THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in Mascotte Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or 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 transferee.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or 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 CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed "Experts and consents" in Appendix IV to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance of Hong Kong. A copy of this Prospectus will, as soon as reasonably practicable, be filed with the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda (as amended). The Registrar of Companies in Hong Kong, the Securities and Futures Commission of Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of the documents referred to above.

MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

Financial Adviser to the Company

KINGSTON CORPORATE FINANCE LTD.

Underwriter of the Rights Issue

KINGSTON SECURITIES LTD.

Terms used in this cover page have the same meanings as defined in this Prospectus.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, inter alia, the fulfillment and/or waiver (where applicable) of the conditions set out under the sub-paragraph headed "Conditions of the Rights Issue" on pages 29 to 30 of this Prospectus. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events as set out in the section headed "Termination of the Underwriting Agreement" on pages 12 to 13 of this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company should exercise caution when dealings in the Shares. Any dealings in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or waived (as applicable) (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Thursday, 2 May 2013 to Thursday, 9 May 2013 (both dates inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and/or the Rights Shares (in their nil-paid form) are advised to consult their own professional advisers.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Tuesday, 14 May 2013. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 21 to 23 of this Prospectus.

29 April 2013

CONTENTS

Expected timetable for the Rights Issue is set out below:—

	2013 **(Hong Kong time)**
Despatch of the Prospectus Documents	Monday, 29 April
First day of dealings in nil-paid Rights Shares	Thursday, 2 May
Latest time for splitting nil-paid Rights Shares	4:30 P.M. on Monday, 6 May
Last day of dealings in nil-paid Rights Shares	Thursday, 9 May
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 P.M. on Tuesday, 14 May
Rights Issue expected to become unconditional	4:00 P.M. on Monday, 20 May
Announcement of results of the Rights Issue	Tuesday, 21 May
Certificates for the Rights Shares expected to be despatched on or before	Wednesday, 22 May
Refund cheques in respect of wholly or partially unsuccessful applications for excess Right Shares expected to be posted on or before	Wednesday, 22 May
Commencement of dealings in fully-paid Rights Shares	Thursday, 23 May

Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Note: The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

(1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following 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 of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take effect on the Latest Time for Acceptance, the dates mentioned above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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

"1st VSA Circular"	the Company's circular dated 20 May 2011
"2nd VSA Circular"	the Company's circular dated 19 December 2011
"2011 Sale and Purchase Agreement"	on 12 September 2011, the Company entered into a sale and purchase agreement with the non-controlling owner of Sun Mass in respect of the acquisition of the remaining 49.9% interest in Sun Mass by means of cash consideration of HK$750 million and issuance of consideration bonds with principal amount of HK$1,750 million; details of which are set out in the Company's announcement dated 4 October 2011 and the Company's circular dated 19 December 2011 respectively
"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement of the Company dated 4 February 2013 in relation to, among other things, the Rights Issue
"associates"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
"BVI"	the British Virgin Islands
"Bye-laws"	the bye-laws of the Company from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"Circular"	the Company's circular dated 28 March 2013 in relation to, among other things, the Right Issue
"Companies Act"	the Companies Act 1981 of Bermuda (as amended)
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company"	MASCOTTE HOLDINGS LIMITED, a company incorporated in Bermuda with limited liability and the Shares are listed on the main board of the Stock Exchange
"Conditional Agreement"	the conditional agreement (including its schedules and exhibits) dated 19 November 2012 entered into between Mega Soar, the Company and Chung Nam Finance Limited in relation to, amongst other things, (i) the sale and purchase of the entire share capital in Smart Style and (ii) the assignment of the benefit of and the interests in the SD Loan to Chung Nam Finance Limited for a total consideration of HK$88,000,000 (subject to adjustment)
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Consideration Bonds"	the 2.5% unsecured notes due 2014 in the aggregate principal amount of HK$1,750 million of which HK$885 million remains outstanding as at the Latest Practicable Date
"controlling shareholders"	has the meaning ascribed to it under the Listing Rules
"Convertible Bonds"	the 5% unsecured convertible bonds due 2014 in the aggregate principal amount of HK$1,450 million constituted and issued by the Company on 14 July 2011 pursuant to the Convertible Bonds Documents and the Deeds of Amendment, of which HK$1,200 million remains outstanding as at the Latest Practicable Date

"Convertible Bonds Documents"	the bond certificates and bond terms and conditions constituting the Convertible Bonds
"Conversion Share(s)"	new Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
"Credit Line"	On 21 November 2012, the Group was granted a two-year revolving loan facility of HK$500 million from Chung Nam Finance Limited and was secured by the shares of Sun Mass with a valuation of Sun Mass Group of not less than HK$750 million and bearing an interest of the prime rate as quoted by Chong Hing Bank Limited from time to time plus 5% per annum, an aggregate principal amount of HK$437 million was outstanding as at the Latest Practicable Date
"Debts"	being the Group's outstanding Convertible Bonds, outstanding Consideration Bonds, the Credit Line, the Note Placing, outstanding unsecured loan from Sun Willie Financing Limited, outstanding unsecured loan from Enerchine Resources Limited and bank borrowing with a Taiwanese bank secured by certain buildings in Taiwan. Details of which are set out in the paragraph headed "Reduction of financing costs and gearing" in the "Letter from the Board" and the paragraph headed "3. Indebtedness" in Appendix II of this Prospectus
"Deeds of Amendment"	the deeds of amendment dated 3 December 2012 entered into between the Company and each of the holders of the Convertible Bonds, details of which are disclosed to the Company's announcement dated 3 December 2012 and the Company's circular dated 31 December 2012, such deeds were subsequently approved by the Shareholders at the Company's special general meeting held on 18 January 2013 and the Company obtained (i) listing approval for any Shares which may be issued on exercise of such conversion rights attached to the Convertible Bonds; and (ii) approval for the alterations pursuant to such deeds, from the Stock Exchange on 21 January 2013

"Director(s)"	the director(s) of the Company
"Dr. Wu"	Dr. Wu Yi-Shuen, the chairman, director, chief executive officer and chief technology officer of Sun Materials
"EAF(s)"	the excess application form(s) to be issued to the Qualifying shareholders in respect of application for excess Rights Shares
"Excluded Shareholder(s)"	the Overseas Shareholder(s) where the Directors, after making enquiries, consider it necessary or expedient, after taking into account either of 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 Rights Shares to such Shareholders
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholder(s)"	Shareholders other than the Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates
"Independent Third Party(ies)"	a party (parties) independent of and not connected with the Company and its connected persons
"Irrevocable Undertaking"	an irrevocable undertaking dated 4 February 2013 under which the respective holders of the outstanding Convertible Bonds provided irrevocable undertakings to the Company and the Underwriter as described under the section headed "Irrevocable Undertaking" in this Prospectus

"Issue Mandate"	an issue mandate approved by the Shareholders on 21 February 2013 to authorize the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the Issue Mandate SGM, details of which are set out in the circular of the Company dated 1 February 2013 and the announcement of the Company dated 21 February 2013
"Issue Mandate SGM"	the special general meeting of the Company convened and held on 21 February 2013 for the purposes of, among other things, approving the Issue Mandate
"Last Trading Day"	4 February 2013, being the last trading day for the Shares on the Stock Exchange before the release of the Announcement
"Latest Practicable Date"	23 April 2013, 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"	4:00 p.m. on Tuesday, 14 May 2013, or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
"Latest Time for Termination"	4:00 p.m. on Monday, 20 May 2013 being the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
"Listing Committee"	the listing sub-committee of the board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Lution"	Lution International Holdings Co., Ltd, a company incorporated with limited liability in Taiwan and a wholly owned subsidiary of the Company

"Mega Soar"	Mega Soar Holdings Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company
"Note Placing"	placing of 5% unsecured seven-year notes in the aggregate of up to HK$100 million, details of which are disclosed in the Company's announcements dated 28 December 2012, 22 January 2013 and 27 March 2013 respectively
"Option Deeds"	the option deeds dated 29 August 2011 entered into between the Company and each of the grantees as set out in the Company's announcement dated 29 August 2011
"Option Deeds Undertaking"	an irrevocable undertaking dated 4 February 2013 pursuant to which the Option Deeds holders undertake not to exercise any subscription rights attached to the share options under the Option Deeds prior to completion of the Rights Issue as described under the section headed "Option Deeds Undertaking" in this Prospectus
"Overseas Shareholder(s)"	the Shareholder(s) whose address(es) appear(s) on the register of members of the Company on the Record Date is/are outside Hong Kong
"PAL(s)"	provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue
"PRC"	the People's Republic of China, excluding for the purposes of this Prospectus, Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
"Prospectus"	this Prospectus issued by the Company in connection with the Rights Issue
"Prospectus Documents"	the Prospectus, the PAL(s) and the EAF(s)
"Prospectus Posting Date"	Monday, 29 April 2013, being the date of despatch of the Prospectus Documents

"Qualifying Shareholder(s)"	the Shareholder(s), whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
"Quinella"	Quinella International Incorporated, a company incorporated under the laws of the BVI, and an independent third party
"Record Date"	4:30 p.m. on Friday, 26 April 2013, being the date and time by reference to which entitlements to the Rights Issue have been determined
"Registrar"	the Company's branch share registrar and transfer office in Hong Kong, which is Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
"Rights Issue"	the issue of the Rights Shares by way of rights issue to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarised herein
"Rights Share(s)"	rights shares of HK$0.01 each in the share capital of the Company proposed to be offered to the Qualifying Shareholders for subscription on the basis of four (4) Rights Shares for every one (1) Share held on the Record Date pursuant to the Rights Issue
"SD Loan"	the outstanding shareholder loan(s) advanced by the Company and its subsidiaries (excluding the Smart Style Group) to the Smart Style Group as at the date of the Conditional Agreement
"SFO"	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
"SGM"	the special general meeting of the Company convened and held on Thursday, 18 April 2013 to consider and approve, among other things, the Rights Issue

"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Options"	the share options to subscribe for Shares under the Share Option Scheme
"Share Option Scheme"	the share option scheme of the Company adopted on 21 August 2003
"Smart Style"	Smart Style Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Mega Soar
"Smart Style Group"	Smart Style and Smart Direct Investments Limited
"Standby Line"	a standby line of credit of HK$500 million for a term of 12 months commencing from 4 January 2012 provided by Quinella to the Group
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.07 per Rights Share
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Sun Mass"	Sun Mass Energy Limited, a company incorporated in the BVI with limited liability, a wholly owned subsidiary of the Company
"Sun Mass Group"	Sun Mass and its subsidiaries
"Sun Materials"	Sun Materials Technology Co., Ltd, a company incorporated with limited liability in Taiwan and wholly owned by Lution
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Underwriter"	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the SFO

"Underwriting Agreement"	the underwriting agreement dated 4 February 2013 entered into between the Company and the Underwriter in relation to the Rights Issue
"Underwritten Share(s)"	Not less than 6,138,200,416 Rights Shares and not more than 7,365,996,744 Rights Shares underwritten by the Underwriter pursuant to the Underwriting Agreement
"Untaken Share(s)"	the Rights Shares not taken up by the Qualifying Shareholders
"Valuer"	American Appraisal China Limited, an independent valuer
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"NT$"	New Taiwan dollar, the lawful currency of Taiwan
"US$" or "USD"	United States dollar, the lawful currency of the United States of America
"%"	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

(i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

(a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; 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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Group, 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

(iv) 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

(v) 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

(vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or

(vii) 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 in connection with the Rights Issue, or the Prospectus Documents,

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

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

Executive Directors:
Mr. Peter Temple Whitelam *(Chairman)*
Mr. Lo Yuen Wa Peter *(Managing Director)*
Mr. Eddie Woo
Mr. Suen Yick Lun Philip
Mr. Lau King Hang

Independent Non-executive Directors:
Mr. Frank H. Miu
Dr. Agustin V. Que
Mr. Robert James Iaia II
Mr. Hung Cho Sing

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
1st Floor
Po Chai Industrial Building
28 Wong Chuk Hang Road
Aberdeen
Hong Kong

Room 2902, 29th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

29 April 2013

To the Qualifying Shareholders and,
for information only, to the Excluded Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to the Rights Issue.

On 4 February 2013, the Company announced that the Board proposes to raise gross proceeds of not less than approximately HK$429.67 million and not more than approximately HK$515.62 million by issuing not less than 6,138,200,416 Rights Shares and not more than 7,365,996,744 Rights Shares to the Qualifying Shareholders by way of the Rights Issue at the Subscription Price of HK$0.07 per Rights Share, on the basis of four (4) Rights Shares for every one (1) Share held on the Record Date.

The estimated net proceeds of the Rights Issue will be not less than approximately HK$408.67 million and not more than approximately HK$494.62 million and are intended to be used by the Company for the implementation of recycling plant and facilities to its polycrystalline silicon business and repayment of part of the Credit Line.

