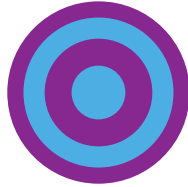


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## **MASCOTTE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

### **AMENDMENT OF THE TERMS OF (I) HK\$1,450 MILLION CONVERTIBLE BONDS DUE JULY 2014 AND (II) HK\$1,750 MILLION CONVERTIBLE BONDS DUE DECEMBER 2014**

#### **AMENDMENT OF THE TERMS OF THE CONVERTIBLE BONDS I AND CONVERTIBLE BONDS II**

The Board announces that on 16 June 2014 (after trading hours), the Company entered into the Deed of Amendment I with the Bondholders A and the Deed of Amendment II with Bondholders B respectively, pursuant to which the parties to the said deeds agreed to amend certain terms and conditions of the Convertible Bonds I and the Convertible Bonds II respectively. As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds I and the Convertible Bonds II are HK\$830 million and HK\$713 million respectively.

#### **LISTING RULES IMPLICATIONS**

The Deed of Amendment I and the Deed of Amendment II and the transactions contemplated thereunder, including the issue and allotment of Conversion Shares under the Specific Mandate, are subject to, inter alia, the approval of the Shareholders at the SGM.

A circular containing, among other things, details of the Amendment of Terms and the proposed grant of the Specific Mandate to the Directors to allot and issue the Conversion Shares and the notice convening the SGM, will be despatched to the Shareholders on or before 25 June 2014.

## **INTRODUCTION**

The Board announces that on 16 June 2014 (after trading hours), the Company and the Bondholders A and the Bondholders B entered into the Deed of Amendment I and the Deed of Amendment II respectively, pursuant to which the Company and the Bondholders A and the Bondholders B agreed to amend certain terms and conditions of the Convertible Bonds I and Convertible Bonds II respectively. As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds I and the Convertible Bonds II are HK\$830 million and HK\$713 million respectively.

## **BACKGROUND INFORMATION**

### **(1) THE CONVERTIBLE BONDS I**

Reference is made to the circulars of the Company dated 20 May 2011 and 31 December 2012 and the announcements of the Company dated 15 July 2011, 25 April 2012, 3 December 2012 and 21 May 2013 in relation to, inter alia, the issue of the Convertible Bonds I.

On 14 July 2011, the placing of the Convertible Bonds I in the aggregate principal amount of HK\$1,450 million with the conversion rights to convert them into Shares of the Company at the initial conversion price of HK\$0.50 was completed. The Convertible Bonds I will fall due on the date falling 36 months from the date of issue, i.e. 14 July 2014, until this date the Company can at its discretion redeem each bond at the redemption price.

On 26 April 2012, pursuant to the terms and conditions of the Convertible Bonds I, the conversion price of the Convertible Bonds I was adjusted from HK\$0.50 per Share of the Company to HK\$8.00 per Share of the Company upon the capital reorganisation of the Company taking effect.

On 3 December 2012, pursuant to the terms and conditions of the Convertible Bonds I, the conversion price of the Convertible Bonds I was adjusted from HK\$8.00 per Share of the Company to HK\$0.20 per Share of the Company.

In May 2013, pursuant to the terms and conditions of the Convertible Bonds I, the conversion price of the Convertible Bonds I were further adjusted from HK\$0.20 per Share to HK\$0.09 per Share as a result of the rights issue on the basis of four rights shares for every then issued Share.

The principal terms of the Convertible Bonds I (before entering into the Deed of Amendment I) are summarized as follows:

Outstanding principal amount	HK\$830 million
Maturity date	36 months from the date of issue of the Convertible Bonds I (i.e. 14 July 2014)
Interest rate	5% per annum, accruing daily and payable semi-annually
Redemption Price	The redemption price shall be an amount in Hong Kong Dollars equal to: (a) 100% of the principal amount of the Convertible Bonds I; plus (b) all interest accrued up to the date of redemption
Conversion Price	HK\$0.09 per Share
Transferability	freely transferable
Security	unsecured

As at the date of this announcement, the aggregate principal amount of the outstanding Convertible Bonds I is HK\$830 million, which are convertible into 9,222,222,222 Conversion Shares upon exercise of the conversion right in full.

As at the date of this announcement, Mr. Andrew Liu, a substantial shareholder of the Company holding 1,900,000,000 Shares, is also being a holder of the Convertible Bonds I in the principal amount of HK\$130 million.

