395,000	5.90% <i>(Note 5)</i>

All interests stated above represent long positions.

Notes:

1. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the maximum number of Offer Shares and the 1,150,000 new Shares allotted and issued upon the exercise of all the outstanding 1,150,000 Options, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 469,332,900.
2. Searainbow Holding Corporation (“**Searainbow**”), a company listed on The Shenzhen Stock Exchange owns the entire issued share capital of Link Chance Investment (Hong Kong) Limited (“**Link Chance**”). By virtue of the SFO, Searainbow is deemed to be interested in all the Shares held by Link Chance.
3. The 117,444,300 Shares are the Offer Shares which Kingston Securities Limited as the underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. Kingston Securities Limited is a wholly owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 42.90% interest in Kingston Financial Group Limited. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.
4. Mr. Mung owns 99.99% of the entire issued share capital of TDX. By virtue of the SFO, Mr. Mung is deemed to be interested in all the Shares held by TDX. These Shares comprise (i) 78,000,000 Shares held by TDX; and (ii) 39,000,000 Offer Shares to be allotted to TDX under its entitlement under the Open Offer pursuant to the TDX Undertaking.
5. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at the Latest Practicable Date i.e. 311,738,600. Immediately following the completion of the Open Offer (assuming no Shares, other than the maximum number of Offer Shares and the 1,150,000 new Shares allotted and issued upon the exercise of all the outstanding 1,150,000 Options, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), the 18,395,000 Shares held by Tao Jie will constitute approximately 3.92% interest in the Company. As such, upon completion of the Open Offer, Tao Jie will cease to be a substantial shareholder of the Company.

Other than disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or any persons (other than the Directors and chief executive of the Company) who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivative in respect of Shares.

4. CORPORATE INFORMATION**Board of Directors***Executive Directors*

Mr. Mung Kin Keung

Mr. Mung Bun Man, Alan

Independent Non-executive Directors

Mr. Man Kong Yui

Mr. Fung Wai Ching

Mr. Poon Wai Hoi, Percy

*Audit Committee*Mr. Poon Wai Hoi, Percy (*Committee Chairman*)

Mr. Man Kong Yui

Mr. Fung Wai Ching

*Remuneration Committee*Mr. Fung Wai Ching (*Committee Chairman*)

Mr. Mung Kin Keung

Mr. Man Kong Yui

Mr. Poon Wai Hoi, Percy

*Nomination Committee*Mr. Man Kong Yui (*Committee Chairman*)

Mr. Mung Kin Keung

Mr. Fung Wai Ching

Mr. Poon Wai Hoi, Percy

Registered office

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

**Head office and principal place of
business in Hong Kong**

Unit 1611

16/F., West Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

Company secretary	Mr. Lee Chan Wah (A member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants)
Compliance officer	Mr. Mung Bun Man, Alan
Authorised representatives	Mr. Mung Bun Man, Alan and Mr. Lee Chan Wah Unit 1611 16/F., West Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Secretaries Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Auditors	BDO Limited <i>Certified Public Accounts</i> 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Principal Banker	Shanghai Commercial Bank Ltd. Basement, Manning House 48 Queen's Road Central Hong Kong
Stock code	905
Website	www.mastermindcapitalhk.com

5. PARTIES INVOLVED IN THE OPEN OFFER

The Company	Mastermind Capital Limited Unit 1611 16/F., West Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
Financial adviser to the Company	Nuada Limited Unit 1805-08, 18/F. Office Plus@Sheung Wan 93-103 Wing Lok Street Sheung Wan Hong Kong
Legal advisers to the Company	<i>As to Hong Kong Law:</i> Robertsons 57th Floor The Center 99 Queen's Road Central Hong Kong
Reporting Accountants	BDO Limited <i>Certified Public Accountants</i> 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Secretaries Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus:

- (1) the placing and subscription agreement dated 31 March 2014 entered into between the Company, the Underwriter and TDX in relation to the placing of 400,000,000 existing shares of HK\$0.025 each and the subscription of new shares of HK\$0.025 each on a best effort basis to placees at the placing and subscription price of HK\$0.10 per share of HK\$0.025 each;
- (2) the subscription agreement dated 16 April 2014 entered into between the Company as issuer and the Independent Third Party as subscriber in relation to the subscription of the 2% (subject to adjustment) unsecured and non-convertible bond in the aggregate principal amount of HK\$10,000,000;
- (3) the loan agreement dated 6 October 2014 entered into between Mega Way International Limited, a direct wholly-owned subsidiary of the Company, as the borrower and Ms. Zhang Jin as the lender in relation to an unsecured loan in the principal amount of HK\$18 million granted by the lender to the borrower with an interest rate of 3% per annum;
- (4) the placing and subscription agreement dated 16 October 2014 entered into between the Company, the Underwriter and TDX in relation to the placing of 51,952,000 existing Shares and the subscription of new Shares each on a best effort basis to placees at the placing and subscription price of HK\$0.54 per Share;
- (5) the disposal agreement dated 19 November 2014 entered into between Billion City Investment Limited, a direct wholly-owned subsidiary of the Company, as the vendor and Mr. Han Jinfeng as the purchaser in relation to the disposal of 7% equity interest of GOGC Petroleum (China) Limited at a cash consideration of HK\$29,837,500;
- (6) the Underwriting Agreement; and

- (7) the loan agreement dated 4 December 2014 entered into between the Company as the borrower and 21 Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1003), as the lender in relation to an unsecured loan in the principal amount of HK\$80 million conditionally granted by the lender to the borrower for a term of two years from the date of drawdown with an interest rate of 8% per annum.