Subsequent to the Announcement, on 21 February 2013, Shareholders approved the Issue Mandate to authorize the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the Issue Mandate SGM. On 22 February 2013, the Company entered into a placing agreement with Freeman Securities Limited (as the placing agent), whereby the placing agent agreed to place, on a fully underwritten basis, 306,910,020 new Shares under the Issue Mandate. The net proceeds from the above placing was approximately HK$29.80 million and will be used for repayment of part of the Credit Line. Completion of the placing under Issue Mandate took place on 28 February 2013, 306,910,020 Shares were issued. As at the Latest Practicable Date, the number of Shares in issue was 1,841,460,124 Shares.

Having taken into account the new Shares issued pursuant to the placing under the Issue Mandate, the number of Rights Shares to be issued will be 7,365,840,496 Rights Shares. The estimated net proceeds of the Rights Issue will be approximately HK$494.61 million.

As at the SGM held on Thursday, 18 April 2013, the necessary resolution approving, among other things, the Rights Issue, was duly passed by the Independent Shareholders by way of poll.

The purpose of this Prospectus is to provide you with, among other things, further details about the Rights Issue.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) Share held on the Record Date and payable in full on acceptance
Subscription Price	:	HK$0.07 per Rights Share
Number of Shares in issue as at the Record Date	:	1,841,460,124 Shares
Number of Rights Shares	:	7,365,840,496 Rights Shares
Total number of issued Shares immediately upon completion of the Rights Issue	:	9,207,300,620 Shares
Aggregate nominal value of Rights Shares	:	HK$73,658,404.96
Underwriter	:	Kingston Securities Limited, which is an Independent Third Party

As at the Latest Practicable Date:

(1) There are outstanding Convertible Bonds in the aggregate principal amount of HK$1,200 million convertible into new Shares at the conversion price of HK$0.2 per Conversion Share (subject to adjustments). Each Convertible Bonds holder shall have the right to convert the Convertible Bonds held by it into Shares in whole or in part at the conversion price on or before the date that is 7 Business Days prior to the earlier of (a) the maturity date, i.e. 14 July 2014, and (b) one month after the Company giving early redemption notice to the Convertible Bonds holder. Further details of, among other things, the Convertible Bonds and the conditions governing and the procedures for conversion of the Convertible Bonds, are set out in the Company's circular dated 20 May 2011 and the announcements of the Company dated 15 July 2011, 25 April 2012 and 3 December 2012. As at the Latest Practicable Date, all the respective holders of the outstanding Convertible Bonds have given the Irrevocable Undertaking to the effect that each of them will not exercise any of the conversion rights attached to the outstanding Convertible Bonds prior to the completion of the Rights Issue.

(2) There are outstanding Share Options under the Share Option Scheme to subscribe for an aggregate of 39,062 Shares convertible into new Shares at the exercise price of HK$6.336 per Share Option (subject to adjustments). The Share Options may be exercised in whole or in part by the respective grantee at any time during the option period, i.e. 3 March 2010 to 2 March 2020, and in each case, not later than 2 March 2020. Further details of, among other things, the conditions governing and the procedures for exercise of the Share Options, are set out in the Company's announcement dated 3 March 2010 and the Company's interim report for the period ended 30 September 2012.

(3) There are 40,937,500 outstanding share options under the Option Deeds dated 29 August 2011 and subsequent to the adjustments of the capital reorganisation became effective on 26 April 2012, to subscribe for an aggregate of 40,937,500 Shares at the exercise price of HK$6.40 per share option under the Option Deeds (subject to adjustments). Pursuant to the Option Deeds, 25% of the share options granted to the grantees should vest on the date which is 12 months after the grant of the share options, i.e. 12 months after 11 January 2012. As such, 10,234,375 share options under the Option Deeds were vested on 11 January 2013. The share options under the Options Deeds may be exercised during the exercise period, i.e. 11 January 2012 to 10 January 2016, by serving a share option exercise notice to the Company together with the exercise price payable. Further details of, among other things, the conditions governing and the procedures for conversion of the share options under the Option Deeds, are set out in the announcement of the Company dated 29 August 2011 and the Company's interim report for the period ended 30 September 2012. All the Option Deeds holders have given the Option Deeds Undertaking pursuant to which each of them will not exercise any of the subscription rights attached to the outstanding share options under the Option Deeds prior to completion of the Rights Issue.

Adjustments to the conversion price or exercise price, the number of Conversion Shares or new Shares to be issued upon exercise of the Convertible Bonds, Share Options and the share options under the Option Deeds are triggered by, among others, subdivision or consolidation of Shares, capital distributions, bonus issues and rights issues.

The Conversion Price shall be adjusted as a result of the Rights Issue in accordance with the following formula (such adjustment is subject to terms and conditions of the Convertible Bonds and the review and confirmation by the auditors to be appointed by the Company):

$$NCP = OCP \times \frac{(N + v)}{(N+n)}$$

where:

NCP = Conversion Price after such adjustment
OCP = Conversion Price before such adjustment
N = the number of Shares in issue on Record Date
n = Rights Shares to be issued
v = the number of Shares which the aggregate consideration received by the Company would purchase at the market price per Share on the last trading day before going ex-entitlement to the Rights Issue

Save as disclosed above, the Company has no other 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.

As disclosed in the announcements of the Company dated 28 December 2012, 22 January 2013 and 27 March 2013, the Company has entered into a placing agreement (as supplemented by supplementary agreements dated 22 January 2013 and 27 March 2013 respectively) in relation to the Note Placing. Save for the Note Placing, the Company has no discussion in respect of other equity or debt fund-raising activities up to the Latest Practicable Date.

The 7,365,840,496 Rights Shares to be provisionally allotted represent 400% of the Company's issued share capital as at the Latest Practicable Date and 80% of the Company's issued share capital of 9,207,300,620 Shares as enlarged by the issue of 7,365,840,496 Rights Shares.

As at the Latest Practicable Date, the Board has not received any information from any substantial Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Subscription Price

The Subscription Price for the Rights Issue is HK$0.07 per Rights Share, payable in full on application.

The Subscription Price represents:

(i) a discount of approximately 38.05% to the closing price of HK$0.1130 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 65.85% to the closing price of HK$0.2050 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 65.65% to the average closing price of approximately HK$0.2038 as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day; and

(iv) a discount of approximately 27.84% to the theoretical ex-entitlement price of approximately HK$0.0970 per Share after the Rights Issue, based on the closing price of HK$0.2050 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares, the financial conditions of the Company and the prevailing market conditions. Moreover, the Directors consider that the discount would encourage Shareholders to participate in the Rights Issue, maintain their shareholdings in the Company and participate in the future growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue, the Directors consider that the terms of the Rights Issue are fair and reasonable and in the best interests of the Group and the Shareholders as a whole. The estimated expenses in relation to the Rights Issue, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. The net price per Rights Share upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK$0.0671.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully-paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

Qualifying Shareholders

To qualify for the Rights Issue, an investor must be a Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send the PAL and EAF to the Excluded Shareholders.

Rights of Overseas Shareholder

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong and Bermuda. If there are any Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong as at the Record Date, the Company will comply with all necessary requirements under Rule 13.36(2) of the Listing Rules and will only exclude the Excluded Shareholders from the Rights Issue after making enquiry regarding the legal restrictions under the laws of the relevant places.

Based on the register of members of the Company as at the Record Date, the Company had shareholders with addresses in the PRC, Macao, the United States and Norway. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the offer of the Rights Shares to such overseas Shareholders.

The Rights Issue will be extended to the overseas Shareholder in the PRC, Macao and Norway, as the Company has obtained legal advices that no local regulatory compliance is required to be made in these jurisdictions. The Company has also obtained advices from legal advisers in the United States that local legal and regulatory requirements may have to be complied with if the Rights Issue is to be extended to the Shareholders who resided in the United States. In this connection, the Company is of the view that it would not be necessary or expedient to include the overseas Shareholders in the United States in the Rights Issue because of the time and costs involved in complying with the relevant legal and regulatory requirements. The Company will therefore send this Prospectus, for information only, to such Excluded Shareholders. The PAL and EAF will not be sent to the Excluded Shareholders.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself or herself or itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. Shareholders should consult their professional advisers if in doubt.

The Company will send the Prospectus only (without any PAL and EAF) to the Excluded Shareholders for their information.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK$100 will be paid pro rata to the Excluded Shareholders. The Company will retain individual amounts of HK$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If the Qualifying Shareholders wish to exercise their right to subscribe for all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, by no later than 4:00 p.m. on Tuesday, 14 May 2013. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Mascotte Holdings Limited — Rights Issue Account**" and crossed "**Account Payee Only**". Any payment for the Rights Shares should be rounded down to 2 decimal points.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Tuesday, 14 May 2013, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may (at its sole discretion) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions in the PAL.

The Company reserves the right to refuse to act on any acceptance of provisional allotments of Rights Shares and to refuse to accept any application for excess Rights Shares where it believes that in doing so would or may violate the applicable securities legislations or other laws or regulations of any jurisdiction.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer all of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 6 May 2013 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. New PALs will be available for collection at the Registrar during normal business hours on the second Business Day after the surrender of the original PALs. Qualifying Shareholders who wish to transfer their rights to subscribe for Rights Shares and the investors to whom the rights to subscribe for the Rights Shares are being transferred should note that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The PAL contains the full information regarding the procedures to be followed if the Qualifying Shareholders wish to accept only part of their provisional allotment or if they wish to renounce all or part of their provisional allotment.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered addresses at the risk of such applicants on or before Wednesday, 22 May 2013.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares.

Qualifying Shareholders who wish to apply for any Rights Shares in addition to their provisional allotment must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, by no later than 4:00 p.m. on Tuesday, 14 May 2013. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Mascotte Holdings Limited — Excess Application Account**" and crossed "**Account Payee Only**". The Registrar will notify the Qualifying Shareholders of any allotment of excess Rights Shares made to them, which allotments will be at the discretion of the Directors on a fair and equitable basis.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

(1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to top up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and

(2) subject to availability of excess Rights Shares after allocation under principle (1) above, any further remaining excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying

for smaller numbers of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas the Qualifying Shareholders applying for larger numbers of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares).

The Rights Issue provides an opportunity for the Shareholders to subscribe for new Shares that allows them to maintain their respective shareholding interests in the Company. The allotment of excess Rights Shares to applicants with reference to their respective shareholdings in the Company as at the Record Date is a measure for the Shareholders who subscribe for excess Rights Shares to largely maintain their respective shareholdings after completion of the Rights Issue. In the event that the Company discovered certain applications may have been made with the intention to abuse the mechanism whereby preference would have been given to applications for topping up odd-lot holdings, the Company will change the allocation method for the excess Rights Shares on a fair and equitable basis.

Shareholders with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee Company (including HKSCC Nominees Limited) as a single shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually.

The latest time for acceptance of Rights Shares and the application for excess Rights Shares as well as respective payment thereof is expected to be at 4:00 p.m. on Tuesday, 14 May 2013, or such later date or time as may be agreed between the Company and the Underwriter.

If no excess Rights Shares are allotted to an applicant for excess Rights Shares or the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement at or before the Latest Time for Termination, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered addresses at the risk of such applicants on or before Wednesday, 22 May 2013.

All cheques or banker’s cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or banker’s cashier order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.

All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar.

Fractions of Rights Issue

On the basis of provisional allotment of four (4) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those Qualifying Shareholders who have applied and paid for the Rights Shares, by ordinary post at their own risk on or before Wednesday, 22 May 2013. One share certificate will be issued for all the fully paid Rights Shares allotted and issued to the entitled. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 22 May 2013 by ordinary post to the applicants at their own risk.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Thursday, 23 May 2013.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms). 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 exchanges. Dealings in the Rights Shares in their nil-paid form will commence on Thursday, 2 May 2013 and will end on Thursday, 9 May 2013, both days inclusive. Nil-paid Rights Shares are expected to be traded in board lot of 4,000 Rights Shares.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights 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 Rights Shares (in both nil-paid and fully-paid forms) 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Taxation

Qualifying Shareholders should consult their professional advisers to the tax implications of the holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully-paid forms. It is emphasised that none of the Company, the Directors or any parties involved in the Rights Issue accepts responsibility for any tax effect or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, the Company has outstanding Convertible Bonds in the aggregate principal amount of HK$1,200 million. All the holders of their respective outstanding Convertible Bonds, including SPARX Emerging Opportunities Fund SPC (formerly known as PMA Emerging Opportunities Fund SPC) (with an outstanding principal amount of HK$350 million), VMS Private Investment Partners II Limited (with an outstanding principal amount of HK$350 million), Mr. Andrew Liu (with an outstanding principal amount of HK$400 million), and two other holders (with an outstanding principal amount of HK$100 million) have given the Irrevocable Undertaking to the effect that each of them will not exercise any of the conversion rights attached to the outstanding Convertible Bonds prior to the completion of the Rights Issue.