## ***THE DEED OF AMENDMENT I***

On 16 June 2014 (after trading hours), the Company and the Bondholders A entered into the Deed of Amendment I, which are arrived at after arm's length negotiation between the Company and the Bondholders A. Details of the Amendment of CB I Terms are summarized as follows:

	<b>Before the Amendment of CB I Terms</b>	<b>After the Amendment of CB I Terms</b>
Interest Payment Dates	semi-annually on 14 January and 14 July of each calendar year	quarterly on 2 January, 2 April, 2 July and 2 October of each calendar year
Maturity Date	14 July 2014	31 December 2015

The Amendment of CB I Terms is conditional upon the fulfillment of the following conditions:

- (a) the approval by the Shareholders of the Company in relation to the Deed of Amendment I and all transactions contemplated thereunder (which include the issue and allotment of the Conversion Shares under the Specific Mandate upon the exercise of the conversion rights of the Convertible Bonds I) in compliance with the applicable Listing Rules and the bye-laws of the Company having been obtained by the Company;
- (b) the written approval from holders of 51% or more of the aggregate outstanding principal amount of the Convertible Bonds I for the Amendment of CB I Terms having been obtained by the Company;
- (c) the Stock Exchange having consented to the Amendment of CB I Terms;  
and
- (d) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Conversion Shares upon the exercise of the conversion rights attached to the Convertible Bonds I

Apart from the above, all terms and conditions of the Convertible Bonds I remain unchanged.

## (2) THE CONVERTIBLE BONDS II

Reference is made to the circular of the Company dated 27 November 2013 and the announcement of the Company dated 11 November 2013 in relation to the Convertible Bonds II.

On 4 January 2012, the Consideration Bonds with an aggregate principal amount of HK\$1,750 million were issued by the Company, which were subsequently converted into the Convertible Bonds II on 13 December 2013 pursuant to a deed of amendment executed by the Company and the option bondholders on 11 November 2013. Pursuant to the existing terms and conditions of the Convertible Bonds II, the outstanding Convertible Bonds II will mature on 31 December 2014.

The principal terms of the Convertible Bonds II (before entering into the Deed of Amendment II) are summarized as follows:

Outstanding Principal amount	HK\$713 million
Maturity date	31 December 2014
Interest rate	7.5% per annum on the principal amount of the outstanding Convertible Bonds II, payable quarterly in arrears.
Redemption price	The redemption price of the Convertible Bonds II shall be an amount in HK\$ equal to: (a) 100% of the principal amount of the outstanding Convertible Bonds II; plus (b) all interest accrued up to the date of redemption
Conversion Price	HK\$0.09 per Share
Transferability	freely transferable
Security	unsecured

As at the date of this announcement, the aggregate principal amount of the outstanding Convertible Bonds II is HK\$713 million, which are convertible into 7,922,222,222 Conversion Shares upon exercise of the conversion right in full.

## ***THE DEED OF AMENDMENT II***

On 16 June 2014 (after trading hours), the Company and the Bondholders B entered into the Deed of Amendment II, which are arrived at after arm's length negotiation between the Company and the Bondholders B. Details of the Deed of Amendment of CB II Terms are summarized as follows:

	<b>Before the Amendment of CB II Terms</b>	<b>After the Amendment of CB II Terms</b>
Interest Payment Dates	quarterly on 4 January, 4 April, 4 July and 4 October of each calendar year	quarterly on 2 January, 2 April, 2 July and 2 October of each calendar year
Maturity Date	31 December 2014	31 December 2015
Interest rate	7.5% per annum	5% per annum

The Amendment of CB II Terms is conditional upon the fulfillment of the following conditions:

- (a) the approval by the Shareholders of the Company in relation to the Deed of Amendment II and all transactions contemplated thereunder (which include the issue and allotment of the Conversion Shares under the Specific Mandate upon the exercise of the conversion rights of the Convertible Bonds II) in compliance with the applicable Listing Rules and the bye-laws of the Company having been obtained by the Company;
- (b) the written approval from holders of 51% or more of the aggregate outstanding principal amount of the Convertible Bonds II for the Amendment of CB II Terms having been obtained by the Company;
- (c) the Stock Exchange having consented to the Amendment of CB II Terms; and
- (d) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Conversion Shares upon the exercise of the conversion rights attached to the Convertible Bonds II.

Apart from the above, all terms and conditions of the Convertible Bonds II remain unchanged.

Save as disclosed in the above, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, all Bondholders A (except Mr. Andrew Liu) and Bondholders B are third party independent of the Company and its connected persons.

## **REASONS FOR THE PROPOSED AMENDMENT**

The Company has discussed with Bondholders A and Bondholders B to extend the maturity date of Convertible Bonds I and Convertible Bonds II respectively. After the negotiations, they agreed to extend the respective maturity date of Convertible Bonds I and Convertible Bonds II and amend the interest payment dates and entered into the Deed of Amendment I and the Deed of Amendment II with Bondholders A and Bondholders B respectively. For Bondholders B, they had agreed to reduce the interest rate of the Convertible Bonds II from 7.5% to 5% per annum.

After due consideration, the Company is of the view that it is to the best interest of the Company and the Shareholders to enter into the Deed of Amendment I and the Deed of Amendment II to amend the terms and, among other things, extend the respective maturity date of the Convertible Bonds I and the Convertible Bonds II that:

- (i) Given the current financial situation of the Company, if the Extension is not obtained, the Company would have to exercise its discretion to compulsorily convert all the outstanding Convertible Bonds I and Convertible Bonds II into Conversion Shares which will greatly dilute the existing Shareholders' interests in the Company; and
- (ii) the Company is able to maintain a good business relationship with Bondholders A and Bondholders B, which is beneficial, if and when the Company plans to undertake fund raising exercise in the future.