8. PARTICULARS OF DIRECTORS

Mr. Mung Kin Keung, aged 54, was appointed as an executive Director on 9 March 2007. He 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 extensive experience in areas of business management, strategic planning and development. He was appointed as an executive director of Well Way Group Limited (stock code: 8063) and Bestway International Holdings Limited (stock code: 718) on 9 March 2007 and 22 October 2013 respectively, both companies' shares are listed on the Stock Exchange. On 8 July 2014, Mr. Mung was appointed as a Co-Chairman and an executive director of China Star Entertainment Ltd (stock code: 326), the shares of which are listed on the Main Board of the Stock Exchange. In addition, Mr. Mung was appointed as an executive director of Shougang Concord Technology Holdings Limited (stock code: 521) ("SCT"), the shares of which are listed on the Main Board of the Stock Exchange, on 16 February 2009. He was redesignated as the vice-chairman and the chairman of SCT on 10 May 2010 and 24 October 2013. Mr. Mung was also an executive director of Hong Kong Resources Holdings Company Limited (stock code: 2882), the shares of which are listed on the Main Board of the Stock Exchange, from 31 October 2008 to 7 November 2012. Save as disclosed above, Mr. Mung did not hold any directorships in any other listed public companies in the last three years and does not hold any other position with the Company or other members of the Group.

Mr. Mung is the father of Mr. Mung Bun Man, Alan, an executive Director.

Mr. Mung Bun Man, Alan ("Mr. Alan Mung"), aged 27, was appointed as an executive Director on 31 March 2014. He holds a Bachelor of Arts Degree in Business Economics from University of California-Santa Barbara and a Master Degree in Finance from Peking University. Mr. Alan Mung is a director of First Beijing Holdings Limited and a director of Hong Kong Airlines Limited. Mr. Alan Mung has extensive working experience in investment and asset management. He is an executive director of Bestway International Holdings Limited (stock code: 718) and Shougang Concord Technology Holdings Limited (stock code: 521), both companies are listed on the Main Board of the Stock Exchange. In addition, he was an executive director of Well Way Group Limited (stock code: 8063), a company listed on the Growth Enterprise Market of the Stock Exchange, during the period from November 2010 to April 2013 and rejoined its

board on 31 March 2014. Save as disclosed above, Mr. Alan Mung did not hold any directorship in other listed public companies in the last three years and does not hold any other position with the Company or other members of the Group.

Mr. Alan Mung is the son of Mr. Mung.

Mr. Man Kong Yui, aged 54, was appointed as an independent non-executive Director on 26 September 2014. He has been involved in the investment and financial industries for over 35 years and has extensive experience in bullion, foreign exchange, securities, futures and asset management business. He has held various senior positions with prominent banks, international financial institutions and listed companies in Hong Kong. He holds a Bachelor Degree in Business Administration from The Chinese University of Hong Kong. He is currently a general manager of securities brokerage firm. Mr. Man has been an independent non-executive director of each of Get Nice Holdings Limited (stock code: 64) since 3 October 2005 and 21 Holdings Limited (stock code: 1003) since 10 April 2014 both are companies listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Man did not hold any directorships in any other listed public companies in the last three years.

Mr. Fung Wai Ching, aged 44, was appointed as an independent non-executive Director on 10 October 2014. He is presently an owner of a printing company in Hong Kong. He has over 17 years' experience in managing paper, packaging and printing industries in both China and Hong Kong markets. Mr. Fung is an independent non-executive director of China Star Cultural Media Group Limited (stock code: 8172) and Well Way Group Limited (stock code: 8063), both of which are companies whose shares are listed on the Growth Enterprise Market of the Stock Exchange. Save as aforesaid, Mr. Fung did not hold any directorship in other listed public companies in the past three years.

Mr. Poon Wai Hoi, Percy, aged 49, was appointed as an independent non-executive Director on 10 October 2014. He was graduated from Lingnan University (previously known as Lingnan College) with an Honours Diploma in Accountancy and obtained his Master of Science degree in E-Commerce from the Hong Kong Polytechnic University. Mr. Poon is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Poon is currently a proprietor of a certified public accountant practice. He had worked for various international accounting firms, corporation and consultant company in Hong Kong. Mr. Poon's experience covered audit and assurance, internal controls, accounting and information technology. Mr. Poon is now an independent non-executive director of Sino Credit Holdings Limited (stock code: 628), a company whose shares are listed on the Main Board of the Stock Exchange. Save as aforesaid, Mr. Poon did not hold any directorship in other listed public companies in the past three years.