OPTION DEEDS UNDERTAKING

As at the Latest Practicable Date, there are 40,937,500 outstanding share options under the Option Deeds. Pursuant to the Option Deeds, 25% of the share options granted to the grantees should vest on the date which is 12 months after the grant of the share options, i.e. 12 months after 11 January 2012. As such, 10,234,375 share options under the Option Deeds were vested on 11 January 2013. All the Option Deeds holders have given the Option Deeds Undertaking pursuant to which each of them will not exercise any of the subscription rights attached to the outstanding share options under the Option Deeds prior to the completion of the Rights Issue.

UNDERWRITING AGREEMENT

The Underwriting Agreement

Date	:	4 February 2013 (after trading hours).
Underwriter	:	Kingston Securities Limited. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has agreed to fully underwrite not less than 6,138,200,416 Rights Shares and not more than 7,365,996,744 Rights Shares not taken up by the Qualifying Shareholders.
Commission	:	3% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares.

Pursuant to the Underwriting Agreement, the Underwriter will subscribe or procure subscribers to subscribe for such number of Untaken Shares under the Rights Issue. The Underwriter shall and shall cause the sub-underwriter(s) to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with upon completion of the Rights Issue.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

(i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

    (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; 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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Group, 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

(iv) 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

(v) 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

(vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or

(vii) 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 in connection with the Rights Issue, or the Prospectus Documents,

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

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following:

(i) 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 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 Ordinance not later than the Prospectus Posting Date and the filing of the Prospectus Documents duly signed by one Director (for and on behalf of all the Directors) with the Registrar of Companies in Bermuda in compliance with the Companies Act on or as soon as reasonably practicable after publication of the Prospectus Documents;

(ii) 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 Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

(iii) 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 Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;

(iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time of Termination;

(v) the Independent Shareholders having approved the Rights Issue and the transactions contemplated thereunder at the SGM;

(vi) compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;

(vii) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares; and

(viii) in the event that the number of Untaken Shares exceeds 19.9% of the issued share capital of the Company immediately upon the completion of the Rights Issue, the Underwriter successfully procuring subscriber(s): (i) who are third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) none of whom (together with their respective parties acting in concert (within the meaning of the Takeovers Code) with them) will hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue, so that all Untaken Shares are subscribed for.

The conditions (other than condition (vi) above) are incapable of being waived. If any of the above conditions is not satisfied in whole or in part by the Latest Time for Termination, the Underwriting Agreement shall be terminated accordingly and no party shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares, shall to the extent agreed by the Company be borne by the Company, and the Rights Issue will not proceed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	As at the Latest Practicable Date		Immediately after the completion of the Rights Issue — Assuming all the Rights Shares are subscribed by the Qualifying Shareholders		Immediately after the completion of the Rights Issue — Assuming none of the Rights Shares are subscribed by the Qualifying Shareholders *(note 3)*	
	Shares	*Approx.*	*Shares*	*Approx.*	*Shares*	*Approx.*
Substantial Shareholders/Directors						
Mr. Peter Temple Whitelam *(note 1)*	78,125	0.00%	390,625	0.00%	78,125	0.00%
Mr. Lo Yuen Wa Peter *(note 1)*	156,250	0.01%	781,250	0.01%	156,250	0.00%
Dr. Wu Yi-Shuen *(note 2)*	17,797,250	0.97%	88,986,250	0.97%	17,797,250	0.19%
SPARX Emerging Opportunities Fund SPC *(note 4)*	200,000,000	10.86%	1,000,000,000	10.86%	200,000,000	2.17%
VMS Private Investment Partners II Limited *(note 4)*	200,000,000	10.86%	1,000,000,000	10.86%	200,000,000	2.17%
Mr. Andrew Liu *(note 4)*	200,000,000	10.86%	1,000,000,000	10.86%	200,000,000	2.17%
Public Shareholders						
The Underwriter	—	0.00%	—	0.00%	7,365,840,496	80.00%
Holder(s) of Shares issued under the Issue Mandate *(note 5)*	306,910,020	16.67%	1,534,550,100	16.67%	306,910,020	3.33%
Others	916,518,479	49.77%	4,582,592,395	49.77%	916,518,479	9.95%
Total	1,841,460,124	100.00%	9,207,300,620	100.00%	9,207,300,620	100.00%

Notes:

1. An executive Director of the Company.

2. Dr. Wu Yi-Shuen has resigned as an executive Director of the Company with effect from 31 December 2012. He remains as the chairman, director, chief executive officer and chief technology officer of Sun Materials as at the Latest Practicable Date.

3. **This scenario is for illustrative purpose only and will never occur.** Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares:

(i) the Underwriter 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 Rights Issue; and

(ii) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares (which form part of the Underwritten Shares) procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates and concert parties; and (ii) any subscribers procured by the Underwriter shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue.

4. A holder of the Convertible Bonds. As disclosed in the shareholding table above, each of the three holders of the Convertible Bonds, namely SPARX Emerging Opportunities Fund SPC, VMS Private Investment Partners II Limited and Mr. Andrew Liu is interested in 200,000,000 Shares, representing 10.86% of the issued share capital of the Company as at the Latest Practicable Date.

5. As announced by the Company on 22 February 2013, Freeman Securities Limited (as the placing agent) has conditionally agreed with the Company to place 306,910,020 placing Shares on a fully underwritten basis under the Issue Mandate. The placing completed on 28 February 2013.

6. The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue in accordance with the Underwriting Agreement. To this end, the Underwriter shall and shall cause the sub-underwriter(s) to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

7. The approximate percentage of shareholding of respective shareholders is subject to rounding error.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, the Underwriter, holders of the Consideration Bonds and their respective associates do not hold any Shares.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment and manufacture and sale of accessories for photographic and multimedia products. There has been no material change on each of the Group's business segments since 30 September 2012.

As disclosed in the interim report of the Company for the period ended 30 September 2012, before completion of the Group's acquisition of Sun Mass Group in 2011, the recycling facilities of the Group's polycrystalline silicon business were planned to be constructed and implemented after the commencement of commercial production of polycrystalline silicon, and that the capital commitment for the recycling facilities would be financed by the cash flow generated from commercial production. In April 2012, after improving the thermal decomposition capabilities at the production plant, Sun Materials was able to produce samples of polycrystalline silicon using the commercial production line. The need to expedite the further enhancement of its production facilities before formal commercial production is prompted by, among other reasons, the accumulation of a high volume of hydrofluoric acid which poses environmental pollution risk in the peak typhoon season if the production is proceeded without enhancement of the production facilities. Therefore, the Group has to enhance its production facilities now before commencing formal large-scale production.

The Group expects that once the enhancement work on the decomposition and recycling/regeneration capabilities of its production facilities is completed and that production will commence as planned, the same model will be applied to the construction of the additional five production plants.

Further details of the business update on the Group's polycrystalline silicon business are set out on pages 37 to 50 in the interim report of the Company for the period ended 30 September 2012. The Company has engaged PHOTON Consulting, LLC to conduct an evaluation of the Group's polysilicon business. A technical report on Sun Materials prepared by PHOTON Consulting, LLC was set out in Appendix VII to the Circular.

The Company has no intention to change its business strategies, and the funding for each business segment will be based on its own development in future.

As disclosed in the announcement of the Company dated 11 April 2013, the Company has entered into a sale and purchase agreement with Hao Tian Management (Hong Kong) Limited ("**Hao Tian**") pursuant to which the Company agreed to sell and Hao Tian agreed to purchase approximately 5.82% of the issued share capital of Sun Mass Funding Corporation, a wholly owned subsidiary of the Company. The total proceeds from the disposal to Hao Tian were HK$50 million, the net proceeds from the disposal were used to fund the partial repayment of the Credit Line. The Directors are of the view that the disposal provided the Group a good opportunity (i) to realise its investment in its polycrystalline silicon business; and (ii) to reduce its debt level as well as its interest burden. For further details of the disposal, please refer to the announcement of the Company dated 11 April 2013.

Save to the above, the Company has no negotiation, agreement, arrangement and undertaking about any acquisitions, business co-operations, or any disposal, scaling-down and/or termination of its existing businesses as at the Latest Practicable Date. However, the Company will continue to take all necessary steps to sustain the Group's operations including pursuing strategic investors and partners for its operation to reduce its debt level and enhance its working capital; and the Company will consider any opportunity that is in the interests of the Shareholders if and when it arises in the future.

Factors the Board has considered in arriving at the Rights Issue:

Current financial resources available to the Group

In arriving at the Rights Issue, the Company has taken into consideration the financial resources available to the Group. As of 31 December 2012, the unaudited cash balance of the Group was approximately HK$37.9 million. As at the Latest Practicable Date, the Group does not have any new facilities available to be drawn down.

Changes in the Group's working capital requirements

As at the date of the 2nd VSA Circular, the Directors believed that the operations of the Group for the next twelve months (since the date of the 2nd VSA Circular) would rely on, among others, (i) the available internal financial resources, (ii) the then existing margin facilities, (iii) the Standby Line, and (iv) the cashflows expected to be generated from the operating activities of Sun Materials.

However, the working capital requirement is changed due to the following reasons:

(a) *The Standby Line has expired*

The Standby Line expired on 3 January 2013 pursuant to the terms of the Standby Line agreement.

(b) *Delays in commercial production affected the Group's cashflow forecast*

As mentioned above, the commercial production cannot be commenced without the enhancement of the production and recycling plants and facilities.

As there have been delays in the commercial production of polysilicon, which has in turn affected the Group's cashflow forecast, the Directors are of the view that there was an imminent need to speed up the enhancement of the recycling plant in the Group's production facilities in order to cope with the large volumes of hydrofluoric acid discharge.

Save as disclosed above, there has been no other material change in the Group's working capital requirements since 30 September 2012, being the end date of the latest published unaudited financial statements of the Group for the six months ended 30 September 2012.

Set out below are the Company's major cash inflow and outflow items since 30 September 2012 and up to 31 December 2012:

	Approx. HK$' million
Unaudited cash and bank balances as at 30 September 2012	31.0
Add:	
Unsecured loan from Chung Nam Finance Limited *(Note 1)*	60.0
Proceeds from the exercise of Share Options under the Share Option Scheme *(Note 2)*	5.8
Disposal of securities and investments	34.6
Proceeds from the placing of 68,501,684 new Shares under general mandate *(Note 3)*	11.1
Draw down of the Credit Line	415.0
Sub-total	557.5
Less:	
Redemption of Consideration Bonds *(Note 4)*	399.0
Interests paid for Consideration Bonds	9.5
Interests paid to secured loan from Chung Nam Finance Limited	0.6
Document fee in relation to the Credit Line	3.1
Unsecured loan repayment – Chung Nam Finance Limited	35.0
Capital expenditure for the implementation of recycling plant	50.0
Working capital for the Group's polycrystalline silicon business	8.5
Loan installment (principal plus interest)	1.8
Professional fee	6.6
Payroll – the Company	4.1
Others	1.4
Unaudited cash and bank balances as at 31 December 2012	37.9

Notes:

1. An unsecured loan facility due to Chung Nam Finance Limited bearing an interest rate of 1% per month with an aggregate principal amount up to HK$100.0 million due in January 2013.

2. As disclosed in the announcement dated 5 October 2012, the Company offered to grant an aggregate of 28,540,000 Share Options to subscribe for the new ordinary shares of HK$0.01 each in the share capital of the Company under the Share Option Scheme to certain eligible participants, at an exercise price of HK$0.204 each. 28,540,000 Share Options were fully exercised on 9 October 2012.

3. As disclosed in the announcement dated 8 November 2012, the Company entered into the placing agreement pursuant to which the placing agent has conditionally agreed to place a total of 68,501,684 new ordinary shares of HK$0.01 each on a fully underwritten basis, to not less than six placees, at a price of HK$0.17 per Share, under the Company's general mandate. The net proceeds from the placing was approximately HK$11.1 million.

4. Since completion of the acquisition of Sun Materials on 4 January 2012, the trading price of the Shares has been on a continuous downward trend and has declined to levels significantly lower than expected. The downward spiral of the trading price in the Shares has reflected a decline of the market's confidence in the future prospects of the Company. Quinella, the major creditor of the Company with an exposure far exceeding the total market capitalization of the Company, expressed its concern to the Company and made repeated requests to the Company since January 2012 to partially reduce the amount of the outstanding Consideration Bonds. Initially, the Company has declined Quinella's requests for early repayment, given that it was well before the maturity of the Consideration Bonds and that the Company planned to continue to fulfil its payment obligations (including interest payments) as and when the Consideration Bonds fall due.

