
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents (as defined herein), 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.

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

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, 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 copy of the document 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.



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

Underwriters to the Open Offer

**China Tian Di Xing
Logistics Holdings Limited**



**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 Monday, 17 August 2015. The procedures for application are set out on pages 26 and 27 of this Prospectus.

If any of the Underwriters terminate the Underwriting Agreement in accordance with the provisions as set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus, or the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” in this Prospectus are not fulfilled, the Open Offer will not proceed. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Thursday, 23 July 2015 and that dealings in Shares have taken 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 Friday, 21 August 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.

3 August 2015

* for identification purposes only

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 13 May 2015 in relation to, among other matters, the Open Offer
“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
“Circular”	the circular of the Company dated 26 June 2015 in relation to, among other things, the Open Offer
“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 (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Complying Applications”	valid applications under the Application Forms made in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders or other remittances for the full amount payable in respect of the Offer Shares being applied for under such Application Forms which are honoured on first or, at the discretion of the Underwriters, subsequent presentation

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company convened and held on Tuesday, 21 July 2015 for the Independent Shareholders to approve, among other things, the Open Offer (including the absence of excess application arrangement), the Underwriting Agreement and the transactions contemplated respectively thereunder
“Extension Letters”	collectively, the extension letters dated 5 June 2015 and 25 June 2015 respectively entered into among the Company, the Underwriters and Mr. Mung in relation to the modification and variation of certain time(s) or date(s) in the Underwriting Agreement
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholder(s) other than TDX, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“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 independent of and not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or Substantial Shareholder(s) of the Company or any of its subsidiaries and their respective associates
“Kingston Securities”	Kingston Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the SFO, being one of the Underwriters
“Last Full Trading Day”	11 May 2015, being the last full trading day for the Shares immediately prior to the date of the Announcement and the date of the Underwriting Agreement

DEFINITIONS

“Last Trading Day”	12 May 2015, being the last trading day on which the trading in the Shares on the Stock Exchange was halted at 1:00 p.m.
“Latest Acceptance Date”	Monday, 17 August 2015 or such other day as may be agreed between the Company and the Underwriters, being the latest date for the acceptance of, and payment for, the Offer Shares
“Latest Practicable Date”	29 July 2015, being the latest practicable date prior to the printing of this Prospectus 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 Monday, 17 August 2015 or such other time as may be agreed between the Company and the Underwriters
“Latest Time for Lodging”	4:30 p.m., on Friday, 24 July 2015 as at the latest time for lodging transfer of Shares for registration in order to qualify for the Open Offer
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Friday, 21 August 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 Underwriters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Mr. Mung”	Mr. Mung Kin Keung, the Chairman, an executive Director of the Company and the controlling shareholder of TDX, through which holds 117,000,000 Shares as at the date of the Underwriting Agreement and he is a holder of 2,144,681 Options
“Offer Shares”	935,215,800 new Shares to be allotted and issued pursuant to the Open Offer

DEFINITIONS

“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of two (2) Offer Shares for every one (1) existing Share 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
“Optionholders”	the holders of the 3,319,149 outstanding Options
“Optionholder Undertaking”	the irrevocable undertaking given by Mr. Mung to the Company and the Underwriters under the Underwriting Agreement for not exercising the 2,144,681 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 adopted on 12 January 2009
“Options Shares”	a maximum of 1,174,468 new Shares to be allotted and issued upon the exercise of all the outstanding 1,174,468 Options (other than the 2,144,681 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
“PRC”	The People’s Republic of China
“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

DEFINITIONS

“Prospectus”	this prospectus issued by the Company in relation to the Open Offer
“Prospectus Documents”	this Prospectus and the Application Form
“Prospectus Posting Date”	Monday, 3 August 2015 or such later date as may be agreed between the Underwriters 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”	Friday, 31 July 2015, or such other date as may be agreed between the Company and the Underwriters 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
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.30 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

DEFINITIONS

“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 which is principally engaged in investment holdings and is owned as to 99.99% by Mr. Mung and 0.01% by Ms. Sin Lai Ni (who is the spouse of Mr. Mung) as at the date of the Underwriting Agreement and the Latest Practicable Date, being one of the Underwriters
“TDX Undertaking”	the irrevocable undertaking given by TDX to the Company and Kingston Securities under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 234,000,000 Offer Shares
“Underwriters”	TDX and Kingston Securities, the underwriters to the Open Offer pursuant to the Underwriting Agreement
“Underwriting Agreement”	the underwriting agreement dated 13 May 2015 (as amended and supplemented by the Extension Letters) and entered into among the Company, the Underwriters and Mr. Mung in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	the Offer Shares which are fully underwritten by the Underwriters pursuant to the terms and conditions set out in the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares in respect of which Complying Applications have not been received on or before the Latest Time for Acceptance
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

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

Event	2015
Latest time for Acceptance	4:00 p.m. on Monday, 17 August
Latest Time for Termination by the Underwriters	4:00 p.m. on Friday, 21 August
Announcement of the results of the Open Offer	Monday, 24 August
Despatch of share certificates for Offer Shares	Tuesday, 25 August
Despatch of refund cheques if the Open Offer is terminated	Tuesday, 25 August
Effective date of change in board lot size from 16,000 Shares to 32,000 Shares	Tuesday, 25 August
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 Tuesday, 25 August
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange	9:00 a.m. on Wednesday, 26 August
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 Tuesday, 15 September

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning
 - (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, 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 at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the above “EXPECTED TIMETABLE” may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of any of the Underwriters, 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 any of the Underwriters 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 any of the Underwriters 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 or trading in securities) occurs which in the absolute opinion of any of the Underwriters 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 any of the Underwriters 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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of any of the Underwriters, 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 Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

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

Any of the Underwriters 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 Underwriting Agreement comes to the knowledge of any of the Underwriters; or
- (2) any specified event as contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters.

Any such notice shall be served by any of the Underwriters prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by any of the Underwriters, the obligations of all parties under the Underwriting Agreement, save in respect of any right or liability accrued before such termination, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

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:

Ugland House

P.O. Box 309

Grand Cayman, KY1-1104

Cayman Islands

Principal place of business in Hong Kong:

Unit 1611, 16/F, Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

3 August 2015

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

On 13 May 2015, the Company proposed to raise not less than approximately HK\$280.56 million and not more than approximately HK\$281.27 million before expenses by issuing not less than 935,215,800 Offer Shares and not more than 937,564,736 Offer Shares at the Subscription Price of HK\$0.30 per Offer Share on the basis of two (2) Offer Shares for every one (1) existing Share held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for Offer Shares in excess of their respective entitlements under the Open Offer and any such Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriters. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Prohibited Shareholders. The Open Offer was approved by the Independent Shareholders at the EGM.

