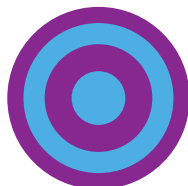


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



FREEMAN SECURITIES LIMITED

PLACING OF 176,000,000 NEW SHARES UNDER SPECIFIC MANDATE

On 24 December 2012 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a fully underwritten basis, 176,000,000 Placing Shares at a price of HK\$0.165 per Placing Share. The Placing Shares represent approximately 40.04% of the Company's existing issued share capital of the Company of 439,550,104 Shares as at the date of this announcement and approximately 28.59% of its issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,760,000.

The Placing Price of HK\$0.165 per Placing Share represents (i) a discount of approximately 9.34% to the closing price of HK\$0.182 per Share as quoted on the Stock Exchange on 24 December 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 8.33% to the average closing price of approximately HK\$0.180 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 24 December 2012.

The gross proceeds from the Placing will be HK\$29.04 million. The Company plans to use the net proceeds of approximately HK\$27.62 million from the Placing for the interest payment of the outstanding indebtedness of the Group.

GENERAL

The Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and (ii) passing of the resolution(s) in relation to the Placing and the transactions contemplated thereunder including the grant of the Specific Mandate by the Shareholders at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the shareholder will be required to abstain from voting at the SGM in respect of the relevant resolution(s) relating to the Placing and the Specific Mandate.

A circular containing, among other things, (i) further details of the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

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 AGREEMENT

Date

24 December 2012 (after trading hours)

Issuer

The Company

Placing Agent and the Placees

Freeman Securities Limited is the Placing Agent, has conditionally agreed to place 176,000,000 Placing Shares on a fully underwritten basis and in consideration thereof, it will receive a placing commission of 3% on the gross proceeds from the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its Connected Persons.

The Placing Agent agreed to procure, on a fully underwritten basis, not less than six Placees, to subscribe for the Placing Shares at the Placing Price within the Placing Period. The Placing Agent agreed to use all reasonable endeavours to ensure that the Placees and their ultimate beneficial owners are third parties independent of and not connected with the Company and the Directors, chief executive or substantial shareholders of the Company (as defined under the Listing Rules) or its subsidiaries or any of their respective associates.

Number of Placing Shares

176,000,000 Placing Shares represent (i) approximately 40.04% of the Company's existing issued share capital of the Company of 439,550,104 Shares as at the date of this announcement and; (ii) approximately 28.59% of its issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,760,000.

Placing Price

The Placing Price of HK\$0.165 per Placing Share represents (i) a discount of approximately 9.34% to the closing price of HK\$0.182 per Share as quoted on the Stock Exchange on 24 December 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 8.33% to the average closing price of approximately HK\$0.180 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 24 December 2012.

The net placing price under the Placing is approximately HK\$0.157 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue as at the date of completion of the Placing.

Specific Mandate

The Placing Shares will be allotted and issued pursuant to a specific mandate to be granted by the Shareholders to the Directors at the SGM.

Conditions of the Placing

The Placing is conditional upon:—

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (b) the passing of the resolution(s) by the Shareholders at the SGM to approve the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate to the Directors to allot and issue the Placing Shares.

The conditions must be fulfilled not later than 29 March 2013 (or such other date as agreed by the Company and the Placing Agent), failing which the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

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 reasonable 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 or the People's Republic of China or the implementation of exchange controls which shall or may 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.

Completion of the Placing

Completion of the Placing shall take place not later than the second Business Day after the later of the Placing Agreement having become unconditional or the expiry of the Placing Period (or such later date as may be agreed between the Company and the Placing Agent).

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 HK\$29.04 million. The Company plans to use the net proceeds of approximately HK\$27.62 million from the Placing to pay interest payment for outstanding indebtedness of the Group.

Although the Directors hold the view that pro-rata equity financing such as rights issue is a preferred alternative to raise fund, the Company experienced an unexpectedly prolonged process in relation to the proposed rights issue as first announced on 17 July 2012.

As the general mandate granted in the annual general meeting held on 25 September 2012 has been fully utilized, the Directors is of the opinion that the Placing is the only available means of equity fund raising in the meantime.

The Directors consider the terms of the Placing Agreement and the Placing Price being fair and reasonable. Moreover, the Directors are of the view that the Placing will enlarge the shareholder and the capital base of the Company. Therefore, the Directors consider the Placing is in the interests of the Company and the Shareholders as a whole.

The Company has taken various steps to reduce its debts level and to enhance its working capital including but not limited to debt restructuring and disposal of assets. In addition, the Directors are actively exploring the possibility of further fund raising activities, which is vital for the sustainment of the operation of the Group and compliance with the debt covenants and awaiting/seeking available financial resources to support the financial requirements of the Group's polycrystalline silicon business. In this regard, as the existing general mandate has been fully utilized, the Company will refresh the general mandate before the forthcoming annual general meeting of the Company so as to facilitate future equity fund raising in a timely manner. Apart from refreshing the general mandate, the Company will contemplate other fund raising activities including but not limited to rights issue and to look for potential investor/partner to the Group's existing operations, in order to combat with its financial difficulty.

FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
19 June 2012	Placing of 57,084,736 new shares	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 utilized for the construction works, details of which were set out in the Company's announcement dated 19 June 2012	Used as intended
8 November 2012	Placing of 68,501,684 new shares	HK\$11.10 million	General working capital	Used as intended

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months immediately before the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Public Shareholders:				
— Placees	—	—	176,000,000	28.59
— Others	439,550,104	100.00	439,550,104	71.41
Total	439,550,104	100.00	615,550,104	100.00

Note:

- 1) The Placing Agent agreed to procure not less than six Placees who are third parties being independent of the Company and Connected Persons of the Company. Immediately upon completion of the Placing, none of the Placees are expected to become substantial shareholders of the Company (as defined in the Listing Rules).

GENERAL

The Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and (ii) passing of the resolution(s) in relation to the Placing and the transactions contemplated thereunder including the grant of the Specific Mandate by the Shareholders at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the shareholder will be required to abstain from voting at the SGM in respect of the relevant resolution(s) relating to the Placing and the Specific Mandate.

A circular containing, among other things, (i) further details of the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

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.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally 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
“Completion Date”	not later than the second Business Day following the later of either the satisfaction of the conditions of the Placing Agreement or the expiry of the Placing Period (or such later date as the Company and the Placing Agent shall agree)
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“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 of Hong Kong Limited
“Placee(s)”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	placing of 176,000,000 new Shares by the Placing Agent on a fully underwritten basis pursuant to the terms of 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”	a conditional placing agreement dated 24 December 2012 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from the date of Placing Agreement and terminating at 5:00 p.m. on the first business day following the expiry of a period of three months, unless terminated earlier pursuant to the terms of the Placing Agreement
“Placing Price”	HK\$0.165 per Placing Share
“Placing Shares”	176,000,000 Shares to be placed under the Placing
“SGM”	the special general meeting of the Company to be convened to approve the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the SGM to authorize the Directors to allot and issue the Placing Shares pursuant to the Placing Agreement
“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, 24 December 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

Independent non-executive Directors

Mr. Frank H. Miu
Dr. Agustin V. Que
Mr. Robert James Iaia II