   Quinella was dissatisfied and continued to exert pressure on the Company to make partial early repayment, claiming that this is the only way for the Company to demonstrate that it is still financially sound. Quinella also indicated to the Company that failure to repay early would further dampen its confidence in the Company and would jeopardise the business relationship between Quinella and the Company in the long run.

   Nevertheless, Quinella, which is principally engaged in investment holding and is indirectly wholly-owned by Ms. Hsieh Cheng Lu ("Ms. Hsieh"), is the former owner of the innovative technology which is believed to significantly reduce the production costs of polycrystalline silicon and has extensive business network in the industry. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Quinella and Ms. Hsieh are third parties independent of each of the Company and any of its connected persons. Despite the Company did not have (at the time of early redemption of the then outstanding Consideration Bonds) and still has no direct business relationship with Quinella as at the Latest Practicable Date, given that Ms. Hsieh has extensive business network, and Quinella is one of the major creditors of the Company, the Company wishes to maintain a good relationship with Quinella for the possible future business cooperation and, when necessary, opportunities for future financial support; falling which might jeopardize the business opportunity (i) between the Company and Quinella; and (ii) between the Company and other potential business partners, if arise in the future. Therefore, the Company has no alternative but to early redeem certain amount of the Consideration Bonds from Quinella in order to maintain amicable relationship with Quinella.

   Having considered the future prospect of the Group and business relationship with creditors in the long-run, the Company has redeemed the aggregated principal amounted to approximately HK$865 million of the Consideration Bonds up to the Latest Practicable Date.

Further, the following sets out the major cash-flow items of the Company from 31 December 2012 to the Latest Practicable Date:

		Approx. HK$' million
(i)	Interest payments for the Convertible Bonds	(35.7)
(ii)	Interest payments for the Consideration Bonds	(11.3)
(iii)	Redemption of part of the Consideration Bonds	(34.0)
(iv)	Interest payments for the unsecured loan from Chung Nam Finance Limited	(3.8)
(v)	Interest payments for the Credit Line	(16.0)
(vi)	Repayment for the Credit Line	(78.0)
(vii)	Repayment for the loan from Dragonite Resources Limited	(10.0)
(viii)	Capital expenditure for the implementation of recycling plant	(10.0)
(ix)	Draw down from the Credit Line	100.0
(x)	Unsecured loan from Dragonite Resources Limited	10.0
(xi)	Net proceeds from Note Placing	9.5
(xii)	Net proceeds from placing of new Shares under the Issue Mandate	29.8
(xiii)	Unsecured loan from Sun Willie Financing Limited	24.6
(xiv)	Proceeds from disposal of approximately 5.82% of Sun Mass Funding Corporation to Hao Tian	50.0

Alternative forms of financing

The Group has tightened liquidity and the Company has been exploring various initiatives to seek new funding as demonstrated by various equity fund raisings, issuance of new notes and disposal of assets and securities investment portfolios. Meanwhile, the Company also announced to amend the terms of the Convertible Bonds. The Company first announced its intention of rights issue on 17 July 2012. Due to unexpected prolonged process in conducting the Rights Issue, the Company and the Underwriter finally entered into the Underwriting Agreement on 4 February 2013.

The Directors have considered bank financing and decided against it given the additional financing costs and the requirement of securities collateral by controlling shareholders. Most importantly, the Board is of the view that it is unrealistic and impracticable to seek bank borrowings in the amount required to satisfy the funding needs of the Company, in particular given the Company's current financial position and that the borrowed fund would be utilised for a new business segment of the Company with no proven track record.

The Directors believe that it is prudent to finance the growth of the Company by long-term equity. The Rights Issue will offer all the Shareholders an equal opportunity to increase their interest in the Company's prospects. In view of the current market environment and having weighed the pros and cons of the alternatives, the Directors conclude that the Rights Issue is the best method for the Company to raise funds.

Accordingly, the Directors consider that they have fulfilled their fiduciary duty and duty of skill, care and diligence in considering the fairness and reasonableness of the Rights Issue.

In view of the above, the Directors consider that the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reduction of financing costs and gearing

The Company's debt-to-equity ratio after completion of the acquisition of Sun Mass and financing costs are higher than those in 2011 and it is keen to reduce both. The Company closely monitors its daily operations with an aim to improve its efficiency by cost savings and cash balance for daily operations.

Set out below is the information of the Debts and a comparison of the financing costs associated with the Debts, as at the Latest Practicable Date:

Description	Identity of the lender	Approximate outstanding principal as at Latest Practicable Date	Terms	Due date	Approximate interest rate per annum	Approximate simple interest payable per annum based on the remaining principals *(Note 1)*	Interest repayment schedule
Consideration Bonds *(Note 2)*	Holders of the Consideration Bonds	HK$885.00 million	2 years	4 January 2014	2.5%	HK$16.67 million	Quarterly
Convertible Bonds *(Note 3)*	Holders of the Convertible Bonds	HK$1,200.00 million	3 years	14 July 2014	5.0%	HK$60.00 million	Semi-annually
Credit Line *(Note 4)*	Chung Nam Finance Limited	HK$437.00 million	2 years	21 November 2014	10.25% equivalent to prime rate plus 5%	HK$44.79 million	Monthly
Bank borrowings *(Note 5)*	Bank and financial institutions	HK$41.19 million (equivalent to new Taiwan dollar 157.33 million) *(Note 9)*	10 years	3 February 2023	1.8%	HK$0.71 million (equivalent to new Taiwan dollar 2.70 million) *(Note 9)*	Monthly
Note Placing *(Note 6)*	Note holder(s)	HK$10.00 million	7 years	5 February 2020 and 8 April 2020	5%	HK$0.50 million	Annually
Borrowings *(Note 7)*	Sun Willie Financing Limited	HK$25.00 million	50 days	31 May 2013	1.5% (flat rate)	—	Paid on the date of borrowings in its entirety
Borrowings *(Note 8)*	Enerchine Resources Limited	HK$30.00 million	2 months	17 June 2013	24%	HK$1.20 million	Repaid on final repayment date
Total		HK$2,628.19 million				HK$123.87 million	

Notes:

1. Interest payable is estimated based on simple method as at the Latest Practicable Date and the outstanding principals and is subject to rounding error.

2. The maturity date of the Consideration Bonds shall be 2nd anniversary of the issue of the Consideration Bonds or, if the Company elects in its discretion to extend the term of the Consideration Bonds, the seventh (7th) anniversary of the issue date of the Consideration Bonds, the interest thereafter shall accrue daily on the principal amount of the outstanding Consideration Bonds at 12.5% per annum.

3. On 3 December 2012, the Company entered into the Deeds of Amendment with each of the holders of the Convertible Bonds to alter the certain terms and conditions of the Convertible Bonds, which was approved by the Shareholders on 18 January 2013. Further details of the Deeds of Amendment have been set out in the circular of the Company dated 31 December 2012.

4. Subsequent to the date of statement of indebtedness, being 15 March 2013, on 12 April 2013 and 16 April 2013, the Company repaid HK$27 million and HK$25 million of the Credit Line respectively.

5. Subsequent to the date of statement of indebtedness, being 15 March 2013, on 3 April 2013, the Group repaid NT$1.33 million of the bank borrowings.

6. Subsequent to the date of statement of indebtedness, being 15 March 2013, on 9 April 2013, the Company issued an unsecured loan of HK$5 million under the Note Placing.

7. Subsequent to the date of statement of indebtedness, being 15 March 2013, on 11 April 2013, the Company borrowed HK$25 million of an unsecured loan from Sun Willie Financing Limited.

8. Subsequent to the date of statement of indebtedness, being 15 March 2013, on 18 April 2013, the Group borrowed HK$30 million of an unsecured loan from Enerchine Resources Limited.

9. Principal amounts of the liabilities in new Taiwan dollar have been converted into Hong Kong dollar at approximately HK$1 = new Taiwan dollar 3.82.

The total deficit of the Group as at 30 September 2012 was approximately HK$1,101.3 million (as at 31 March 2012: the total equity of the Group was approximately HK$1,231.2 million). Gearing ratio calculated on the basis of the Group's total debts (interest-bearing bank and other borrowings plus Convertible Bonds and Consideration Bonds) over shareholders' funds was approximately (211.2%) (as at 31 March 2012: approximately 193.7%). Given the high financing costs associated with the Credit Line, the Directors are of the view that although the Credit Line will not become due until 2014, it is in the interest of the Company to repay part of the Credit Line.

The Directors were aware of the interest burden and the worsened gearing at the time when the Company published the 2nd VSA Circular. At the time of publication of the 2nd VSA Circular, the Directors were satisfied that the impact of the interest burden and gearing was acceptable.

Nevertheless, combined with the Group's net loss position for the period ended 30 September 2012 and the delay in the Company's commercial production of polycrystalline silicon, the Directors consider that it is not desirable for the Company to continue to bear high financing costs associated with the Credit Line until they become due in 2014.

The Company originally planned to rely principally on the surplus cashflow to be generated from the polycrystalline silicon operation after commencement of commercial production to fund the repayment of the outstanding Debts.

However, given that commercial production of polycrystalline silicon cannot commence until the necessary enhancement work and the construction of the recycling facility have been completed, the Company is currently not in the position to estimate a reliable amount of cash flow to be generated from the production of polycrystalline silicon. Moreover, the estimated cashflow has been prepared by Sun Materials for the impairment test which was carried out by the Valuer for the 2012 interim results. Save as disclosed in the Company's 2012 interim report, which was dispatched on 24 December 2012, the basis of the preparation has been disclosed. There has been no material change in respect of the information disclosed since the publication of the 2012 interim report to the Latest Practicable Date.

Even if commercial production will commence shortly, the Company estimates that the amount of surplus cashflow to be generated from the polycrystalline silicon operation may still fall short of the total amount required to fund the repayment of all the outstanding Debts before their maturity. This is because the Debts will mature soon and because of the delay in the commencement of commercial production, the Company would not be able to generate cashflow from the polycrystalline silicon operation. As at the Latest Practicable Date, the Company expects that the total amount of cash which could be generated from the polycrystalline silicon operation before the maturity of the Debts is zero. Accordingly, the Company believes that it is necessary to explore other means of financing, including further equity fund raising, to generate funds to finance the repayment of the Debts.

Application of use of net proceeds

Having taking into account the new Shares issued under the Issue Mandate and the resulting additional Rights Shares to be issued, the estimated net proceeds from the Rights Issue will be approximately HK$494.61 million, of which approximately HK$137.12 million, representing approximately 27.72% of the net proceeds from the Rights Issue, will be applied to the implementation of recycling plant and facilities as disclosed in the 2nd VSA Circular, and the remaining of approximately HK$357.49 million, representing approximately 72.28% of the net proceeds from the Rights Issue, will be applied to the repayment of part of the Credit Line.

The summary of the net proceeds from the Rights Issue will be applied as follows:

			HK$ million approximately
(A)	**Capital expenditure — for implementation of recycling plant and facilities** *(Note 1)*		
	—	apply to additional civil work, general utility/piping, the production/piping and building costs for the extension part *(Note 2)*	53.50
		Less: Progress payment	(11.58)
			41.92
	—	apply to the purchase of additional and/or refined factory's machineries/piping *(Note 2)*	95.20
(B)	**For repayment of the Credit Line**		357.49
Total			**494.61**

Notes:

1. The costs are estimated on the basis of enhancing the plant to operate on its commercial designed capacity.

2. These relate to enhancing production facilities to address the risk as set out on pages 32-33 in the section headed "Reasons for the Rights Issue and use of proceeds".

With respect to the enhancement work in relation to the implementation of the recycling plant and facilities, the "additional civil work, general utility/piping, the production/piping and building costs for the extension part" covers the construction costs of new buildings to house new gas decomposing facilities and other ancillary facilities for the transfer of gas to and from the production unit to the recycling plant of the Group's production facilities.

The "purchase of additional and/or refined factory's machineries/piping" is needed to construct new recycling reactors to store and break down the hydrofluoric acid discharge and construct additional piping to cope with the increased processing power/storage capacity of the recycling plant.