* for identification purposes only

LETTER FROM THE BOARD

As at the Latest Time for Lodging, the Company had 467,607,900 Shares in issue. Given that the register of members was closed from Monday, 27 July 2015, being the next Business Day immediately after the Latest Time for Lodging, to Friday, 31 July 2015 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 Time for Lodging. As such, on the basis of two Offer Shares for every one existing Share held on the Record Date, 935,215,800 Offer Shares will be allotted and issued by the Company, of which 234,000,000 Offer Shares will be taken up by TDX pursuant to the TDX Undertaking and 701,215,800 Offer Shares will be underwritten by the Underwriters pursuant to the Underwriting Agreement.

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

I. PROPOSED OPEN OFFER

Issue statistics

Basis of the entitlement:	Two (2) Offer Shares for every one (1) existing Share held on the Record Date
Subscription Price:	HK\$0.30 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	467,607,900 Shares
Number of Offer Shares:	935,215,800 Offer Shares
Number of Offer Shares to be taken up or procured to be taken up by TDX pursuant to the TDX Undertaking:	TDX has irrevocably undertaken in favour of the Company and Kingston Securities to subscribe for or procure the subscription for the 234,000,000 Offer Shares (representing approximately 25.0% of the 935,215,800 Offer Shares to be allotted and issued under the Open Offer) to be allotted to it under its entitlement pursuant to the Open Offer
Number of Underwritten Shares:	701,215,800 Offer Shares (representing approximately 75.0% of the 935,215,800 Offer Shares to be allotted and issued under the Open Offer). Accordingly, taken into account the TDX Undertaking, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	1,402,823,700 Shares

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the outstanding 3,319,149 Options, of which 2,144,681 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. Pursuant to the Optionholder Undertaking, Mr. Mung has irrevocably undertaken to the Company and the Underwriters not to exercise the 2,144,681 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

The Offer Shares

The 935,215,800 Offer Shares will be allotted and issued which represents (i) approximately 200.00% of the Company's issued share capital as at the Latest Practicable Date; and (ii) approximately 66.67% of the Company's issued share capital of 1,402,823,700 Shares as enlarged by the allotment and issue of the 935,215,800 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be HK\$233,803,950.

Basis of entitlement

The basis of the entitlement shall be two (2) Offer Shares for every one (1) existing Share held on the Record Date. 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 for.

Qualifying Shareholders

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

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

LETTER FROM THE BOARD

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 Friday, 24 July 2015.

Subscription Price

The Subscription Price is HK\$0.30 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (i) a discount of approximately 59.5% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 53.8% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (iii) a discount of approximately 28.1% to the theoretical ex-entitlement price of approximately HK\$0.417 per Share based on the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (iv) a discount of approximately 53.3% to the average closing price of approximately HK\$0.642 per Share for the last five consecutive trading days immediately prior to and including the Last Full Trading Day;
- (v) a discount of approximately 54.8% to the average closing price of approximately HK\$0.664 per Share for the last ten consecutive trading days immediately prior to and including the Last Full Trading Day;
- (vi) a discount of approximately 10.2% to the audited consolidated net asset value per Share of approximately HK0.334 (based on the latest published audited net asset value of the Group as at 31 December 2014 and 467,607,900 Shares in issue as at the Latest Practicable Date); and
- (vii) the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

In coming up with the current subscription ratio and the Subscription Price for the Open Offer, the Company has considered the following factors:

- (i) a discount to the closing prices of the Share is necessary in order to encourage the Shareholders to participate in the Open Offer;
- (ii) the funding need of not less than HK\$272.0 million;
- (iii) the recent open offers conducted by other Hong Kong listed issuers;
- (iv) the Subscription Price has to be set at a discount level to the closing prices of the Share acceptable to the Underwriters;
- (v) the dilution effect to the Independent Shareholders in the event that they do not take up the provisional allotment in full; and
- (vi) the Open Offer is subject to the Independent Shareholders' approval at the EGM.

The management of the Company (the “**Management**”) negotiated with Mr. Mung and Kingston Securities, the latter of which is the underwriter of the previous open offer conducted by the Company as announced on 25 November 2014. After arm's length negotiations, the fund raising size, the current 2-for-1 subscription ratio and the Subscription Price were agreed and collectively acceptable by the Company and the Underwriters. Taken into account 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, the Directors considered that 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 to encourage existing Shareholders to take up their entitlements and participate in the potential growth of the Company and the structure of the Open Offer with the current 2-for-1 subscription ration, are fair and reasonable and in the 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\$0.291.

The Management had negotiated with another securities firm for the Group's proposed fund raising exercise. During the negotiations, such securities firm did not accept the existing Subscription Price and subscription ratio and may only consider a deeper discount for the effective subscription price and higher subscription ratio for the Open Offer. The Management considers that a deeper discount to the effective subscription price and a higher subscription ratio will result in a larger dilution effect to the Qualifying Shareholders who do not subscribe for the Offer Shares and therefore is not in the best interest of the Shareholders. As such, the securities firm is not interested to become the underwriter under the existing structure of the Open Offer.

LETTER FROM THE BOARD

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to 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.

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.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Open Offer

Subject to the fulfilment 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 Tuesday, 25 August 2015. One share certificate will be issued for all Offer Shares accepted by each applicant. If the Open Offer is terminated, refund cheques will be despatched on or before Tuesday, 25 August 2015 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders equal opportunities 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 effort and costs to administer the excess application procedures. 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 Underwriters.

The Board estimates that an additional cost of approximately HK\$200,000 will have to be put in for the administration of the excess application procedure so as to prevent such procedures not being abused.

The absence of the excess application arrangement may not be desirable from the point of view of those Qualifying Shareholders who wish to take up additional Offer Shares in excess of their assured entitlements. However, the aforesaid should be balanced against the facts that (i) 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 who are positive about the future development of the Company to take up their respective assured entitlement of the Offer Shares and participate in the Open Offer; (ii) the Qualifying Shareholders have the first right to decide whether to accept the Open Offer; (iii) the absence of excess application would avoid additional effort and costs to administer the excess application procedures; and (iv) the absence of excess application arrangement for the Offer Shares was approved by the Independent Shareholders at the EGM.

In view of the above, although it is beneficial to have excess application for the Qualifying Shareholders who wish to take up additional Offer Shares, the Board considered that the Open Offer enables the Qualifying Shareholders to maintain their pro-rata interests in the Company should they so wish by applying the Offer Shares according to their shareholding in the Company, and therefore, the absence of the excess application arrangement is fair and reasonable.

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 Underwriters.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares is enclosed with this 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.