None of the directors or any associate of the directors is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

9. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Set out below are the investment objectives, policies and restrictions of the Company:

- i. Investments will normally be made in listed and unlisted companies;
- ii. the Company makes investments with a short to long term perspective with the objective of making capital gain as well as income from dividend or interests. Over the years, the Company invests in listed and unlisted securities, bonds, direct investments, projects, properties and structured products. Investments are also made in special or recovery situations;
- iii. there is no restriction on the proportion of the Company's assets which may be invested in any specific sector or company save for the restriction that the Company will not make an investment in any company which represents more than 20 per cent. of the consolidated net assets of the Company at the time such investment is made;
- iv. the Company will not either on its own or in conjunction with any connected person take legal, or effective, management control of underlying investments and that in any event the investment company will not own or control more than 30 per cent (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in any one company or body; and
- v. the Directors do not intend to seek bank borrowings until substantially all the Company's funds have been invested and that the Company borrows, the Directors do not intend to borrow amounts representing in aggregate more than the consolidated net assets of the Company at the time the borrowing is made.

All investment objectives or policies or restrictions as set out above can be altered without Shareholders' approval pursuant to the memorandum and articles of association of the Company. However, investment restrictions numbered (iii) and (iv) above are required by Rule 21.04(3)(a) and (b) of the Listing Rules, which must not be changed at all while the Company remains listed on the Stock Exchange.

The Company does not currently have any distribution policy.

10. FOREIGN EXCHANGE POLICY

The Company held equities mostly denominated in Hong Kong Dollars (HKD) and United States Dollars (USD). Since USD has a fixed exchange rate with HKD, the Board believes the risk of foreign exchange exposure is minimal, as the fluctuation of the value of the equities due to the changes in exchange rates is minimal. The Company at present does not have any contracts to hedge against its foreign exchange risks. Should the Company consider its exposure and fluctuation in foreign currency justify hedging, the Company may use forward or hedging contracts to reduce the risks.

11. TAXATION

The principal taxes on income and capital gains of the Company are subject to the fiscal laws and practices of Hong Kong. Prospective investors should consult their own professional advisors on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

12. INFORMATION ON THE INVESTMENT MANAGER

The Company does not currently have a custodian, investment adviser, distribution Company, alternate custodian or an investment manager but we are in the process of applying for one with the Stock Exchange. The Company does not currently have any engagement with any custodian, investment advisor, distribution company or alternate custodian.

13. RISK FACTORS OF INVESTING IN THE COMPANY

Investors should be aware that an investment in the Company involves certain degree of risk. These risks include the following:

- a) The Company's success is dependent on a number of factors which include the general economic and political conditions in the global capital market and properties market;
- b) It is expected that a significant part of the Company's investment portfolio can comprise unlisted investments which may not be readily realisable;
- c) The Company's portfolio comprises significant investments in listed equities in the global market. A significant down turn of the global stock market or any stock market, or any significant rise in interest rate can considerably impair the value of the Group's equities investments.

In order to retain profit to grow its capital, the Company has not declared dividend in the past, and adopts a stringent dividend policy. Shareholders expecting regular income may find that Shares of the Company may not be able to meet their investment objective.

14. BORROWING POWERS

There is no borrowing restriction of the Company under the articles of association of the Company.

15. MISCELLANEOUS

- (i) The business address of all Directors is Unit 1611, 16/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (ii) The registered office of the Company is located at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and having its head office and principal business of business in Hong Kong at Unit 1611, 16/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (iii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (iv) As at the Latest Practicable Date, save for the TDX Undertaking, the Board had not received any information from any Substantial Shareholders (as defined under the Listing Rules) of their intention to take up the Offer Shares to be provisionally allotted or offered to them under the Open Offer.
- (v) The English text of this Prospectus shall prevail over the Chinese text.

16. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus:

Name	Qualification
BDO Limited	Certified Public Accountants

BDO Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and references to its name in the form and context in which it appear.

BDO Limited does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

BDO Limited does not have or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Group were made up.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this Prospectus, together with copies of the Application Form and the written consent referred to in the paragraphs headed “Expert and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

18. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

19. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to amount to approximately HK\$2.8 million and are payable by the Company.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 1611, 16/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong during normal business hours on any weekday other than public holidays from the date of this Prospectus, up to and including the Latest Time of Acceptance:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” to this appendix;

- (c) the annual reports of the Company for each of the two financial years ended 31 December 2012 and 2013;
- (d) the 2014 interim report of the Company for the six months ended 30 June 2014;
- (e) the independent reporting accountants' assurance report on the compilation of pro forma financial information of the Group, the text of which is set out in appendix II to the Prospectus;
- (f) the letter from the Board the text of which is set out on pages 11 to 36 to the Prospectus;
- (g) the written consent of the expert referred to in the section headed "Expert and Consent" in this appendix; and
- (h) the Prospectus Documents.