Set out below is summary of the expected capital expenditure plan for the Group's polycrystalline silicon business for the next 12 months from the Latest Practicable Date:

Items for the enhancement of the recycling facilities for the existing plant	Approximate amount *(HK$' million)*	Actual start date	Actual/ Expected finish date
Civil work	31.4	June 2012	March 2013
General utility and related piping work	10.5	July 2012	March 2013
Plant production machineries	95.2	Commence upon completion of civil work and general utility and related piping work	By first half of 2013
Total	**137.1**		

The timing for purchasing the office equipment and tools is dependent upon the progress of the piping work and the construction of a recycling plant. It is expected that the purchase of plant production machineries will be completed by first half of 2013. As a reference, set out below is the schedule with the milestone dates and percentage of completion of the civil work, general utility and piping:

Percentage of completion	Estimated completion date	Completion took place in
1. Civil Work		
10%	10 June 2012	June 2012
35%	20 August 2012	August 2012
60%	20 October 2012	October 2012
75%	5 December 2012	December 2012
90%	25 December 2012	February 2013
100%	31 January 2013	March 2013

Percentage of completion	Estimated completion date	Completion took place in
2. General Utility		
10%	10 June 2012	July 2012
35%	20 August 2012	December 2012
60%	20 October 2012	January 2013
75%	5 December 2012	January 2013
90%	25 December 2012	February 2013
100%	31 January 2013	March 2013
3. Piping		
50%	18 January 2013	December 2012
100%	22 February 2013	February 2013

As at the Latest Practicable Date, the Group has not commenced full production of its polycrystalline silicon business. The nature of the Group's other principal businesses in trading in securities and money lending is such that they have no fixed business cycle and are dependent on market conditions. The business cycle of the Group's manufacturing and trading business ranges from a few weeks to a few months depending on the product specifications. As such, the Group has no specific business cycle and it is impossible to give an exact estimate on such length accordingly. Despite there are delays in the enhancement work of the recycling facilities of the existing plant, to the best of knowledge, information and belief of the Directors, such delays shall not have any material adverse impact to the existing operation of the Group.

As set out in the calculation report prepared by the Valuer in the Circular (the "**Calculation Report**"), based on the information provided by the management of the Group to the Valuer, the sales volume of the existing plant was forecasted at 2,593 metric tons, which represents approximately 74% utilization of the designed production capacity of the existing plant of 3,500 metric tons.

In order to achieve the above estimated sales volume, the operations team that led by Dr. Wu has been working on upgrading the factory processes to lower the cost structure in order to be competitive in the current pricing environment. The construction of the new building to house the recycling facility, gas decomposition facility and gas supply system has been completed and an operation permit dated 15 March 2013 issued by Yilan County was received by the Group on 21 March 2013. As at the Latest Practicable Date, the Company has three existing legally-binding offtake agreements which have not been terminated by the customers due to delays in production and changes in pricing environment. The customers are aware of the new technology aspect of the business which allows the production of polysilicon at a lower cost and are prepared to continue to support the Company going forward. However, due to the delays in production, the parties under the said offtake agreements have agreed that certain terms of the offtake agreement such as the price and quantities to be purchased may be subject to further revision, subject to when the commercial production of the polysilicon is commenced. Nevertheless, to the best of knowledge, information and belief of the Directors, assuming there is no material adverse change in the market, the scale of the aggregate annual consumption capacity of these three customers is large enough to take up the expected annual production of the polysilicon of the Group. On this basis, assuming the Rights Issue and the commercial production of polycrystalline silicon commences as planned, the Company is optimistic that the customers would continue to support the Company and the estimated annual sales target of polycrystalline silicon is achievable.

The capital expenditure of approximately HK$137.1 million (equivalent to approximately US$17.6 million) will mainly be used for the enhancement of the Company's existing plant to enable it to reach full production capacity.

A review of the Group's existing production capacity as well as floor plan has revealed that to reach full-scale production, prompt enhancement should be made to two major areas of the production cycle, namely decomposition and recycling/regeneration.

More decomposition reactors are essential to produce sufficient silicon tetraflouride to match the existing reactive combustion chambers whereas enhancement of the recycle/regeneration functions of the plants is essential for the Group to comply with the relevant environmental laws and regulations.

Accordingly, a new gas production and recycling building with related piping facilities and equipment, such as material drying systems, gas compression systems and scrubbers, should be constructed to accommodate the increased production capacity.

Having weighed the costs and benefits associated with various financing options, the Directors have come to the view that the Rights Issue is the more acceptable option. As such, the Directors believe that it is in the best interest of the Company to raise funds by means of the Rights Issue and that it is currently an optimal time.

Under the current market conditions, the Directors believe that it is difficult to secure an underwriter to commit to a rights issue. As such, the Directors are of view that the support from the Underwriter for the Rights Issue has presented an opportunity to increase the Company's equity capital base and reduce the Company's gearing while raising funds through alternative sources are not feasible or desirable as disclosed in this Prospectus.

The Board is also aware of the dilution impact of the Rights Issue in the case of low participation, and acknowledges that this is a downside of the Rights Issue. For the reasons below, the Board is of the view that the Rights Issue is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole:

(i) As compared to other equity alternatives, the Shareholders are offered an equal opportunity to participate and can benefit from the nil-paid share trading if they choose not to take up their entitlements. The major terms of the Rights Issue are in line with those generally adopted in Hong Kong for rights issues conducted on a fully-underwritten basis.

(ii) The dilution impact should not be considered in isolation and should be assessed against the potential benefits of the Rights Issue (which are set out under the section headed "Reasons for the Rights Issue and use of proceeds" in this Prospectus) to the Company and its Shareholders as a whole.

(iii) Other equity fund-raising alternatives such as a placing of Shares will equally have a material dilution impact on the shareholding of the Shareholders.

Having weighted the pros and cons of each of the alternatives, the Directors conclude that the Rights Issue is the best method for the Company to raise funds in view of the current market environment.

Apart from the Rights Issue and the Note Placing, the Company will continue to seek available financial resources including further fund-raising activities and/or pursuing strategic investors and partners for its operations to reduce its debt level and to enhance its working capital.

The intended uses of proceeds from the Rights Issue were arrived at after the Directors' due and careful consideration. The Directors consider that the intended uses of proceeds are specific and well-defined with the flexibility to use as intended to the Company. The Rights Issue will give every Qualifying Shareholder an opportunity to subscribe for and maintain its pro-rata interests in the Company. Furthermore, the Company believes that the Rights Issue will enhance its capital base and financial position.

WORKING CAPITAL NEEDS OF EACH OF THE GROUP'S BUSINESS SEGMENTS IN THE NEXT 12 MONTHS

The Group's major business segments other than the polycrystalline silicon operation are mature and financial resources previously deployed in running their operations are sufficient to satisfy the working capital needs at their existing levels of activities for the next twelve months. Furthermore, there is no plan to expand the scale of activities of these business segments in the foreseeable future.

Set out below are the working capital requirements by business segments for the next 12 months:

Loan financing and investment segments

Activities in both the loan financing and investment segments are now less active than before. In fact, the Company commenced liquidation of its investments in securities and repayment of its loans receivable from the first quarter of 2012. The Company does not plan to inject additional working capital to its loan financing and investment segments and both segments are and will be financed by the working capital already deployed. As at the Latest Practicable Date, the Group has no outstanding loan receivable and investments.

Property investment segment

Income from property investment is secured by one tenancy agreement with third party for a term of five years. Currently, the operation of the property investment segment is financed by the rental income generated from its property investment portfolio.

Manufacturing and sale of accessories for photographic and multimedia products segment

The manufacturing and sale of accessories for photographic and multimedia products segment is able to generate sufficient cash to fund its own operation. Furthermore, this segment has maintained an average cash balance of approximately HK$10.0 million in the past two years. Therefore, the Company believes that there will be sufficient self-generated funds to support this operation in the next 12 months from the Latest Practicable Date.

With respect to capital expenditure, the manufacturing plants in respect of this segment are all located in China and are fully equipped for operation. Accordingly, no material capital expenditure is expected in the next 12 months from the Latest Practicable Date.

Polycrystalline silicon segment

Based on the existing factory size and costs incurred on a monthly basis for the last 12 months, the working capital required for the normal operation (such as administrative expenses, including staff costs) of the polycrystalline silicon business was approximately HK$2.8 million per month. Based on the Company's preliminary analysis (assuming there will be no further need for capital expenditure and no income will be generated), the Company will require additional working capital in the amount of approximately HK$33.6 million to maintain the daily operation of the polycrystalline silicon business for the next 12 months from the Latest Practicable Date. The additional working capital will be allocated from the Credit Line and/or proceeds from further fund raising exercises.

Other segments (including unallocated corporate expenses)

Based on the Company's audited accounts for the year ended 31 March 2012, average operating costs (excluding the legal and professional expenses for the acquisition of Sun Mass and non-cash flow items such as changes in fair value of securities, depreciation, amortization of interest expenses of the Debts) amounted to approximately HK$2.5 million per month in which approximately HK$1.1 million was attributable to staff costs. Furthermore, the aggregate interest payment for the next 12 months from the Latest Practicable Date is approximately HK$123.87 million. The aggregate working capital required is approximately HK$153.87 million which will be covered by the Credit Line and/or proceeds from further fund raising exercises.

The existing internal sources of funds applied to these segments are allocated from the Group's cash and bank balance and the Credit Line. As at the Latest Practicable Date, the cash balance of the Group is approximately HK$55.0 million.

In summary, the total working capital requirements not intended to be covered by proceeds from the Rights Issue amount to approximately HK$187.47 million for the next 12 months, which are to be satisfied from the Company's existing financial resources and/or Credit Line and/or proceeds from further fund raising exercises.

SUMMARY OF KEY EVENTS — THE DELAY IN THE COMMERCIAL PRODUCTION OF POLYCRYSTALLINE SILICON

Set out below is a summary of the key events and developments leading to the delay in the commercial production of polycrystalline silicon by the Group for a period from the publication of the 1st VSA Circular to the publication of the 2nd VSA Circular:

Date	**Event/Development**
20 May 2011	Publication of the 1st VSA Circular
From late 1st quarter to the 3rd quarter of 2011	On-going sodium fluorosilicate decomposition tests conducted on the new second-generation decomposition reactor delivered on 28 March 2011 revealed that the feeding system of the reactor did not allow thorough decomposition of the sodium fluorosilicate because of frequent blockages of the feeding channel during the process. The blockages resulted in a lower level of efficiency because of the frequent maintenance cycles, which the Company has been finding ways to resolve the problem during the 2nd and 3rd quarters of 2011.
On-going through November 2011	The Group commenced on-going reassessment of the efficiency of the sodium fluorosilicate decomposition reactor, which generates silicon tetrafluoride. A decision was made to re-design the reactor and the new third-generation reactor was delivered on 15 September 2011. The new design was radically different from the old system and eliminated the material feeding problem. The reactor was put into use in October 2011 and provided an improvement to the overall efficiency compared with the previous second-generation design. However, during testing, it was found that the reactor was not sufficiently robust to handle the new pressure level required to achieve a silicon tetrafluoride concentration of 80%.

Date	Event/Development
December 2011	Extensive improvement work to the reactor completed by the reactor vendor but the pressure related issues could not be resolved with the existing third generation reactor design. Dr. Wu and his team requested more time to proceed with a new fourth-generation design.
December 2011	The Directors resolved to accept Dr. Wu's recommendation and allow Dr. Wu more time to refine the decomposition process in order to achieve the targeted concentration level of 80% for silicon tetrafluoride.
19 December 2011	Publication of the 2nd VSA Circular.

PREVIOUS FUND-RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Save as disclosed below, the Company has not conducted any fund-raising activities in the past twelve months before the Latest Practicable Date:

Date of initial announcement	Description	Net proceeds (approximately) *HK$*	Intended use of net proceeds	Actual use of net proceeds *HK$*
19 June 2012	Placing of 57,084,736 new Shares under general mandate at a price of HK$0.24 per Share	HK$12.7 million	Approximately HK$11.7 million would be used for the down payment for the construction of the new facility building of the Group's polycrystalline silicon business and the remaining balance of approximately HK$1 million would be utilised for the construction works, details of which were set out in the Company's announcement dated 19 June 2012	Used as intended. Approximately HK$11.7 million was used for down payment for the construction of the new facility building and approximately HK$1 million for electric works for the Group's polycrystalline silicon business

Date of initial announcement	Description	Net proceeds (approximately) *HK$*	Intended use of net proceeds	Actual use of net proceeds *HK$*
8 November 2012	Placing of 68,501,684 Shares under general mandate at a price of HK$0.17 per Share	HK$11.10 million	General working capital	Used for the partial redemption of the Consideration Bonds
24 December 2012 *(Note)*	Placing of 176,000,000 Shares at a price of HK$0.165 per Share	HK$27.62 million	To repay part of the indebtedness of the Group	Terminated on 30 January 2013
28 December 2012	The Note Placing	Up to HK$94.8 million	To repay part of indebtedness of the Group	Yet to be completed
22 February 2013	Placing of 306,910,020 Shares under the Issue Mandate at a price of HK$0.10 per Share	HK$29.44 million	To repay part of the indebtedness of the Group	Used as intended

Note: Such proposed placing was terminated on 30 January 2013. Details of which are set out in the announcement of the Company dated 30 January 2013.