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 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. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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.

The board lot size of the Offer Shares is 32,000 Shares.

Change in board lot size

The board lot size of the Shares for trading on the Stock Exchange will be changed from 16,000 Shares to 32,000 Shares with effect from 9:00 a.m. on Tuesday, 25 August 2015. The change in board lot size will not result in any change in the relative rights of the Shareholders.

LETTER FROM THE BOARD

Based on the closing price of HK\$0.3 per Shares as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each existing board lot is HK\$4,800 and the estimated market value of each proposed new board lot is HK\$9,600. The change in board lot size will increase the value of each board lot of Shares and reduce the overall transaction and handling costs for dealings in the Shares. Accordingly, the Board considers that the change in board lot size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Odd lot arrangement

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 Tuesday, 25 August 2015 to 4:00 p.m. on Tuesday, 15 September 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.

THE UNDERWRITING AGREEMENT

Date: 13 May 2015 (as amended and supplemented by the Extension Letters dated 5 June 2015 and 25 June 2015 respectively)

Underwriters: TDX and Kingston Securities

Number of Underwritten Shares: Taking into account the TDX Undertaking and the Optionholder Undertaking, the Open Offer is fully underwritten. The total number of Offer Shares (excluding the 234,000,000 Offer Shares to be taken up or procured to be taken up by TDX pursuant to the TDX Undertaking), being 701,215,800 Offer Shares, will be underwritten severally by the Underwriters in the following manner:

- (i) TDX shall have priority to underwrite the first 68,432,000 Underwritten Shares; and

LETTER FROM THE BOARD

- (ii) Kingston Securities shall underwrite the remaining Underwritten Shares, i.e. 632,783,800 Underwritten Shares

Such allocation of underwriting commitment between the Underwriters can be modified by mutual agreement between the Underwriters, provided that (i) other obligations of the Underwriters and all other terms and conditions of the Underwriting Agreement shall remain unchanged; and (ii) both the Underwriters shall notify the Company in writing such modification of underwriting commitment forthwith.

Commission:

Payable by the Company to (i) TDX at 1% of the aggregate Subscription Price in respect of 68,432,000 Underwritten Shares committed to be underwritten by TDX; and (ii) Kingston Securities at 3.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares committed to be underwritten by Kingston Securities.

The commission rates were determined after arms' length negotiations between the Company and the Underwriters with reference to, among other things, the recent underwriting commission rates of open offers in the market, and were agreed between the Company and the Underwriters. The Board considers that the underwriting commission rates are fair and reasonable so far as the Company and the Shareholders are concerned. In the view that the underwriting commission payable to TDX is lower than that payable to Kingston Securities, the Board considers that the underwriting arrangement in which TDX shall have priority to underwrite the first 68,432,000 Underwritten Shares is fair and reasonable and in the interests of the Company and Shareholders as a whole.

As at the date of the Underwriting Agreement and the Latest Practicable Date, Kingston Securities does not hold any Shares. To the best of the Directors' knowledge and information, Kingston Securities and its ultimate beneficial owners are Independent Third Parties.

LETTER FROM THE BOARD

Under the Underwriting Agreement, in the event of Kingston Securities being called upon to subscribe for or procure subscribers to subscribe for the Untaken Shares:

- (i) Kingston Securities shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) 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) Kingston Securities shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (1) shall be Independent Third Party; and (2) save for Kingston Securities 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.

Pursuant to the Underwriting Agreement, the only restriction term in relation to the subscription of the Untaken Shares by Kingston Securities is that Kingston Securities shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer. Such terms are commercial terms determined after arm's length negotiation between the Company and Kingston Securities. Accordingly, Kingston Securities and its associates may, together with any party acting in concert (within the meaning of the Takeovers Code) with it, subscribe for more than 10.0% but not exceeding 19.9% of the voting rights of the Company pursuant to the Underwriting Agreement.

As at the Latest Practicable Date, Kingston Securities had entered into sub-underwriting agreements respectively with six sub-underwriters/subscribers, comprising four individuals and two companies who are Independent Third Parties, to sub-underwrite/subscribe an aggregate of 365,008,000 Underwritten Shares, details of which is set out below in the section headed "Shareholding Structure of the Company". The 365,008,000 Underwritten Shares represents approximately 26.02% of the enlarged share capital of the Company immediately after completion of the Open Offer.

The 365,008,000 Underwritten Shares are allocated as follows: (i) three of the individuals ("**Subscriber I**", "**Subscriber II**" and "**Subscriber III**" respectively) has each procured to subscribe for 70,000,000 Underwritten Shares; (ii) one of the companies ("**Subscriber IV**") has procured to sub-underwrite/subscribe for 55,008,000 Underwritten Shares; and (iii) one of the individuals ("**Subscriber V**") has procured to subscribe for and one of the companies ("**Subscriber VI**") has procured to sub-underwrite/subscribe for 50,000,000 Underwritten Shares. All the sub-underwriters and subscribers are or shall be Independent Third Parties. None of the sub-underwriters or subscribers will, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold more than 10.0% or more of voting rights of the Company upon completion of the Open Offer.

LETTER FROM THE BOARD

Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than TDX, (i) TDX will take up 68,432,000 Underwritten Shares; (ii) Kingston Securities will take up 267,775,800 Underwritten Shares; (iii) each of Subscriber I, II and III will take up 70,000,000 Underwritten Shares; (iv) Subscriber IV and the subscribers procured by it (if any) will take up 55,008,000 Underwritten Shares in aggregate; (v) Subscriber V will take up 50,000,000 Underwritten Shares; and (vi) Subscriber VI and the subscribers procured by it (if any) will take up 50,000,000 Underwritten Shares in aggregate.

Irrevocable undertakings given by TDX and Mr. Mung

(1) TDX Undertaking:

As at the date of the Underwriting Agreement and the Latest Practicable Date, TDX is interested in 117,000,000 Shares, representing approximately 25.02% of the total issued share capital of the Company. Under the Underwriting Agreement, TDX has irrevocably undertaken to the Company and Kingston Securities:

- (i) 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;
- (ii) to accept or procure the acceptance for the 234,000,000 Offer Shares to be allotted and issued to TDX under its entitlement pursuant to the Open Offer; and
- (iii) to lodge the Application Form(s) in respect of the 234,000,000 Offer Shares referred to in paragraph (ii) 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 and the Latest Practicable Date, Mr. Mung is the holder of 2,144,681 Options. Under the Underwriting Agreement, Mr. Mung has irrevocably undertaken to the Company and the Underwriters not to exercise the 2,144,681 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of any of the Underwriters, 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 any of the Underwriters 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 any of the Underwriters 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 or trading in securities) occurs which in the absolute opinion of any of the Underwriters 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 any of the Underwriters 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

LETTER FROM THE BOARD

- (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 Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of any of the Underwriters, 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 Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

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

Any of the Underwriters 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 Underwriting Agreement comes to the knowledge of any of the Underwriters; or
- (2) any specified event as contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters.

