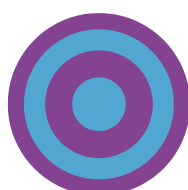


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Freeman Securities Limited

PLACING OF 57,084,736 NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 19 June 2012, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place a total of 57,084,736 new Shares on a fully underwritten basis, to not less than six Placees, at a price of HK\$0.24 per Share.

The 57,084,736 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 285,423,684 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 342,508,420 Shares as enlarged by the Placing.

The Placing Price of HK\$0.24 represents (i) a discount of 4% to the closing price of the Shares of HK\$0.25 quoted on the Stock Exchange on 19 June 2012, being the date of the Placing Agreement and (ii) a discount of approximately 9.43% to the average closing price of the Shares of HK\$0.265 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 19 June 2012.

The gross proceeds from the Placing will be approximately HK\$13.70 million and the net proceeds from the Placing will be approximately HK\$12.7 million which will be used for capital commitment for polycrystalline silicon business.

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

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the completion date. Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

The Board announced that on 19 June 2012, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place 57,084,736 new Shares on a fully underwritten basis, to not less than six Placees, at a price of HK\$0.24 per Share.

THE PLACING AGREEMENT

Date:

19 June 2012

Issuer:

The Company

Placing Agent and Placees:

Freeman Securities Limited being the Placing Agent, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

The Placees, being independent individual, corporation and/or institutional investors, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons.

The Placing is on a fully underwritten basis. The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial Shareholder immediately after the Placing.

Number of Placing Shares:

The 57,084,736 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 285,423,684 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 342,508,420 Shares as enlarged by the Placing.

Ranking of Placing Shares:

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

Placing Price:

The Placing Price of HK\$0.24 represents (i) a discount of 4% to the closing price of the Shares of HK\$0.25 quoted on the Stock Exchange on 19 June 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 9.43% to the average closing price of the Shares of HK\$0.265 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 19 June 2012.

The net placing price for the Placing is approximately HK\$0.223 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and is in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent:

The Placing Agent will receive a placing commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

Conditions of the Placing Agreement:

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and

- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with its terms.

If the conditions are not fulfilled on or prior to 3 July 2012 (or such later date as the Company and the Placing Agent shall agree in writing), the Placing Agreement and all the obligations thereunder will cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Termination and force majeure events

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties under the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, Bermuda, Taiwan or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or

- (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

General Mandate:

The 57,084,736 Placing Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 57,084,736 Shares.

Completion:

Completion of the Placing shall take place on the second Business Day upon the fulfillment of the conditions of the Placing (or such other time or date as the Company and the Placing Agent shall agree in writing).

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The 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.

The gross proceeds from the Placing will be approximately HK\$13.70 million.

Reference is made to the Company's announcement dated 18 June 2012 in respect of an update on the Group's polycrystalline silicon business. The Group reached a milestone towards achieving commercial production of polycrystalline silicon through test runs conducted during the week of 23 April 2012 and again on 15 June 2012. It was found that although the Group has successfully concluded its test runs, the byproducts generated from the production process, sodium fluoride and hydrofluoric acid, are high in quantity. Currently, there is insufficient storage area within the plant to cope with the additional number of storage tanks to store the byproducts of the production of polycrystalline silicon. With the increased volume of hydrofluoric acid being stored, there is a risk that the storage tanks would topple during the typhoon season in Taiwan and lead to an environmental hazard issue. Accordingly, the Directors are of the view that there is an imminent need to implement the plan of installing a recycling facility for the byproducts before commencing formal large-scale production of polycrystalline silicon.

The total estimated costs in respect of the civil work/piping and building costs for the new facility building, which will house the recycling facility and provide additional processing capability for the production of silicon tetrafluoride, is approximately HK\$131.9 million in which approximately HK\$14.9 million is in relation to the construction labour costs. As a reference, set out below is the tentative payment schedule for the new facility building:

Installment	Stage of completion	% to the total estimated costs	Payment approximately HK\$ million
Down payment	Deposit	10%	11.70
2nd	Plant raft foundation completed	25%	29.25
3rd	Plant steel structure assembly completed	25%	29.25
4th	Plant layers completed	15%	17.55
5th	Doors, windows and wall plate completed	15%	17.55
Final	Successfully apply for and obtain the use permit	10%	11.70
		<u>100%</u>	<u>117.00</u>

The construction labour costs will be settled based on the actual construction progress.

