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MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

2010 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the “Board”) of Mastermind Capital Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2010 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2010

		Six months ended 30th June,	
		2010	2009
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	2	5	9
Administrative expenses		(3,558)	(2,171)
Other operating expenses		(137)	–
		<hr/>	<hr/>
Loss from operations		(3,690)	(2,162)
Finance costs		–	–
		<hr/>	<hr/>
Loss before income tax	4	(3,690)	(2,162)
Income tax expense	5	–	–
		<hr/>	<hr/>
Loss for the period attributable to equity holders of the Company		(3,690)	(2,162)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share for loss attributable to equity holders of the Company			
– Basic (HK cents)	6	(0.21)	(0.15)
		<hr/> <hr/>	<hr/> <hr/>
– Diluted (HK cents)		N/A	N/A
		<hr/> <hr/>	<hr/> <hr/>
Dividends		–	–
		<hr/> <hr/>	<hr/> <hr/>

	Six months ended 30th June,	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)

Loss for the period	(3,690)	(2,162)
Other comprehensive income for the period		
Change in fair value of available-for-sale financial assets	—	366
	<u> </u>	<u> </u>
Total comprehensive income for the period attributable to equity holders of the Company	<u>(3,690)</u>	<u>(1,796)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30th June, 2010*

	As at	
	30th June,	31st December,
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
ASSETS AND LIABILITIES		
Non-Current assets		
Property, plant and equipment	1,232	1,375
Available-for-sale financial assets	13,733	14,254
	<u>14,965</u>	<u>15,629</u>
Current assets		
Prepayment	151	198
Other receivables	278	278
Cash and cash equivalents	45,006	13,516
	<u>45,435</u>	<u>13,992</u>
Current liabilities		
Other payables and accrued expenses	(281)	(431)
Provision for tax	(79)	(79)
	<u>(360)</u>	<u>(510)</u>
Net current assets	<u>45,075</u>	<u>13,482</u>
Net assets	<u>60,040</u>	<u>29,111</u>
EQUITY		
Share capital	44,400	37,200
Reserves	15,640	(8,089)
Total equity	<u>60,040</u>	<u>29,111</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2010

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Mastermind Capital Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Uglan House, PO Box 309, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is Room 1401-03, 14th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong.

Principal activities of the Company and its subsidiaries (the “Group”) include the investments in listed and unlisted companies in Hong Kong and in other parts of the People’s Republic of China, excluding Hong Kong.

The unaudited condensed consolidated interim financial statements for the six months ended 30th June, 2010 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial statements are unaudited but have been reviewed by the audit committee of the Company.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s 2009 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31st December, 2009.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1st January, 2009. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years except as stated below.

Presentation of Financial Statements

HKAS 1 (Revised) “Presentation of Financial Statements” affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. These presentation requirements have been applied retrospectively in these condensed financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

The unaudited condensed consolidated financial statements for the six months ended 30th June, 2010 were approved for issue by the Board on 23rd August, 2010.

2. REVENUE

	Six months ended 30th June,	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	<u>5</u>	<u>9</u>

3. SEGMENT INFORMATION

No segment information is presented as all of the revenue, contribution to operating results, assets and liabilities of the Group are attributable to activities which are carried out or originated principally in Hong Kong.

4. LOSS BEFORE INCOME TAX

	Six months ended 30th June,	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging:		
Directors' remuneration	853	693
Depreciation on owned assets	151	–
Investment management fees	325	300
Staff costs	<u>510</u>	<u>221</u>

5. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred losses for both periods.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of approximately HK\$3,690,000 (six months ended 30th June, 2009: loss of approximately HK\$2,162,000) and 1,776,000,000 (six months ended 30th June, 2009: 1,488,000,000) ordinary shares in issue during the period.

Diluted loss per share has not presented as there were no dilutive potential shares for the period ended 30th June, 2009 and 2010.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the period (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

During the period, the Group recorded a loss attributable to shareholders of approximately HK\$3,690,000, compared to a loss attributable to shareholders of approximately HK\$2,162,000 for the last corresponding period.

Liquidity and Financial Resources

As at 30th June, 2010, there were no material borrowings and there were no charges on the Group's assets (2009: HK\$ Nil).

Pledge of assets

As at 30th June, 2010, the Group had no property pledged to bank to secure mortgage loan granted to the Group (2009: HK\$ Nil).

Capital commitment and contingent liabilities

As at 30th June, 2010, the Group had no material capital commitment and contingent liabilities.

Foreign currency fluctuation

Most of the business transactions of the Group are denominated in Hong Kong dollars. The Board believes the foreign exchange exposure is minimal.

Staff costs

The Group's total staff costs (including directors' emoluments) for the period amounted to approximately HK\$1,363,000 (2009: HK\$914,000).

Business review and outlook

While the fundamentals of the China economy remain strong, the Chinese Government attempts to control economic overheating. The China economy is expected to grow in 2010. China is still a developing country. It has a lot of room to grow and there are business opportunities in China. The investment portfolio of the Group mainly comprised of listed securities in Hong Kong and unlisted equity securities in China during the period. The Group will continue to take a cautious and prudent approach in managing the Group's investment portfolio and develop the investment strategies. The Group will continue to look for investment opportunities, which offer outstanding returns and within the acceptable risk profile of the Group.

On 18th December, 2009, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place 288,000,000 new ordinary shares at a placing price of HK\$0.125 each with a net proceed of HK\$35,000,000 which will be applied to these investment opportunities as they arise.

In May 2010, the Company has appointed OP Calypso Capital Limited (“OP Calypso”) as the investment manager to provide asset management services. OP Calypso provides asset management services for several funds in Asia with a focus on China. The Board of directors consider that OP Calypso’s expertise will provide valuable contribution to the management of investments of the Company.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with rule 3.21 of the Listing Rules.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the interim report for the six months ended 30th June, 2010 with the directors.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has met with the code provisions of the Code on Corporate Governance Practices (the “CG Code”), as set out in Appendix 14 of the Listing Rules, during the accounting period covered by the interim report except for the following deviation:

Code provision A.2.1

The code provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. An individual chief executive officer was not appointed during the period. The Board considers that based on the existing size and structure of the Company, the appointment of an individual chief executive officer of the Company is not necessary. Furthermore, the Company has engaged OP Calypso Capital Limited as its investment manager.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

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

Hong Kong, 23rd August, 2010

As at the date of this announcement, the board of directors comprises Mr. Mung Kin Keung, Mr. Ha Wing Ho, Peter, Mr. Chee Man Sang, Eric, Mr. Michael Stockford and Mr. Benoit Descourtieux as executive directors; Mr. Lo Tak Kin, Mr. Patrick Lee and Ms. Yu Tin Yan, Winnie as independent non-executive directors.

* *For identification purpose only*