Any such notice shall be served by any of the Underwriters prior to the Latest Time for Termination.

LETTER FROM THE BOARD

If prior to the Latest Time for Termination any such notice as is referred to above is given by any of the Underwriters, the obligations of all parties under the Underwriting Agreement, save in respect of any right or liability accrued before such termination, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Conditions of the Open Offer

The Open Offer is conditional upon:

(a) the passing of all the necessary resolution(s) by the Board and the Independent Shareholders at the EGM approving, confirming and ratifying (as appropriate):

- (1) the Open Offer (including the absence of excess application arrangement under the Open Offer) and the transactions contemplated under the Underwriting Agreement and authorizing the Directors to allot and issue the Offer Shares; and
- (2) the Underwriting Agreement and the performance of the transactions contemplated thereunder by the Company,

each in accordance with the memorandum and articles of association of the Company and the Listing Rules on or before the Record Date;

(b) 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;

(c) 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;

(d) 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;

(e) the Underwriting Agreement is not being terminated by any of the Underwriters pursuant to the terms thereof at or before the Latest Time for Termination;

LETTER FROM THE BOARD

- (f) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects;
- (g) compliance with and performance of all undertakings and obligations of TDX under the TDX Undertaking; and
- (h) compliance with and performance of the undertaking of Mr. Mung under the Optionholder Undertaking.

As at the Latest Practicable Date, condition (a) had been fulfilled on the date of the EGM. Save as disclosed above, none of the above conditions have been fulfilled.

The above conditions of the Underwriting Agreement (other than condition (f) which can only be waived jointly by the Underwriters) are incapable of being waived. If the conditions of the Underwriting Agreement are 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 Underwriters may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

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 Monday, 17 August 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**".

LETTER FROM THE BOARD

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 Monday, 17 August 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.

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 Tuesday, 25 August 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

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) (Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
TDX and Mr. Mung (Notes 1 & 2) Public	117,000,000	25.02	351,000,000	25.02	419,432,000	29.90
Kingston Securities and the subscribers (other than the Subscribers) procured by Kingston Securities (Note 2)	-	-	-	-	267,775,800	19.09
Subscriber I	-	-	-	-	70,000,000	4.99
Subscriber II	-	-	-	-	70,000,000	4.99
Subscriber III	-	-	-	-	70,000,000	4.99
Subscriber IV and the subscribers procured by Subscriber IV	-	-	-	-	55,008,000	3.92
Subscriber V	-	-	-	-	50,000,000	3.56
Subscriber VI and the subscribers procured by Subscriber VI	-	-	-	-	50,000,000	3.56
Existing public Shareholders	<u>350,607,900</u>	<u>74.98</u>	<u>1,051,823,700</u>	<u>74.98</u>	<u>350,607,900</u>	<u>25.00</u>
Total	<u>467,607,900</u>	<u>100.00</u>	<u>1,402,823,700</u>	<u>100.00</u>	<u>1,402,823,700</u>	<u>100.00</u>

Notes:

- Pursuant to the TDX Undertaking, TDX has irrevocably undertaken to the Company and Kingston Securities (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 234,000,000 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 234,000,000 Offer Shares prior to the Latest Time for Acceptance.
- Pursuant to the Underwriting Agreement, TDX will underwrite the first 68,432,000 Underwritten Shares. The remaining Underwritten Shares (if any) will be underwritten by Kingston Securities.
- This scenario is for illustrative purpose only.

Under the Underwriting Agreement, in the event of Kingston Securities being called upon to subscribe for or procure subscribers for the Untaken Shares:

- Kingston Securities shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and

LETTER FROM THE BOARD

- (ii) Kingston Securities shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (1) shall be Independent Third Party; and (2) save for Kingston Securities 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.

As at the Latest Practicable Date, Kingston Securities had entered into sub-underwriting agreements respectively with six sub-underwriters/subscribers (the “**Subscribers**”), comprising four individuals and two companies who are Independent Third Parties, to sub-underwrite/subscribe an aggregate of 365,008,000 Underwritten Shares. The 365,008,000 Underwritten Shares represents approximately 26.02% of the enlarged share capital of the Company immediately after completion of the Open Offer.

The 365,008,000 Underwritten Shares are allocated as follows: (i) three of the individuals (“**Subscriber I**”, “**Subscriber II**” and “**Subscriber III**” respectively) has each procured to subscribe for 70,000,000 Underwritten Shares; (ii) one of the companies (“**Subscriber IV**”) has procured to sub-underwrite/subscribe for 55,008,000 Underwritten Shares; and (iii) one of the individuals (“**Subscriber V**”) has procured to subscribe for and one of the companies (“**Subscriber VI**”) has procured to sub-underwrite/subscribe for 50,000,000 Underwritten Shares. All the sub-underwriters and subscribers are or shall be Independent Third Parties. None of the sub-underwriters or subscribers will, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold more than 10.0% or more of voting rights of the Company upon completion of the Open Offer.

4. The Company is unable to ascertain whether each of the Optionholders has any shareholding in the Company as at the Latest Practicable Date. Therefore, for illustrative purpose, it is assumed that all the Optionholders (save for Mr. Mung, through TDX) do not have any shareholding in the Company.
5. It is expected that the sub-underwriter or subscribers to be procured by Kingston Securities will be Independent Third Parties. Therefore, not less than 25% of the issued share capital of the Company will be held by the public in accordance to Rule 8.08(1)(a) of the Listing Rules.

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 approximately HK\$280.56 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$272.00 million.

The Company intends to apply the proceeds from the Open Offer for future investment activities when such investment opportunities arise.

LETTER FROM THE BOARD

Although there is no specific investment target identified as at the Latest Practicable Date, the Company intends to invest in local and PRC stock market which would provide an opportunity to the Group to broaden its revenue base. The Board intends to apply the net proceeds of the Open Offer as to (i) approximately HK\$200 million for the investment of the financial instruments available in local financial market and/or listed or unlisted companies in Hong Kong; and (ii) approximately HK\$72 million for the investment of the financial instruments available in the PRC financial markets.

The Company is an investment company listed on the Main Board under Chapter 21 of the Listing Rules. The principal activity of the Company is to act as an investment holding company and the Group is principally engaged in investment of listed and unlisted companies. Accordingly, it is crucial for the Company to have sufficient fund for any investment activities when such investment opportunities arise and/or increase the size of the investment portfolio to diversify the risks of its investments.