The proposed Amendment of Terms is arrived at after arm's length negotiations between the Company and the Bondholders A and the Bondholders B respectively. The Board considers that the terms and conditions of the Deed of Amendment I and the Deed of Amendment II are fair and reasonable and that the Amendment of Terms (which includes the Extension and other amendments) is in the interests of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds I and Convertible Bonds II	
	Number of Shares	Approximate%	Number of Shares	Approximate%
<b>Shareholders</b>				
Mr. Andrew Liu ( <i>note</i> )	1,900,000,000	11.53	3,344,444,444	9.95
Bondholders A and B	–	–	15,700,000,000	46.69
Public	14,579,522,840	88.47	14,579,522,840	43.36
Total	<u>16,479,522,840</u>	<u>100.00</u>	<u>33,623,967,284</u>	<u>100.00</u>

*Note:* As at the date of this announcement, Mr. Andrew Liu holds Convertible Bond I in the principal amount of HK\$130 million which will entitle Mr. Liu to convert into 1,444,444,444 Conversion Shares upon full conversion of the Convertible Bonds I

## GENERAL

The Group principally engages in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment, manufacture and sale of accessories for photographic and multimedia products.

The Deed of Amendment I and the Deed of Amendment II and the Amendment of Terms contemplated thereunder, including the issue and allotment of Conversion Shares under the Specific Mandate, are subject to the approval of the Shareholders at the SGM.

An application for the approval of the Amendment of Terms and the listing of and permission to deal in the Conversion Shares will be submitted to the Stock Exchange by the Company in due course.

A circular containing, among other things, details of the Amendment of Terms including the proposed grant of the Specific Mandate to the Directors to allot and issue the Conversion Shares and the notice convening the SGM, will be despatched to the Shareholders on or before 25 June 2014.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Amendment of Terms”	Amendment of CB I Terms and Amendment of CB II Terms
“Amendment of CB I Terms”	the proposed amendment of certain terms and conditions of the Convertible Bonds I pursuant to the Deed of Amendment I
“Amendment of CB II Terms”	the proposed amendment of certain terms and conditions of the Convertible Bonds II pursuant to the Deed of Amendment II
“Board”	the board of Directors
“Bondholder(s) A”	existing holder(s) of the Convertible Bonds I, excluding Mr. Andrew Liu
“Bondholder(s) B”	existing holder(s) of the Convertible Bonds II
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are generally open for normal banking business
“Company”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Consideration Bonds”	consideration bonds of HK\$1,750 million issued by the Company on 4 January 2012
“Conversion Shares”	new Share(s) which would fall to be issued by the Company upon exercise of the conversion rights attached to the Convertible Bonds I and the Convertible Bonds II, the terms of which having been adjusted as a result of the Amendment of Terms
“Convertible Bonds I”	the 5 percent unsecured convertible bond(s) in the aggregate principal amount of HK\$1,450 million due 2014 issued by the Company on 14 July 2011

“Convertible Bonds II”	the 7.5 percent unsecured convertible bonds in the aggregate principal amount of HK\$1,750 million due 2014 as converted from the Consideration Bonds
“Deed of Amendment I”	the deed of amendment dated 16 June 2014 entered into between the Company and the Bondholders A in relation to the amendment of the terms and conditions of the Convertible Bonds I, subject to the terms and conditions contained therein
“Deed of Amendment II”	the deed of amendment dated 16 June 2014 entered into between the Company and the Bondholders B in relation to the amendment of the terms and conditions of the Convertible Bonds II, subject to the terms and conditions contained therein
“Director(s)”	director(s) of the Company
“Extension”	Extension of the maturity date(s) of the Convertible Bonds I and/or the Convertible Bonds II in accordance with the Deed of Amendment I and Deed of Amendment II respectively
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and approve, if thought fit, the Deed of Amendment I and the Deed of Amendment II and the transactions contemplated thereunder which include the Specific Mandate

“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to be granted to the Directors in relation to the proposed allotment and issue of the Conversion Shares up to 17,144,444,444 Shares upon exercise of the conversion rights of Convertible Bonds I and Convertible Bonds II in full, to be approved by the Shareholders at the SGM
“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**  
**Suen Yick Lun Philip**  
*Managing Director, Chief Executive Officer and  
Company secretary*

Hong Kong, 16 June 2014

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

*Executive Directors*

Mr. Chung Yuk Lun (*Acting Chairman*)  
Mr. Suen Yick Lun Philip (*Managing Director  
and Chief Executive Officer*)  
Mr. Eddie Woo  
Miss Wong Yuen Mui  
Ms. Shum Ching Yee Jennifer

*Independent Non-executive Directors*

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