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MASCOTTE HOLDINGS LIMITED

馬斯葛集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



ENERCHINE SECURITIES LIMITED

PLACING OF 847,015,679 NEW SHARES UNDER GENERAL MANDATE

On 11 September 2014 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 847,015,679 Placing Shares at a price of HK\$0.09 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

A maximum of 847,015,679 Placing Shares under the Placing represent (i) approximately 3.49% of the existing issued share capital of the Company of 24,235,078,395 Shares as at the date of this announcement; and (ii) approximately 3.38% of the issued share capital of the Company of 25,082,094,074 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company from the date of this announcement up to the Completion.

* *For identification purpose only*

The Placing Price of HK\$0.09 represents (i) a discount of approximately 15.89% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 15.57% to the average closing price of approximately HK\$0.1066 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

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.

The maximum gross proceeds from the Placing will be approximately HK\$76.23 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$73.44 million which will be used to repay the outstanding indebtedness and for general working capital of the Group.

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 securities of the Company.

THE PLACING AGREEMENT

Date

11 September 2014 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 847,015,679 Placing Shares on a best effort basis and will receive a placing commission of 3% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 3% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, at the price of HK\$0.09 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are independent third parties not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

Number of Placing Shares

A maximum of 847,015,679 Placing Shares under the Placing represent (i) approximately 3.49% of the existing issued share capital of the Company of 24,235,078,395 Shares as at the date of this announcement and (ii) approximately 3.38% of the issued share capital of the Company of 25,082,094,074 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company from the date of this announcement up to the Completion.

Placing Price

The Placing Price of HK\$0.09 per Placing Share represents (i) a discount of approximately 15.89% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on the date of this announcement, being the date of the Placing Agreement; and (ii) a discount of approximately 15.57% to the average closing price of approximately HK\$0.1066 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The net placing price under the Placing is approximately HK\$0.087 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 the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 4,847,015,679 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

Conditions of the Placing

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

If the foregoing condition is not fulfilled on or before 10 October 2014 (or such later date as may be agreed by the Company and the Placing Agent), 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 breach of the Placing Agreement).

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

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

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 10:00 a.m. on the date of Completion.

In the event that the Placing Agent terminates the Placing Agreement by giving written notice to the Company as afore-mentioned, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the 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.

Completion of the Placing

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

Shareholders and potential investors should note that the Placing is subject to condition under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group principally engages in the business of investment and trading of securities, provision of finance and manufacture and sale of accessories for photographic and multimedia products.

The maximum gross proceeds from the Placing will be approximately HK\$76.23 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$73.44 million which will be used to repay the outstanding indebtedness of approximately HK\$44.3 million and the balance in the sum of approximately HK\$29.14 million for general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the financial position of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY 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
11 Nov 2013	Placing of 1,250,000,000 Shares under general mandate	HK\$99.7 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.

EFFECT ON 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 are set out below for illustration purposes:

Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate%</i>	<i>Number of Shares</i>	<i>Approximate%</i>
Substantial Shareholder:				
Liu Andrew	3,344,444,444	13.80	3,344,444,444	13.33
Public Shareholders:				
Placees	–	–	847,015,679	3.38
Others	<u>20,890,633,951</u>	<u>86.20</u>	<u>20,890,633,951</u>	<u>83.29</u>
Total	<u>24,235,078,395</u>	<u>100.00</u>	<u>25,082,094,074</u>	<u>100.00</u>

Note:

Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed the maximum number of the Placing Shares, being 847,015,679 new Shares, to not less than six independent Placees. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the 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 condition precedent in the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 5 September 2014 at which (among others) a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“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 in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in 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 AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to it under the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporations(s) and/or 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 a maximum of 847,015,679 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Enerchine Securities Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 11 September 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.09 per Placing Share
“Placing Shares”	a maximum of 847,015,679 new Shares to be placed under the Placing
“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
“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 of
MASCOTTE HOLDINGS LIMITED
Chung Yuk Lun
Acting Chairman

Hong Kong, 11 September 2014

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

Executive Directors

Mr. Chung Yuk Lun (*Acting Chairman*)

Mr. Eddie Woo

Independent non-executive Directors

Mr. Frank H. Miu

Dr. Agustin V. Que

Mr. Robert James Iaia II

Mr. Hung Cho Sing