Since the launch of Shanghai-Hong Kong Stock Connect scheme on 17 November 2014, both the Hong Kong Hang Seng Index and the Shanghai Stock Exchange Composite Index have risen significantly, from 23,797.08 on 17 November 2014 to 27,316.28 on 8 June 2015 (representing a growth of approximately 14.8%) and from 2,474.00 on 17 November 2014 to 5,131.88 on 8 June 2015 (representing a growth of approximately 107.4%) respectively. These reflect the general rapid growths in the Hong Kong and Shanghai capital markets. The Shanghai-Hong Kong Stock Connect scheme also promotes the two-way trade in the capital markets, which provides opportunities for the Company to invest in the PRC capital market more easily. In view of the above, the Directors are of the view that the Company should maintain sufficient fund in order to capture any potential investment opportunities, especially when the market sentiments of the local and PRC capital markets are encouraging in the recent period.

Taken into consideration that the Open Offer can maintain the financial flexibility of the Group to grasp any investment opportunities in a timely manner may any of them arise, the Directors are of the view that the Open Offer is in the interests of the Company and the Shareholders as a whole.

As stated in the prospectus of the Company dated 16 December 2014, the Company intends to invest in the long-term interest bonds or debentures which would provide a stable interest to the Group, 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has utilized part of the proceeds from the previous open offer for the purchase of the following bonds:

Issuer Name	Place of incorporation/ listing	Particulars of equity interest held	Trading currency	Yield	Maturity Date	Cost <i>HK\$'000</i>	Market value as at 30 April 2015 <i>HK\$'000</i>
Evergrande Real Estate	Cayman Islands/ Hong Kong	1,700,000	RMB	9.25%	19 January 2016	2,146	2,105
Evergrande Real Estate	Cayman Islands/ Hong Kong	200,000	USD	8.75%	30 October 2018	1,517	1,439
Evergrande Real Estate	Cayman Islands/ Hong Kong	300,000	USD	12%	17 February 2020	2,340	2,238

As disclosed in the announcement of the Company dated 17 June 2015, in view of the recent positive and encouraging market sentiments in the Hong Kong stock market and in order to capture any potential investment opportunities, the Board proposed to apply the unutilised net proceeds from the previous open offer for the abovementioned future investment activities of approximately HK\$54.0 million to the investment in the listed companies in Hong Kong in addition to the investment in the long-term interest bonds or debentures, including the high yield preference shares/bond issued by China's companies and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect scheme as originally intended. As at the Latest Practicable Date, the Company has utilized approximately HK\$54.0 million for the purchase of shares of Hong Kong listed companies.

Having considered (i) the positive market sentiment and increasing trading capability of the local stock market after the launch of Shanghai-Hong Kong Stock Connect scheme as disclosed above; (ii) net proceeds of approximately HK\$60.0 million from the previous open offer has been used to invest in the long-term interest bonds or debentures and listed companies in Hong Kong; and (iii) the Group requires sufficient financial resources not only to increase the size of its investment portfolio but also to capture new investment opportunities in local and PRC stock markets, the Board considers that the Open Offer would provide the Company with more sufficient financial resources to capture and invest on new opportunities that offers attractive returns when such opportunities arise.

LETTER FROM THE BOARD

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, and is of the view that:

- (i) debt financing or bank loan would be subject to lengthy negotiation process and would result in additional interest burden and finance cost to the Group;
- (ii) placing would only be available to certain placees who would not necessarily be the existing Shareholders and therefore would dilute the existing Shareholder's interests in the Company without giving an opportunity to them for maintaining their respective shareholding interests; and
- (iii) although rights issue is similar to an open offer except that it enables 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.

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 Company has no intention to further raise funds according to its existing business plan.

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.

LETTER FROM THE BOARD

Fund raising exercise of the company in the past 12 months

Date of Announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
25 November 2014	Open offer on the basis of one (1) Offer Share for every two (2) Shares at HK\$0.45 per Offer Share	Approximately HK\$67.34 million	(i) as to approximately HK\$60.00 million for future investment activities; and (ii) as to approximately HK\$7.34 million for general working capital (<i>Note</i>)	Approximately HK\$6.0 million was used for investment in bond, approximately HK\$54.0 million was used for the purchase of shares of Hong Kong listed companies and approximately HK\$4.2 million was used as working capital; the remaining balance of approximately HK\$3.14 million are kept in bank and securities companies. Further details of the actual use of proceeds are set out under the section headed "Reasons for the Open Offer and the use of proceeds" above
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\$26.70 million	For new investment of the Company and/or general working capital	Approximately HK\$25.2 million was used for the purchase of share of Hong Kong listed companies and approximately HK\$1.5 million was used for general working capital of the Company

Note: As disclosed in the announcement of the Company dated 17 June 2015, in view of the positive and encouraging market sentiments in the Hong Kong stock market at the time and in order to capture any potential investment opportunities, the Board proposed to apply the unutilised net proceeds from this previous open offer for the abovementioned future investment activities of approximately HK\$54.0 million to the investment in the listed companies in Hong Kong in addition to the investment in the long-term interest bonds or debentures, including the high yield preference shares/bond issued by China's companies and Chinese A stocks that are trading under the Shanghai-Hong Kong Stock Connect scheme as originally intended.

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 up to the Latest Practicable Date.

LETTER FROM THE BOARD

WARNING OF THE RISK OF DEALINGS IN THE SHARES

If any of the Underwriters terminate the Underwriting Agreement in accordance with the provisions as set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus, or the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” in this Prospectus are not fulfilled, the Open Offer will not proceed. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares has been dealt with on an ex-entitlement basis commencing from Thursday, 23 July 2015 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on or before 4:00 p.m. on Friday, 21 August 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF THE OUTSTANDING OPTIONS

The exercise price and number of the outstanding Options will be adjusted with reference to the relevant rules of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange on 5 September 2005. Such adjustments in relation to the outstanding Options will be verified by the auditor/independent financial adviser of the Company. The Company will notify the Optionholders the required adjustment(s) as soon as practicable and further announcement will be made by the Company in this regard as and when appropriate.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for the year ended 31 December 2012, the year 31 December 2013 and the year ended 31 December 2014 are disclosed on pages 31 to 86 of the 2012 annual report published on 29 April 2013, pages 31 to 84 of the 2013 annual report published on 30 April 2014 and pages 49 to 148 of the 2014 annual report published on 29 April 2015 respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.irasia.com/listco/hk/mastermindcap/>). Please refer to the hyperlinks as stated below:

2012 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0429/LTN201304291247.pdf>

2013 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0430/LTN20140430045.pdf>

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN20150429493.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings of approximately HK\$90 million comprising an unsecured loan from 21 Holdings Limited, an Independent Third Party of approximately HK\$80 million and unsecured non-convertible bonds of approximately HK\$10 million held by Ms. Li Yan, an Independent Third Party.