ADJUSTMENTS IN RELATION TO THE CONVERTIBLE BONDS, SHARE OPTIONS AND SHARE OPTIONS UNDER THE OPTION DEEDS

The Rights Issue may lead to adjustments to (i) the conversion price and/or the number of Conversion Shares to be issued upon exercise of the conversion rights attached to the Convertible Bonds pursuant to the relevant terms of the instrument constituting the Convertible Bonds; and (ii) the exercises prices and/or the number of new Shares to be issued upon exercise of the Share Options and the share options under the Option Deeds pursuant to the relevant terms of the Share Option Scheme and the Option Deeds. The adjustments are subject to the review by the auditors appointed by the Company. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

BUSINESS REVIEW OF THE GROUP

For the six months ended 30 September 2012 (the "**Period**"), the loss attributable to shareholders for the Period recorded as approximately HK$2,392.2 million, which increased by approximately HK$2,046.4 million, as compared to a loss of approximately HK$345.8 million at the same period last year. The loss was mainly attributable to:

(i) As at 30 September 2012, an impairment of approximately HK$1,921.0 million was made by the Company against the aggregated carrying value of the investment in Sun Mass Group. The basis of determination of the impairment is primarily based on the valuation report dated 28 November 2012 (the "**Report**") in respect of the Group's polycrystalline silicon business in Taiwan. The Report indicated that the value in use of business enterprise of the Group's polycrystalline silicon business (on the existing plant scenario) is reasonably stated as approximately HK$780.0 million (USD100.0 million);

(ii) an increase in finance costs by approximately HK$177.7 million, from approximately HK$37.0 million to approximately HK$214.7 million in which approximately HK$2.1 million arising from interest expenses paid for bank and other borrowings, approximately HK$94.0 million arising from the amortisation of interest expenses for Convertible Bonds and approximately HK$118.6 million arising from the amortisation of interest expenses for Consideration Bonds during the Period;

(iii) a change of fair value on derivative financial instrument of the Company's Consideration Bonds which resulting of approximately HK$101.1 million loss as at 30 September 2012 (As at 30 September 2011: Nil);

(iv) an aggregated loss on early redemptions of the Company's Consideration Bonds during the Period of approximately HK$86.4 million (2011:Nil);

(v) a decrease in investment income (investments in shares and provision of finance) by approximately HK$16.6 million, from approximately HK$17.2 million to approximately HK$0.6 million during the Period;

(vi) the fair value losses of approximately HK$22.2 million in financial assets at fair value through profit or loss, which was decreased by approximately HK$273.5 million from approximately HK$295.7 million during the Period.

The basic and diluted loss per share was HK$7.59 for the Period. The basic and diluted loss per share was adjusted to reflect the impact of the share consolidation effected on 26 April 2012.

Solar grade polycrystalline silicon

Result

No turnover was generated from solar grade polycrystalline silicon segment with no commercial production was commenced during the Period and the same period last year. With the completion of acquisition of 50.1% and 49.9% interest in Sun Mass Group, which is engaged in solar grade polycrystalline silicon's business, in July 2011 and January 2012 respectively, the segment loss increased by approximately 196.9 times, from approximately HK$9.9 million in the same period last year to approximately HK$1,949.4 million for the Period, in which approximately HK$1,921.0 million was arising from the impairment loss on the Group's polycrystalline silicon's business, which amount of approximately HK$1,732.0 million allocated to intangible asset and approximately HK$189.0 million allocated to the property, plant and equipment.

Impairment

During the Period, as a result of severe and challenging market conditions in the solar industry in the year of 2012 which impacted the selling prices of the polysilicon in the industry, the Group carried out a review of the recoverable amount of related cash generating unit ("**CGU**"), during the period with the assistance from an independent valuation firm.

HKAS 36 set out that the recoverable amount of the CGU is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of a CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

In preparing the impairment test of Sun Mass Group as a CGU, the Group has observed HKAS 36 and has prepared recoverable amount analysis under both fair value less costs to sell and value in use premises. Since the results from the two premises are close, the management decided that it is reasonable to adopt the value in use premise, which was based on the discounted cashflow ("**DCF**") analysis. Under relevant valuation guidelines, if there is no comparable intangible asset in the market when valuing an intangible asset for the purpose of impairment test and in order for allocating the impairment amount to different classes of assets, it is appropriate to adopt DCF under the income approach than market approach even though income approach involves more judgments or forward looking statements. The use of income approach can estimate not only free cash flows of a business unit but also incremental cash flows attributable to a specific intangible asset. Thus, in the Group's interim report for the period ended 30 September 2012, income approach was used as it was more relevant from the context of impairment test.

The calculation was based on the future pre-tax cash flows expected to arise from the CGU for the next five years using a pre-tax discount rate of 22%. The pre-tax discount rate of 22% was derived by setting the same equity value results from a post-tax cashflow using a post-tax discount rate and a pre-tax cashflow using a pre-tax discount rate.

The post-tax discount rate was estimated based on the estimated weighted average cost of capital ("**WACC**"), which incorporated the cost of equity and debt, weighted by the proportionate amount of each source of capital in the capital structure. The cost of equity was developed through the application of the Capital Asset Pricing Model ("**CAPM**"), with reference to comparable companies' historical beta. In addition, small size risk premium and company-specific risk premium were also added to the cost of equity derived by CAPM. Another component of WACC was after-tax cost of debt, which was based on the latest borrowing rate of the subject and the standard tax rate. Taking the industry's capital structure as a proxy is the notion that the subject's operation will converge to the industry level in the long run. The cash flows beyond the next five years are extrapolated using a nominal growth rate of 3%. Other key assumptions adopted in the DCF analysis under the value in use premise are set out below:

1. production facility was expected to commence operation in the first half of 2013 based on the management's estimation;

2. Average selling price ("**ASP**") was estimated at approximately US$23.7/kg in 2013 and was estimated to change in line market analysts forecast; and

3. Cash manufacturing costs, comprising raw materials, electricity and manufacturing overhead, which were estimated to be approximately US$14/kg by a technical consultant commissioned by the Company. In relying on the technical report, cash manufacturing costs were expected to remain constant throughout the projection period;

4. Operating expenses ("**OPEX**") including selling, general and administrative expenses were estimated to be less than 10% of revenue throughout the projection period. Management estimated the OPEX based on the planned headcount, rental and miscellaneous expenses;

5. an estimated sales volume in the first full year of operation represents approximately 74% utilization of the designed production capacity of the existing plant and gradually increase to a long-run target of 86%. The planned utilization rate is in line with the industry practice; and

6. all polysilicon produced are sold.

Accordingly, an impairment loss of HK$1,921.0 million is recognised in the profit and loss. No impairment assessment was performed for the year ended 31 March 2012.

In the circular of the Company dated 19 December 2011, a calculation report has been disclosed in relation to the calculated value of business enterprise of Sun Materials as of June 30, 2011, which was based on market approach – guideline company method. Certain key assumptions under the calculation report are different from the ones for impairment analysis and are stated below:

1. production facility was expected to commence operation in late December 2011;

2. ASP was estimated at approximately US$32.6/kg in the first full year production period; and

3. Cash manufacturing costs were estimated to be US$12.8/kg.

Based on the progress of the development, the technical report prepared by PHOTON Consulting, LLC and the impairment test report prepared by the Valuer in respect of the Group's polycrystalline silicon business, the Company discussed and concluded to adopt the one plant scenario for the impairment test. It is mainly due to (i) the change of the market conditions, especially the change of the spot price of the polycrystalline silicon; (ii) the delay in respect of the inflow of the expected economic benefits generated from Sun Materials; (iii) the prolonged delay in the process of a proposed fund arising activity which has a significant impact on the Group's short-term funding for its working capital; and (iv) an adoption of a prudent approach to estimate the impairment loss. Independent professional parties will continue be engaged to advise the Company in respect of the market conditions and the core technology. Furthermore, an impairment test will carry out at least on each future reporting date/period for the management to review and consider.

In order to give more information to the investors or shareholders of the Company in relation to Sun Materials, the Group has engaged the Valuer in the preparation of the Calculation Report, as set out in the Circular. The Valuer has adopted and presented the market approach in the Calculation Report when assessing the enterprise value of Sun Materials. Market approach was adopted as an industry practice given the availability of comparable companies of the subject entity and that less judgment would be involved when compared to the income approach. Therefore, market approach has been consistently adopted in 1st VSA Circular, 2nd VSA Circular and the Calculation Report dated 28 March 2013 in the Circular.

To the best of knowledge, information and belief of the Directors, between the period from 30 September 2012, being the measurement date of the Calculation Report ("**Measurement Date**") and up to the Latest Practicable Date, there was no material change to the business plan of the Group. Having considered: (i) the up-to-date information of Sun Materials as per the said business plan; (ii) the impact of delay of commencement of commercial production due to implementation of recycling facilities from the 2nd VSA Circular to the Measurement Date; and (iii) among the ten comparable companies selected in the Calculation Report (source: Bloomberg), seven of them showed an increase in the market capitalization from 30 September 2012 to 28 February 2013, representing that there was no material adverse change in the manufacturing of polysilicon or other products for solar energy market, the Valuer advised that, as at the Latest Practicable Date, the calculated values of Sun Materials up to the end of February 2013 shall not be materially different from the Measurement Date.

Investments

During the Period, the dividend income on investments in shares decreased by 99.1% from approximately HK$4.6 million to approximately HK$0.04 million as compared with the same period last year. The net loss from investment in shares was approximately HK$22.2 million, 92.5% lower than approximately HK$295.7 million as compared with the same period last year. The proceeds from disposal of investments were utilised for the working capital of the Group.

Loan financing

During the Period, interest income from provision of finance significantly decreased by 21 times from approximately HK$12.6 million to approximately HK$0.6 million as compared with the same period last year, mainly due to decrease in number of customers. All loans and interest receivables were duly settled as at 30 September 2012 and no provision for loan receivable was made during the Period. The amounts received from loan receivables were utilised for the working capital of the Group.

Property investment

During the Period, with the utilisation of empty space and generating additional funding as working capital for the segment of property investment, the Group rent out a unit of Room 2501, China United Centre, 28 Marble Road, North Point, Hong Kong to an independent third party. With the utilisation of other investment properties remain unchanged, rental income from investment properties increased from approximately HK$0.7 million to approximately HK$1.5 million, representing an increase of 2.1 times as compared with the same period last year.

Manufacture and sale of accessories

The segment's turnover slightly increased by approximately HK$3.4 million, from approximately HK$89.2 million to approximately HK$92.6 million, as compared with the same period last year. With the provision of the sales value added tax and the continuous increase in wages and salaries, gross profit margin slightly decreased from 28.7% to 27.1%. The segment's result decreased by approximately HK$2.3 million, from approximately HK$7.0 million to approximately HK$4.7 million, as compared with the same period last year.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The economic outlook for 2013 remains to be uncertain. Sovereign debt problems in Europe, the fiscal cliff conundrum in the United States are amongst the main factors posing continual risks and uncertainties to the recovery and stability of major economies and financial markets around the world, despite the loose monetary measures taken by major central banks globally. At an industry specific level, the photovoltaic industry and particularly the polycrystalline silicon market continue to be under pressure from a combination of an oversupply issue from aggressive industry capacity expansion over the past few years and weakening feed-in-tariff support in Europe. The macro short term view is that the industry will continue its current shakeout of weaker players in the near term but with many polysilicon manufacturers without long-term contract support selling at a spot price below their cash costs, we should be nearing an inflection point and should see a capacity reduction in the coming months as weaker players continue the quicken the pace of shut down or exit the industry.

In respect of the Group's polycrystalline silicon business, the Group is conservatively optimistic about the future development of Sun Materials in the green energy industry, and will be substantially engaged in manufacturing and trading of polycrystalline silicon and potential future expansion into downstream segments of the photovoltaic industry.

The Group's future prospects would depend primarily on the commencement of commercial production of polycrystalline silicon by Sun Materials and the future success of this business operation in the light of prevailing market conditions in the solar energy and polysilicon industries. As earlier mentioned a recycling facility with additional enhanced production equipment is currently being constructed to enable cost effective and environmentally safe products can be produced upon the launch of commercial production. The progress of the construction of this facility is currently underway and is progressing in line with plan generally. The coming few months will be critical as far as completion of the construction of the recycling facility is concerned and the Group is continuously monitoring the ongoing progress closely such that commercial production can be successfully launched within our anticipated timing in the first half of 2013.