The net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) is approximately HK\$12.7 million, of which approximately HK\$11.7 million will be used for the down payment for the construction of the new facility building; and the remaining balance of the net proceeds of approximately HK\$1 million will be utilised for the construction works.

Further, the Company would like to take this opportunity to broaden the capital base and shareholders base of the Company. The Board also considers that the terms of the Placing is fair reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

As it is uncertain whether the commercial production of polycrystalline silicon will be suffered from further delay in the future, and given the Company's intention to reduce the gearing of the Group, the Company will continue to look for other financing possibilities to match the funding requirements of the Group.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
19 January 2011	Placing of 2,200,000,000 new shares and convertible bonds in the principal amount of HK\$1,450,000,000.	HK\$2,240,371,000 of which HK\$844,160,000 was from the placing of new shares and HK\$1,396,211,000 was from the placing of convertible bonds.	To fund the initial acquisition of the Group's polysilicon business as well as the capital expenditure, research and development costs and working capital required thereunder.	The placing of new shares and convertible bonds was completed on 15 July 2011. The proceeds were applied as to HK\$1,170 million to fund the Group's polysilicon business and the balance of HK\$1,070 million for capital expenditure, research and development costs and working capital required thereunder.

SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing are set out as below, for illustration purposes:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Approximately</i>		<i>Approximately</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Substantial Shareholder				
Mr. Chang Wen-Shan (<i>Note 1</i>)	32,481,250	11.38	32,481,250	9.48
Public Shareholders				
Placees (<i>Note 2</i>)	—	—	57,084,736	16.67
Other public Shareholders	<u>252,942,434</u>	<u>88.62</u>	<u>252,942,434</u>	<u>73.85</u>
Total	<u><u>285,423,684</u></u>	<u><u>100.00</u></u>	<u><u>342,508,420</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Chang Wen-Shan was a former director of Lution and the chairman of Sun Materials, which is principally engaged in polycrystalline silicon business and he subsequently resigned as director of Lution and Sun Materials before 20 May 2011.

Mr. Chang Wen-Shan has become a substantial Shareholder since 7 June 2011 as a consequence to his acquisition of the Shares from the open market.

2. In accordance with the Placing Agreement, the Placing Shares shall be offered by the Placing Agent to not less than six Placees. Immediately after completion of the Placing, none of the Placees are expected to become a substantial Shareholder.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the existing General Mandate.

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the completion date. Completion of the Placing is subject to satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Mascotte Holdings Limited (Stock code: 136), a company incorporated under the laws of Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting on 8 September 2011 to allot and issue and deal with 20% of the then issued share capital of the Company as at the date of the annual general meeting and further adjusted by the Company’s capital reorganisation effective on 26 April 2012, representing 57,084,736 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placees”	any individual, corporation and/or institutional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 57,084,736 new Shares on a fully underwritten basis by the Placing Agent at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Freeman Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 19 June 2012 in respect of the Placing
“Placing Price”	HK\$0.24 per Share
“Placing Share(s)”	57,084,736 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Mascotte Holdings Limited
Lo Yuen Wa Peter
Managing Director

Hong Kong, 19 June 2012

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors

Mr. Peter Temple Whitlam (*Chairman*)

Mr. Lo Yuen Wa Peter (*Managing Director*)

Mr. Eddie Woo

Mr. Suen Yick Lun Philip

Mr. Lau King Hang

Dr. Wu Yi-Shuen

Non-executive Director

Dr. Chuang, Henry Yueheng (*Deputy-Chairman*)

Independent Non-executive Directors

Mr. Frank H. Miu

Dr. Agustin V. Que

Mr. Robert James Iaia II

Dr. Chien, Yung Nelly