As at the close of business on 30 June 2015, 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 30 June 2015, 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.

The Directors confirmed that no material changes in the indebtedness and contingent liabilities of the Group since 30 June 2015 up to and including the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and also the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this Prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Group was made up.

5. BUSINESSES ACQUIRED AFTER 31 DECEMBER 2014

No business (which would be consolidated into the financial statements of the Group) was acquired by the Group after 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group was made up.

6. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As at 31 December 2014, the major investments of the Group were HK\$127,044,000 of a portfolio of listed equity securities and HK\$14,543,000 of direct investment in unlisted equity securities. The investment portfolio of the Group comprises equity securities in Hong Kong, Canada, the United States of America and China. Dividend from listed equity investments during the year ended 31 December 2014 was approximately HK\$1,301,000.

The Group recorded a revenue of approximately HK\$1,759,000 for the year ended 31 December 2014, as compared with a revenue of approximately HK\$1,027,000 in the corresponding period of 2013. The Group also recorded a loss attributable to owners of the Company of approximately HK\$17,604,000, as compared with a profit attributable to owners of the Company of approximately HK\$14,426,000 in the corresponding period of 2013. The increase in loss was mainly due to (i) the write back of impairment provision on deposits paid decreased by approximately HK\$24,900,000 for the year ended 31 December, 2014; and (ii) reclassification from equity to profit or loss on impairment of available-for-sale financials assets at fair value increased by approximately HK\$4,864,000 for the year ended 31 December, 2014.

Looking ahead, the Board expects the investment market in 2015 to be challenging. 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 shareholders' value and strengthen the financial position of the Group. At present, there are no specific industries or sectors that the Board has specific investment intention. However, the Board will focus on the undervalued stocks in local, PRC and international stock markets and believes that such investment strategy will enhance the value of the Company and the Shares in long run.

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION TO 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 by issuing 935,215,800 Offer Shares at the Subscription Price of HK\$0.30 per Offer Share on the basis of two Offer Shares for every one existing Share held on the Record Date, 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 31 December 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company derived from the audited consolidated statement of financial position of the Group as at 31 December 2014, as extracted from the published annual report of the Company for the year ended 31 December 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 31 December 2014 or at any future date.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 (Note 1) HK\$'000	Note	Estimated net proceeds from the Open Offer HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets per Share HK\$'000	Note	Unaudited pro forma adjusted consolidated net tangible assets per Share HK\$
Based on 935,215,800 Offer Shares to be issued at Subscription Price of HK\$0.30 per Offer Share	2	272,011	428,182	3	0.34
156,171		272,011	428,182		0.34

Notes:

- 1) As at 31 December 2014, the consolidated net tangible assets per share of the Company is HK\$0.5 which is calculated based on 311,738,600 shares of the Company of HK\$0.25 each in issue on that date.
- 2) The estimated net proceeds from the Open Offer of approximately HK\$272,011,000 is calculated based on 935,215,800 Offer Shares (the Company had 467,607,900 Shares in issue (note 4) on the Latest Practicable Date) on the basis of two offer share for every one share held on 24 June 2015, being the Latest Practicable Date at the Subscription Price of HK\$0.30 per Offer Share, after deduction of the estimated related expenses of approximately HK\$8,554,000.
- 3) The unaudited pro forma adjusted consolidated net tangible assets per Share of the Company after the completion of the Open Offer is calculated based on 1,246,954,400 Shares assuming that the Open Offer had been completed on 31 December 2014.
- 4) On 14 January 2015, the Company completed an open offer by issuing 155,869,300 offer shares on the basis of 1 offer share for every 2 existing shares, at a subscription price of HK\$0.45 per offer share. On the same date, the Company had 467,607,900 Shares in issue.
- 5) 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 31 December 2014.

II. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

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 Prospectus.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

The Board of Directors
Mastermind Capital Limited
Units 1611, 16th Floor
Shun Tak Centre, West Tower
168 – 200 Connaught Road
Central, Hong Kong

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 31 December 2014, and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages II-1 to II-2 of the Prospectus issued by the Company dated 3 August 2015. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact in respect of the open offer of the Company (the “Share Offer”) on the Group’s financial position as at 31 December 2014 as if the Share Offer had taken place at 31 December 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s audited consolidated financial statements for the year ended 31 December 2014 which was published on 29 April 2015.

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 31 December 2014 would have been as presented.

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.

Yours faithfully

BDO Limited
Certified Public Accountants

Hong Kong, 3 August 2015

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 the Prospectus Documents misleading.

2. SHARE CAPITAL OF THE COMPANY

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

Authorised:

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

Issued and fully paid or credited as fully paid

	<i>HK\$</i>
467,607,900 Shares in issue as at the Latest Practicable Date	116,901,975
<u>935,215,800</u> Offer Shares to be issued	<u>233,803,950</u>
Shares in issue and fully paid immediately upon completion of the Open Offer	<u>350,705,925</u>

As at the Latest Practicable Date, save for the outstanding 3,319,149 Options the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

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 the Offer Shares when allotted, issued and fully paid, will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Open Offer.

The Offer Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Offer Shares or any other securities of the Company to be listed or dealt in 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 or underlying Shares held	Approximate % of interest held
Mr. Mung	Beneficial owner	2,114,681 <i>(Notes 2 and 4)</i>	0.16% <i>(Note 1)</i>
	Interest of controlled corporation	419,432,000 <i>(Notes 3 and 4)</i>	29.82% <i>(Note 1)</i>

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 1,174,468 new Shares allotted and issued upon the exercise of all the outstanding 1,174,468 Options, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 1,406,347,104.
2. These underlying Shares represent the 2,114,681 Options held by Mr. Mung.
3. Mr. Mung owns 99.99% of the entire issued share capital of TDX and the remaining 0.01% is held by Ms. Sin Lai Ni (who is the spouse of Mr. Mung). By virtue of the SFO, Mr. Mung is deemed to be interested in all the Shares held by TDX. These Shares comprise (i) 117,000,000 Shares held by TDX; (ii) 234,000,000 Offer Shares to be allotted to TDX under its entitlement under the Open Offer pursuant to the TDX Undertaking; and (iii) 68,432,000 Offer Shares in which TDX as the underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.
4. Ms. Sin Lai Ni, being the spouse of Mr. Mung, is deemed to be interested in all the Shares and underlying Shares in which Mr. Mung is interested under the SFO.