On the other hand, the Group's available financial resources have been stretched to a less than satisfactory level. The Company has been exploring various initiatives to seek new funding as demonstrated by the recent placement of new shares. Efforts to explore new financing including a planned rights issue as well as debt restructuring are ongoing with a view to restore the Group's financial position in due course.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Shares have been dealt in on an ex-rights basis from Monday, 22 April 2013. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 2 May 2013 to Thursday, 9 May 2013 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form who are in any doubt about their positions are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 2 May 2013 to Thursday, 9 May 2013 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

PERMISSION OF THE BERMUDA MONETARY AUTHORITY

Permission under the Exchange Control Act 1972 of Bermuda (as amended) (and regulations made thereunder) has been granted by the Bermuda Monetary Authority in respect of the issue of the Rights Shares to persons regarded as non-residents of Bermuda for exchange control purposes subject to the requirement that the Shares are listed on the

Stock Exchange. In granting such permission and in accepting the Prospectus for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for the financial soundness of the Group or for the correctness of any statements made or opinions expressed in this Prospectus.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
MASCOTTE HOLDINGS LIMITED
Lo Yuen Wa Peter
Managing Director

1. DIRECTORS AND SENIOR MANAGEMENT

Particulars of Directors and senior management

Name	Address
Executive Directors	
Mr. Peter Temple Whitelam *(Chairman)*	Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. Lo Yuen Wa Peter *(Managing Director)*	Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. Eddie Woo	Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. Suen Yick Lun Philip	Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. Lau King Hang	Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong

Name	**Address**
Independent Non-executive Directors	
Mr. Frank H. Miu	Flat B, 15th Floor, Tower 8 Phase 1, Resident Bel-Air 28 Bel-Air Avenue Island South Hong Kong
Dr. Agustin V. Que	Unit 14A South Wing Fairways Tower 5th Ave Bonifacio Global City Metro Manila Philippines
Mr. Robert James Iaia II	Room G, 8th Floor Odeon Building 28 Shu Kuk Street North Point Hong Kong
Mr. Hung Cho Sing	Flat C, 21/F., Block T8 Island Resort 28 Siu Sai Wan Road Siu Sai Wan Hong Kong
Senior management	
Ms. Chan Oi Ling, Maria Olimpia	1st Floor Po Chai Industrial Building 28 Wong Chuk Hang Road Aberdeen Hong Kong

Executive Directors

Mr. Peter Temple Whitelam, aged 83, was appointed as an executive Director in August 2007 and the Chairman of the Board in April 2008. He is a specialist consultant in global branding and international communications. After graduating from Pembroke College, Oxford University, he joined British Broadcasting Corporation before winning a Fulbright Scholarship to study educational radio and television in the United States of America. Following four years at NBC-TV in New York, he began a long career in advertising, creating national and international campaigns for such clients as British Airways, Unilever, Nabisco, ESPN, Colgate, Cadbury, General Motors, American Express, Nomura Securities, and the Bank of Montreal. He has worked as a creative strategist in Boston, New York, London, Montreal, Toronto, Tokyo and Taiwan and has received international awards. Recently he has been developing brand strategies both for companies and government agencies. This is combined with his knowledge and interest in documentary film. He has a long-time acquaintance with Asia, having visited and worked in eight different countries in the Asia Pacific region. He is currently an independent non-executive director of Freeman Financial Corporation Limited (Stock Code: 279), a company listed on the main board of the Stock Exchange.

Mr. Lo Yuen Wa Peter, aged 51, joined the Group as Financial Controller and Company Secretary in May 2008. He was appointed as an executive Director and acting Chief Executive Officer in July 2008, and he was re-designated as Managing Director in July 2011. He studied and obtained his professional qualification in Accountancy in the United Kingdom. He is a member of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants. He has 28 years, experience in auditing, accounting, investment, financial and corporate management.

Mr. Eddie Woo, aged 41, was appointed as an executive Director in March 2010 and also serves as President of our Sun Materials Technology Co., Ltd. subsidiary. He was previously an executive director in the Asia investment banking group of Oppenheimer & Co. Inc., a North American investment bank with extensive operations and experience in the Greater China region, and its predecessor, CIBC World Markets. His responsibilities included significant financing activities for Chinese companies including initial public offerings, mergers and acquisitions, private placements and other related advisory work. He joined CIBC World Markets in 2000 as a research analyst. In 2003, he helped start Mekong Airlines in Cambodia, serving as a board director and chief financial officer before returning to CIBC World Markets during early 2004 as a director within the equity research group. He received his Master's degree in Business Administration from the University of San Francisco and his Bachelor's degree from the University of California, Santa Cruz.

Mr. Suen Yick Lun Philip, age 44, was appointed as an executive Director and the Company Secretary in April 2011. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and is a member of the CPA Australia and holds a Bachelor's degree in Accountancy from Queensland University of Technology and a

Master's degree in Corporate Finance from The Hong Kong Polytechnic University. He has over 15 years of experience in finance and accounting. Prior to joining the Company, he was responsible for accounting and finance matters for several listed companies in Hong Kong. During the period from 2 September 2010 to 14 March 2011, he was an executive director of Freeman Financial Corporation Limited (Stock code: 279), a company listed on the main board of the Stock Exchange.

Mr. Lau King Hang, aged 41, a resident of Hong Kong with Taiwan Passport, joined the Company as an assistant Director in March 2010. He was appointed as an executive Director in June 2011. He graduated from National Taiwan University with a Bachelor degree in Chemistry. He is a member of The Hong Kong Institute of Director and is a member of The Hong Kong Management Association and obtained the title of Professional Manager. He is responsible for assisting operations of Sun Materials Technology Co., Ltd. and is report to the Board. He has over 10 years of extensive management experience in sales and marketing in high technology, chemical industry, packaging and printing services, food and beverage operations.

Independent Non-executive Directors

Mr. Frank H. Miu, aged 63, was appointed as an independent non-executive Director in December 2009. He is also the chairman of the audit committee and the remuneration committee of the Board and a member of the nomination committee of the Board. He holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota in the United States of America. He is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a fellow of The Hong Kong Institute of Directors. Aside from about 15 years of professional experience in accounting and law, he has extensive management experience in financial services, publishing and printing, food and chain restaurants, cold storage as well as property-related businesses. He was formerly an executive director of Radford Capital Investment Limited (Stock Code: 901) from March 2009 to December 2009 and a managing director from June 2011 to August 2011, and executive director of Dragonite International Limited (Stock Code: 329) from April 2010 to May 2010 and a non-executive director from May 2010 to July 2011. He is currently also an independent non-executive director of Willie International Holdings Limited (Stock Code: 273), an independent non-executive director of Freeman Financial Corporation Limited (Stock Code: 279) and an independent non-executive director of Tack Fiori International Group Limited (Stock Code: 928), all of which are companies listed on the main board of the Stock Exchange. He is also an independent non-executive director of Duoyuan Global Water Inc., a company listed on New York Stock Exchange.

Dr. Agustin V. Que, aged 66, was appointed as an independent non-executive Director in January 2010. He is also a member of the audit committee, the remuneration committee and the nomination committee of the Board. He holds Doctor of Philosophy and Master degree in Business Administration, both majoring in Finance, from the Wharton School of the University of Pennsylvania in Philadelphia, Pennsylvania, United States of America. He has been involved in the field of finance for more than 35 years as a private equity investor, merchant banking, corporate and development finance professional in Jakarta, Hong Kong, Singapore, Boston and Washington, District of Columbia. He recently returned to Manila after 15 years in Jakarta where he was corporate finance adviser to an Indonesian holding company with diversified interests in agribusiness, property and financial services. In this position, he was responsible for mergers and acquisitions, new investments, business development and investment banking activities. Prior to Jakarta, he worked in the financial sector in Hong Kong for 12 years. He started his career in finance in Washington, District of Columbia, United States of America with The World Bank, over a period of 10 years. His last posting was senior investment officer in the capital markets department of the International Finance Corporation, The World Bank's private investment arm. He is currently an independent non-executive director of Freeman Financial Corporation Limited (Stock Code: 279), a company listed on the main board of the Stock Exchange.

Mr. Robert James Iaia II, aged 44, was appointed as an independent non-executive Director in June 2010. He is the chairman of the nomination committee of the Board and a member of the audit committee and the remuneration committee of the Board. He holds a Bachelor of Arts from Central Connecticut State University in the United States of America and a Master degree in Real Estate from the University of Hong Kong. He has over 11 years' experience in the real estate and equities market and lived and worked in Asia for over 20 years, primarily in Seoul and Hong Kong. In addition to extensive experience in private equity real estate, he also traded Asian equities at Samsung Securities in Seoul and Societe Generale in New York. He is currently an independent non-executive director of Tack Fiori International Group Limited (Stock Code: 928), a company listed on the main board of the Stock Exchange.

Mr. Hung Cho Sing, aged 72, has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. He has been the chairman of Hong Kong, Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association Limited from 1993 to 1995. He was appointed by the HKSAR Government as a member of the Hong Kong Film Development Council since 2007.

He was also appointed as a director of the China Film Association since 2009. He is also a member of HKSAR Election Committee and a vice-chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council. He was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong Film industry. Recently, he has been appointed by the HKSAR as member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission on an ad personam basis for a term of two years with effect from 17 January 2013. Currently, he is an independent non-executive director of China Star Entertainment Limited (stock code: 326), non-executive director of Capital VC Limited (stock code: 2324) and an independent non-executive director of Freeman Financial Corporation Limited (stock code: 279), which are companies listed on the main board of the Stock Exchange.

Ms. Chan Oi Ling, Maria Olimpia, aged 68, is the founder of the Group. Ms. Chan was the chairman of the Company up to 7 April 2008. After resignation from the Board, Ms. Chan remains a director of certain subsidiaries of the Company so as to facilitate her to give advice and pass on her valuable experience in the manufacturing and sales of goods operations. Ms. Chan has over 40 years' experience in the industry of manufacturing and sale of accessories for photographic products.

2. CORPORATE INFORMATION

Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Head office and principal place of business	1st Floor Po Chai Industrial Building 28 Wong Chuk Hang Road Aberdeen Hong Kong Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong

Company secretary	Mr. Suen Yick Lun Philip
Authorised representatives	Mr. Lo Yuen Wa Peter Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
	Mr. Suen Yick Lun Philip Room 2902, 29th Floor China United Centre 28 Marble Road North Point Hong Kong
Legal advisers to the Company	*As to Hong Kong law:* Sidley Austin 39/F., Two International Finance Centre Central, Hong Kong
	As to Bermuda law: Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong
Auditor	Deloitte Touche Tohmatsu *Certified Public Accountants* 35th Floor, One Pacific Place 88 Queensway Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Secretaries Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

Principal share registrar and transfer office in Bermuda	Butterfield Fulcrum Group (Bermuda) Limited 26 Burnaby Street Hamilton HM 11 Bermuda
Principal banker	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

3. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following the Rights Issue are expected to be as follows:

Authorised:

200,000,000,000	Shares	HK$2,000,000,000.00

Issued and fully-paid:

1,841,460,124	Shares in issue as at the Latest Practicable Date	HK$18,414,601.24
7,365,840,496	Rights Shares to be issued pursuant to the Rights Issue	HK$73,658,404.96
9,207,300,620	Shares in issue immediately following the Rights Issue	HK$92,073,006.20

Each of the Shares in issue ranks *pari passu* with all other Shares in all respects including as to rights to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

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 Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed herein, no share or loan capital of the Company or any of its subsidiaries has been put under option or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

Saved as disclosed on pages 16-18 of this Prospectus, the Company has no outstanding warrants, share options or other securities which are convertible into or giving rights to subscribe for Shares as at the Latest Practicable Date.

1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 31 March 2010 (pages 26-102), 2011 (pages 30-110) and 2012 (pages 28-111). They can be accessed on the website of the Company (http://www.irasia.com/listco/hk/mascotte/index.htm) and the website of the Stock Exchange (www.hkexnews.hk).

2. WORKING CAPITAL

Provided that the Company will be able to raise sufficient additional funds through the issue of new Shares as and when required to meet the liquidity requirements of the Group, the Directors confirm that, after taking into account its internally generated funds, its currently available facilities, financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its requirements in the next 12 months commencing from the date of this Prospectus.

3. INDEBTEDNESS

As at the close of business on 15 March 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of this Prospectus, the Group has outstanding debts mainly in the form of (i) unsecured consideration bonds bearing interest of 2.5% per annum with aggregate outstanding amounts of HK$890.0 million due on 4 January 2014; (ii) unsecured convertible bonds bearing interest of 5.0% per annum and convertible into new shares at a conversion price of HK$0.20 per share (adjusted), with aggregate outstanding amounts of HK$1,200.0 million; (iii) an unsecured note bearing interest of 5.0% per annum with an outstanding amounts of HK$5.0 million due on 5 February 2020; (iv) a Credit Line with an outstanding amount of HK$474.0 million; (v) an unsecured loan of HK$10.0 million from Dragonite Resources Limited bearing interest of 12.0% per annum due on 5 May 2013; and (vi) an outstanding bank borrowing of approximately HK$41.5 million (NT$158.7 million) which is secured by buildings in Taiwan with a aggregated carrying value of approximately HK$77.7 million (NT$296.8 million).

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 15 March 2013 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

Note: For further information of the Debts of the Company as at the Latest Practicable Date, please refer to pages 39-40 of this Prospectus.

A. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

Deloitte.
德勤

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF MASCOTTE HOLDINGS LIMITED

We report on the unaudited pro forma financial information of Mascotte Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the Rights Issue (as defined in the prospectus dated 29 April 2013 (the "Prospectus") issued by the Company) might have affected the financial information presented, for inclusion in Section B of Appendix III to the Prospectus. The basis of preparation of the unaudited pro forma financial information is set out in Section B of Appendix III to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 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" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 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.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future date.

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 April 2013

B. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net liabilities of the Group (the "Unaudited Pro Forma Financial Information") has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the basis of four Rights Share for every one existing Share held on the Record Date at HK$0.07 per Rights Share on the consolidated net tangible liabilities of the Group as if the Rights Issue had taken place on 30 September 2012.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2012 and any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company derived from the unaudited consolidated statement of financial position of the Group as at 30 September 2012 as extracted from the interim report of the Company for the six months ended 30 September 2012, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

	Unaudited adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2012	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	
7,365,840,496 Rights Shares	(1,838,828)	494,609	(1,344,219)
Unaudited adjusted consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 September 2012 before Rights Issue *(Note 3)*			HK$5.37
Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Rights Issue per Share *(Note 4)*			HK$0.17

Notes:

1. The amount of approximately HK$1,838,828,000 is determined based on the consolidated net liabilities of the Group attributable to owners of the Company of approximately HK$1,106,372,000 as at 30 September 2012, which is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2012 set out in the interim report of the Company dated on 29 November 2012, with adjustment of intangible asset of approximately HK$732,456,000 as at 30 September 2012.

2. The estimated net proceeds from the Rights Issue of approximately HK$494,609,000 are based on 7,365,840,496 Rights Shares to be issued at the subscription price of HK$0.07 per Rights Share and after the deduction of the estimated related expenses, including among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Rights Issue, of approximately HK$21,000,000.

3. The number of Shares used for the calculation of the unaudited adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 30 September 2012 is based on 342,508,420 Shares of the Company in issue as at 30 September 2012, which takes no account of any shares being issued and to be issued upon exercise of Convertible Bonds, Share Options, share options under the Option Deeds, Issue Mandate outstanding or unutilised subsequent to 30 September 2012.

4. The number of Shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Rights Issue per Share is based on 7,708,348,916 Shares comprising 342,508,420 Shares in issue as at 30 September 2012 as discussed above in note 3 and 7,365,840,496 Rights Shares to be issued.

5. No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 30 September 2012.

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes 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 this Prospectus 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 misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in Shares

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or 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 or short positions which any such Director or, chief executive of the Company was 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 referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Name of Director	Capacity	Number of shares held	Deemed interests in number of shares	Total	Approximate percentage of issued share capital of the Company
Mr. Peter Temple Whitelam	Beneficial Owner	78,125	—	78,125	0.00%
Mr. Lo Yuen Wa Peter	Beneficial Owner	156,250	625,000	781,250	0.04%
Mr. Eddie Woo	Beneficial Owner	—	7,187,500	7,187,500	0.39%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and 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 or short positions which any such Director or chief executive of the Company was 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 referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) As at the Latest Practicable Date:

(i) none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and

(ii) none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this Prospectus and which is significant in relation to the business of the Group.

(c) Directors' interests in competing business

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the persons ("Substantial Shareholders") (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who 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 other member of the Group or had any options in respect of such capital are set out below:

Name of Shareholder	Number of ordinary Shares held	Deemed interests in number of shares	Total	Capacity	Approximate percentage of issued share capital of the Company
Mr. Andrew Liu	200,000,000	2,000,000,000	2,200,000,000	Beneficial owner	119.47%
SPARX Asia Capital Management Limited	200,000,000	1,750,000,000	1,950,000,000	Investment manager	105.89%
SPARX Emerging Opportunities Fund SPC	200,000,000	1,750,000,000	1,950,000,000	Beneficial owner	105.89%
Mr. Tung Sun Tat Clement	200,000,000	1,750,000,000	1,950,000,000	Interest of a controlled corporation	105.89%
Ms. Mak Siu Hang Viola	200,000,000	1,750,000,000	1,950,000,000	Trustee	105.89%
STI Wealth Management (Cayman) Limited	200,000,000	1,750,000,000	1,950,000,000	Interest of a controlled corporation	105.89%
VMS Private Investment Partners II Limited	200,000,000	1,750,000,000	1,950,000,000	Beneficial owner	105.89%
Mr. Hu Liang Ming Raymond	—	500,000,000	500,000,000	Beneficial owner	27.15%
Cititrust (Cayman) Limited	—	250,000,000	250,000,000	Interest of a controlled corporation	13.58%
Mrs. Chu Yuet Wah *(Note 1)*	—	7,365,996,744	7,365,996,744	Interest of a controlled corporation	400.01% *(Note 2)*

Notes:

(1) Kingston Securities Limited is wholly-owned by Galaxy Sky Investment Limited which in turn is wholly-owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is 100% owned by Kingston Financial Group Limited which is 40.24% owned by Active Dynamic Limited which in turn is wholly-owned by Mrs. Chu Yuet Wah.

(2) The approximate percentage of 400.01% represents the deemed interests in Shares to the issued share capital of 1,841,460,124 Shares as at the Latest Practicable Date. According to the disclosure of interests form published on the website of the Stock Exchange, Mrs. Chu Yuet Wah was deemed to be interested in 7,365,996,744 Shares, representing 80% of the issued share capital of the Company as enlarged by the Rights Issue.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other persons who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who 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 other member of the Group or had any options in respect of such capital.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2012 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

6. EXPENSES

The estimated expenses in connection with the Rights Issue (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK$21 million and are payable by the Company.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited financial statements of the Company were made up.

9. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding the date of this Prospectus which are or may be material:

(i) On 30 June 2011, the Company entered into a provisional sale and purchase agreement with Sinoace Limited in relation to the acquisition of the property in consideration of HK$75,000,000.

(ii) On 14 July 2011, the Company, Quinella, Ms Hsieh Cheng Lu and Sun Mass entered into a shareholders' agreement in respect of Sun Mass.

(iii) On 1 August 2011, the Company entered into a service agreement with Dr. Wu in relation to the appointment of Dr. Wu as executive Director of the Company.

(iv) On 29 August 2011, the Company entered into the Option Deeds with each of Dr. Wu, Mr. Eddie Woo, Dr. Chuang, Henry Yueheng, Mr. William Eui Won Pak, Mr. Lo Yuen Wa Peter, Mr. Cheng Lien Huang, Mr. Hsieh Yung-Ming and Mr. Shen Gi-Chou (collectively the "Grantees") in relation to the grant of share options by the Company. Pursuant to the Option Deeds, the Company agreed to grant share options for up to 730,000,000 shares of the Company.

(v) the 2011 Sale and Purchase Agreement.

(vi) On 19 June 2012, the Company entered into a placing agreement with Freeman Securities Limited in relation to the placing of 57,084,736 new shares at the placing price of HK$0.24 per placing share. The net proceeds were approximately HK$12.7 million.

(vii) On 4 July 2012, the Company entered into a loan facility agreement with Chung Nam Finance Limited in relation to a loan facility up to HK$100,000,000 for a term of 6 months at the interest rate of 1% per month.

(viii) On 8 November 2012, the Company entered into a placing agreement with Freeman Securities Limited in relation to the placing of 68,501,684 new shares at the placing price of HK$0.17 per placing share. The net proceeds were approximately HK$11.1 million.

(ix) The Conditional Agreement.

(x) On 21 November 2012, the Company entered into a loan facility agreement and share charge agreement with CW Finance Limited and Sun Mass in relation to a revolving loan facility up to HK$500.0 million for a term of 2 years at the interest rate of prime rate as quoted by Chong Hing Bank Limited from time to time plus 5.0% per annum. On 14 December 2012, the Company entered into a deed of assignment with Chung Nam Finance Limited, CW Finance Limited and Sun Mass in relation to assignment of the revolving loan facility.

(xi) On 3 December 2012, the Company entered into a Deeds of Amendment with convertible bondholders of the Company in relation to the alteration of terms and conditions of the convertible bonds which was issued on 14 July 2011.

(xii) On 24 December 2012, the Company entered into a placing agreement with Freeman Securities Limited in relation to the placing of 176,000,000 new shares at the placing price of HK$0.165 per placing share. Such placing agreement was subsequently terminated by the Company and Freeman Securities Limited pursuant to a termination deed dated 30 January 2013.

(xiii) On 28 December 2012, the Company entered into a placing agreement with Beijing Securities Limited in relation to the placing of 7 years HK$100.0 million notes bearing interest of 3.5% per annum to individuals on a best effort basis. Under the supplemental agreement dated 22 January 2013, the interest of the notes increased from 3.5% per annum to 5% per annum. On 27 March 2013, a further supplemental agreement was entered into pursuant to which, the placing period of the notes was extended for a further three months to 28 June 2013.

(xiv) The Underwriting Agreement.

(xv) On 6 February 2013, the Company entered into a loan agreement with Dragonite Resources Limited in relation to a loan facility up to HK$10.0 million for a term of 3 months at the interest rate of 12% per annum.

(xvi) On 22 February 2013, the Company entered into a placing agreement with Freeman Securities Limited (as the placing agent) in relation to the placing of 306,910,020 new Shares at the placing price of HK$0.10 per placing Share. The net proceeds were approximately HK$29.44 million.

(xvii) On 9 April 2013, the Company entered into a sale and purchase agreement with Gold Full Corporate Development Limited pursuant to which the Company agreed to sell and Gold Full Corporate Development Limited agreed to purchase approximately 5.82% of the issued share capital of Sun Mass Funding Corporation at a consideration of HK$50 million. Such sale and purchase agreement was subsequently terminated by the Company and Gold Full Corporation Development Limited pursuant to a termination deed dated 19 April 2013.

(xviii) On 11 April 2013, the Company entered into a sale and purchase agreement with Hao Tian Management (Hong Kong) Limited pursuant to which the Company agreed to sell and Hao Tian Management (Hong Kong) Limited agreed to purchase approximately 5.82% of the issued share capital of Sun Mass Funding Corporation at a consideration of HK$50 million.

(xix) On 11 April 2013, the Company entered into a loan agreement with Sun Willie Financing Limited in relation to a loan facility of HK$25 million for a term of 50 days at a flat interest rate of 1.5%.

(xx) On 18 April 2013, the Group entered into a loan agreement with Enerchine Resources Limited in relation to a loan facility of HK$30 million for a term of 2 months at the interest rate of 24% per annum.

10. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this Prospectus or have given their opinion or advice which are contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
American Appraisal China Limited	Independent Valuer

As at the Latest Practicable Date, the above experts did not have:

(a) any direct or indirect interest in any assets which have been, since 31 March 2012 (being the date to which the latest published audited accounts of the Company were made up), 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; and

(b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above experts have given and have not withdrawn their written consents to the issue of this prospectus with the inclusion of their letters and the references to their names in the form and context in which they appear.

11. GENERAL

(a) The company secretary of the Company is Mr. Suen Yick Lun Philip, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. He holds a Bachelor's degree in Accountancy from Queensland University of Technology and a Master's degree in Corporate Finance from The Hong Kong Polytechnic University. He has over 15 years of experience in finance and accounting. He has been an executive Director and the company secretary of the Company since April 2011;

(b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company in Hong Kong are at 1st Floor, Po Chai Industrial Building 28 Wong Chuk Hang Road, Aberdeen, Hong Kong and Room 2902, 29th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong, respectively;

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong;

(d) Having consulted with its legal advisers in Taiwan laws, the Board confirmed that as at the Latest Practicable Date, there was no restriction under Taiwan laws affecting the remittance of profit from Taiwan to Hong Kong. Prior approval from Taiwan's Investment Commission is required for repatriation of capital from Taiwan to Hong Kong; and

(e) The English text of this Prospectus prevails over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Room 2902, 29th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for a period of 14 days from the date of this Prospectus:

(a) the memorandum and Bye-laws;

(b) the letters of consent referred to in the paragraph headed "Experts and consents" above;

(c) the material contracts referred to in the paragraph headed "Material Contracts" above;

(d) the report from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group as set out in Appendix III to this Prospectus;

(e) the Calculation Report dated 28 March 2013 from the Valuer as set out in Appendix IV to the Circular;

(f) the annual reports of the Company for each of the two financial years ended 31 March 2011 and 31 March 2012;

(g) the circular of the Company dated 18 December 2012 in respect of a very substantial disposal involving the sale of the entire share capital in an indirect wholly-owned subsidiary and the assignment of the benefit of and the interests in the shareholder loans for a total consideration of HK$88.0 million (subject to adjustments);

(h) the Circular; and

(i) this Prospectus