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MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0905)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LIMITED

THE PLACING

On 18 December 2009 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 288,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons of the Company and its connected persons.

The maximum number of 288,000,000 Placing Shares under the Placing represent approximately 19.35% of the existing issued share capital of the Company of 1,488,000,000 Shares as at the date of this announcement and approximately 16.22% of the then issued share capital of 1,776,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$7,200,000.

The Placing Price of HK\$0.125 represents a discount of approximately 10.07% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.125 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.139 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.125 also represents (i) a discount of 15.54% to the average closing price of HK\$0.148 in the last 10 trading days prior to the date of the Placing Agreement; and (ii) a premium of 525% to the unaudited consolidated net asset value per Share of the Company as of 30 November 2009 of HK\$0.02.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$36 million. The maximum net proceeds from the Placing will amount to approximately HK\$35.04 million which is intended to be used for future investment. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.122 per Share.

THE PLACING AGREEMENT

Date

18 December 2009 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 288,000,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are not connected persons of the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of and not connected with the Company, connected persons of the Company and any of the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates. None of the Placees will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

The maximum number of 288,000,000 Placing Shares under the Placing represent approximately 19.35% of the existing issued share capital of the Company of 1,488,000,000 Shares as at the date of this announcement and approximately 16.22% of the then issued share capital of 1,776,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$7,200,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.125 represents a discount of approximately 10.07% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.125 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.139 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.125 also represents (i) a discount of 15.54% to the average closing price of HK\$0.148 in the last 10 trading days prior to the date of the Placing Agreement; and (ii) a premium of 525% to the unaudited consolidated net asset value per Share of the Company as of 30 November 2009 of HK\$0.02.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 288,000,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

- (i) **Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.**
- (ii) **The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 10:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).**

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; 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 Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
 - (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.
- (iii) If, at or prior to 10:00 a.m. on the date of the completion of the Placing;
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
 - (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
 - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place within four business days after the fulfillment of the conditions set out in the Placing Agreement but not later than 26 February 2010 or such later date as may be agreed between the Company and the Placing Agent.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The maximum gross proceeds from the Placing will be HK\$36 million. The maximum net proceeds from the Placing will amount to approximately HK\$35.04 million which is intended to be used for future investment. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.122 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company. Furthermore, the Company can take this opportunity to broaden the capital case of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

Date of announcement	Fund raising activity	Intended use of proceeds	Actual use of proceeds
12 May 2009	Issue of 48,000,000 new Shares at the Subscription Price of HK\$0.125 per Share	Approximately HK\$5.9 million for general working capital of the Group	Retained as general working capital of the Group

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
中國天地行物流控股集團有限公司 ⁽¹⁾	1,080,000,000	72.58	1,080,000,000	60.81
Public:				
Places	–	–	288,000,000	16.22
Other public Shareholders	408,000,000	27.42	408,000,000	22.97
Total	<u>1,488,000,000</u>	<u>100.00</u>	<u>1,776,000,000</u>	<u>100.00</u>

⁽¹⁾ 中國天地行物流控股集團有限公司, a company incorporated in Hong Kong, is 99.99% owned by Mr. Mung Kin Keung, a director and the Chairman of the Company.

GENERAL

The Company was incorporated in Cayman Islands with limited liability. The Group is principally engaged in investment in listed and unlisted companies in Hong Kong and in the PRC.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 1 June 2009
“Board”	the board of Directors
“Company”	Mastermind Capital Limited, a company incorporated in Cayman Islands with limited liability and the securities of which are listed on the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the board of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 288,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 18 December 2009 in relation to the Placing
“Placing Price”	HK\$0.125 per Placing Share
“Placing Share(s)”	A maximum of 288,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 18 December 2009

As at the date of this announcement, the board of directors of the Company comprises Mr. Mung Kin Keung, Mr. Ha Wing Ho Peter, Mr. Leong Chi Wai and Mr. Leung King Yue Alex as executive directors; Mr. Chee Man Sang Eric, Mr. Lo Tak Kin and Ms. Yu Tin Yan Winnie as independent non-executive directors.

* For identification purpose only