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.

(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 2014, being the date to which the latest published audited accounts of the Group were made up.

Save for Mr. Mung's interests 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 or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or were 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 were as follows:

Name	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held
Kingston Securities Limited	Beneficial owner	635,132,736 (Note 2)	45.16% (Note 1)
Galaxy Sky Investments Limited	Interest of controlled corporation	635,132,736 (Note 2)	45.16% (Note 1)
Kingston Capital Asia Limited	Interest of controlled corporation	635,132,736 (Note 2)	45.16% (Note 1)
Kingston Financial Group Limited	Interest of controlled corporation	635,132,736 (Note 2)	45.16% (Note 1)
Active Dynamic Limited	Interest of controlled corporation	635,132,736 (Note 2)	45.16% (Note 1)
Chu Yuet Wah	Interest of controlled corporation	635,132,736 (Note 2)	45.16% (Note 1)
TDX	Beneficial owner	419,432,000 (Notes 3 and 4)	29.82%

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 1,174,468 new Shares allotted and issued upon the exercise of all the outstanding 1,174,468 Options, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 1,406,347,104.
2. The 635,132,736 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.
3. Mr. Mung owns 99.99% of the entire issued share capital of TDX and the remaining 0.01% is owned by Ms. Sin Lai Ni (who is the spouse of Mr. Mung). By virtue of the SFO, Mr. Mung is deemed to be interested in all the Shares held by TDX. These Shares comprise (i) 117,000,000 Shares held by TDX; (ii) 234,000,000 Offer Shares to be allotted to TDX under its entitlement under the Open Offer pursuant to the TDX Undertaking; and (iii) 68,432,000 Offer Shares in which TDX as the underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.
4. Ms. Sin Lai Ni, being the spouse of Mr. Mung, is deemed to be interested in all the Shares and underlying Shares in which Mr. Mung is interested under the SFO.

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 required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or were 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	http://www.irasia.com/listco/hk/mastermindcap/

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
Underwriters	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong China Tian Di Xing Logistics Holdings Limited Room 13, 10/F, Wing On Plaza 62 Mody Road Kowloon Hong Kong
Financial adviser to the Company	Nuada Limited Unit 1805-08, 18/F. OfficePlus @Sheung Wan 93-103 Wing Lok Street Sheung Wan Hong Kong
Legal advisers to the Company	<i>As to Hong Kong Law:</i> Michael Li & Co. 19/F., Prosperity Tower No. 39 Queen's Road Central 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, which was completed on 4 April 2014;
- (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, an Independent Third Party, 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, which was completed on 22 October 2014 and 28 October 2014 respectively;

- (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 (“**Mr. Han**”), an Independent Third Party, 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 which was terminated by the deed of termination entered into between Billion City Investment Limited and Mr. Han on 12 January 2015;
- (6) the underwriting agreement dated 25 November 2014 entered into among the Company, the Underwriter, TDX and Mr. Mung in relation to the underwriting arrangement in respect of the open offer of not less than 155,869,300 Shares and not more than 156,444,300 Shares at a subscription price of HK\$0.45 per Share on the basis of one (1) Share of every two (2) existing Shares held which was completed on 8 January 2015;
- (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) a deed of termination dated 12 January 2015 entered into between Billion City Investment Limited, a direct wholly-owned subsidiary of the Company, as the vendor and Mr. Han as the purchaser in relation to termination of the disposal of 7% equity interest of GOGC Petroleum (China) Limited;
- (9) the disposal agreement dated 23 April 2015 entered into between the Company, as the vendor and Mr. Cao Yingfeng, an Independent Third Party, as the purchaser in relation to the disposal of 100% equity interest of Billion City Investment Limited at a cash consideration of HK\$30,000,000;
- (10) the Underwriting Agreement; and
- (11) the Extension Letters.

8. PARTICULARS OF DIRECTORS

Mr. Mung Kin Keung (“**Mr. Mung**”), aged 55, was appointed as an executive Director on 9 March 2007. He is also a director of various subsidiaries of the Company. 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. Mr. Mung was appointed as an executive director of Well Way Group Limited (stock code: 8063) (“**Well Way**”), a company listed on the Growth Enterprise Market of the Stock Exchange on 19 June 2014. He was as an executive director of Bestway International Holdings Limited (stock code: 718) (“**Bestway**”), a company listed on the Main Board of the Stock Exchange, from 22 October 2013 to 17 June 2015. Mr. Mung was appointed as an executive director of HNA International Investment Holdings Limited (formerly known as Shougang Concord Technology Holdings Limited, stock code: 521) (“**HNA**”), a company listed on the Main Board of the Stock Exchange, on 16 February 2009. He was redesignated as the vice-chairman and the chairman of HNA on 10 May 2010 and 24 October 2013 respectively. Mr. Mung has resigned as an executive director and the co-chairman of HNA with effect from 3 June 2015. Mr. Mung was appointed as a co-chairman and an executive director of China Star Entertainment Limited (stock code: 326), a company listed on the Main Board of the Stock Exchange, from 8 July 2014 to 30 April 2015. Mr. Mung was also an executive director of Hong Kong Resources Holdings Company Limited (stock code: 2882), a company 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 28, was an executive director during the period from 12 November 2010 to 3 April 2013 and was appointed as an executive Director on 31 March 2014 and the chief executive officer of the Company on 9 February 2015. He is also a director of various subsidiaries of the Company. 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 has extensive working experience in investment and asset management. He was appointed as an executive director of Well Way on 24 March 2014. He was an executive director of Bestway from 22 October 2013 to 29 June 2015. He was also an executive director of HNA from 24 November 2013 to 5 February 2015. 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 (“Mr. Man”), 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 (“Mr. Fung”), 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 was appointed as an independent non-executive director of Well Way on 23 June 2014. He was an independent non-executive director of China Star Cultural Media Group Limited (stock code: 8172), a company listed on the Growth Enterprise Market of the Stock Exchange, from 25 May 2012 to 29 June 2015. Save as aforesaid, Mr. Fung did not hold any directorship in other listed public companies in the last three years.

Mr. Poon Wai Hoi, Percy (“Mr. Poon”), 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) since 1 June 2010, a company 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 last 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. 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 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.

10. 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 2014, being the date to which the latest published audited accounts of the Group were made up.

11. 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\$8.55 million and are payable by the Company.

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

A copy of each of the Prospectus Documents and the consent letter referred to in the section headed “Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

14. 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 three financial years ended 31 December 2012, 2013 and 2014;
- (d) the independent reporting accountants’ assurance report on the compilation of unaudited pro forma financial information of the Group, the text of which is set out in appendix II to this Prospectus;
- (e) the written consent of the expert referred to in the section headed “Expert and Consent” in this appendix;
- (f) the Circular; and
- (g) the Prospectus Documents.

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of the Listing Rules in connection with the listing document of investment companies. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company.

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.

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.

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.

INFORMATION ON THE INVESTMENT MANAGER

The Company currently does not have a custodian, investment adviser, distribution Company, alternate custodian or an investment manager nor have any engagement with any custodian, investment advisor, distribution company or alternate custodian.

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.

BORROWING POWERS

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

INVESTMENT PORTFOLIO

Set out below are the details of the ten largest investments of the Group as at 31 December 2014, which include all listed investments as at 31 December 2014. Save for the investments disclosed herein, there are no other listed investments or other investments with a value of more than 5% of the Company's gross assets as at 31 December 2014.

Name	Notes	Place of incorporation/ listing	Particulars of equity interest held	Percentage of equity interest held	Cost HK\$'000	Market value as at 31 December 2014 HK\$'000	Percentage of the Group's net assets as at 31 December 2014
China Jiu hao Health Industry Corp Ltd ("Jiu hao Health")	(i)	Hong Kong	42,900,000 ordinary shares	Less than 2%	22,909	30,030	19.22%
KuangChi Science Limited ("KuangChi")	(ii)	Hong Kong	3,400,000 ordinary	Less than 1%	17,912	17,885	11.45%
Brockman Mining Limited ("Brockman")	(iii)	Hong Kong	50,000,000 ordinary shares	Less than 1%	17,056	17,500	11.21%
Qihoo 360 Technology Company Limited ("Qihoo 360")	(iv)	PRC/New York	26,255 ordinary shares	Less than 1%	18,539	11,806	7.56%
Kaisun Energy Group Limited ("KEGL")	(v)	Hong Kong	55,550,000 ordinary shares	Less than 3%	9,999	4,777	3.06%
Nexteer Automotive Group Limited ("Nexteer")	(vi)	Cayman Islands/ Hong Kong	532,000 ordinary shares	Less than 1%	3,408	3,532	2.26%
China Lesso Group Holdings ("Lesso")	(vii)	Cayman Islands/ Hong Kong	876,000 ordinary shares	Less than 1%	3,719	3,329	2.13%
Shenzhou International Group Holdings Limited ("SIGHL")	(viii)	Cayman Islands/ Hong Kong	126,000 ordinary shares	Less than 1%	3,374	3,226	2.06%
21 Holdings Limited ("21 Holdings")	(ix)	Bermuda/Hong Kong	2,630,000 ordinary shares	Less than 1%	2,694	3,156	2.02%
China Construction Bank ("CCB")	(x)	PRC/Hong Kong	480,000 ordinary shares	Less than 1%	2,676	3,058	1.94%

Notes:

- (i) Jiu hao Health is principally engaged in the health industry, media business and properties investment through joint ventures. No dividend was received during the year. Based on the published annual results of Jiu hao Health, the audited consolidated net assets as at 31 December, 2014 were approximately HK\$3,044,914,000.

- (ii) KuangChi is principally engaged in manufacturing and trading of paper packaging products and paper gift items and the printing of paper promotional materials. No dividend was received during the year. Based on the published annual results of KuangChi, the audited consolidated net assets as at 31 December 2014 were approximately HK\$1,718,241,000.
- (iii) Brockman is principally engaged in the acquisition, exploration and development of iron ore in Australia; and in the exploitation, processing and sales of mineral resources, including copper ore concentrates and other mineral ore products. No dividend was received during the year. Based on the published interim results of Brockman Mining Limited, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$2,268,101,000.
- (iv) Qihoo 360 is principally engaged in internet and mobile security products and services. No dividend was received during the year. Based on the latest published annual results of Qihoo 360, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$8,909,690,400 (equivalent to approximately US\$1,142,268,000).
- (v) KEGL is principally engaged in the trading of coal and provision for supply chain management services for mineral business. No dividend was received during the year. Based on the latest published annual results of KEGL, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$261,177,800.
- (vi) Nexteer is principally engaged in the design and manufacture of steering and driveline systems and components for automobile manufacturers and other automotive-related companies. Dividend received was approximately HK\$34,000 during the year. Based on the latest published annual results of Nexteer, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$5,522,548,000 (equivalent to approximately US\$708,019,000).
- (vii) Lesso is principally engaged in the manufacture and sale of plastic pipes and pipe fittings. Dividend received was approximately HK\$78,000 during the year. Based on the latest published annual results of Lesso, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$10,701,699,000 (equivalent to approximately RMB8,549,723,000).
- (viii) SIGHL is principally engaged in the manufacture and sale of knitwear products. No dividend was received during the year. Based on the latest published annual results of Shenzhou, the unaudited consolidated net assets as at 31 December 2014 were approximately HK\$14,784,237,000 (equivalent to approximately RMB11,811,326,000).
- (ix) 21 Holdings is principally engaged in provision of property agency and related services and securities trading and investments. No dividend was received during the year. Based on the latest published annual results of 21 Holdings, the audited consolidated net assets as at 31 December 2014 were approximately HK\$336,110,000.
- (x) CCB is principally engaged in a range of banking services and related financial services. Dividend received was approximately HK\$306,007 during the year. Based on the published annual results of CCB, the audited consolidated net assets as at 31 December 2014 were approximately HK\$1,567,582,767,000 (equivalent to approximately RMB1,252,363,000,000).

The table below shows the provisions for diminution in value of investments of the Company as at 31 December 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.
乳源瑤族自治縣二灣 水電站 (Ruyuan Yaozu Zizhixian Er Wan Hydroelectric Station [#])	2,746	(1,133)	1,613	The present value of the estimated future cash flow of this investment was lower than the carrying value
乳源瑤族自治縣坪坑仔 水電站 (Ruyuan Yaozu Zizhixian Ping Keng Zai Hydroelectric Station [#])	4,306	(2,693)	1,613	The present value of the estimated future cash flow of this investment was lower than the carrying value
乳源瑤族自治縣天泉 水電站 (Ruyuan Yaozu Zizhixian Tian Quan Hydroelectric Station [#])	1,886	(274)	1,612	The present value of the estimated future cash flow of this investment was lower than the carrying value
乳源瑤族自治縣上山 水電站 (Ruyuan Yaozu Zizhixian Shang Shan Hydroelectric Station [#])	2,291	(679)	1,612	The present value of the estimated future cash flow of this investment was lower than the carrying value

[#] *The English translation of the Chinese name(s) in this prospectus, where indicated, is for information purpose only, and shall not be recognised as the official English name(s) of such Chinese name(s).*