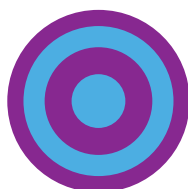


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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **MASCOTTE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



**Freeman Securities Limited**

#### **Financial Advisor**



**HEC Securities Limited**

#### **Placing of 1,250,000,000 new Shares under General Mandate**

The Board announced that on 8 November 2013, 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 1,250,000,000 new Shares on a fully underwritten basis, to not less than six independent Placees, at a price of HK\$0.085 per Placing Share.

The 1,250,000,000 Placing Shares under the Placing represent approximately 10.24% of the existing issued share capital of the Company of 12,207,300,620 Shares as at the date of this announcement and approximately 9.29% of the then issued share capital of 13,457,300,620 Shares as enlarged by the Placing.

The Placing Price of HK\$0.085 per Placing Share represents (i) a discount of approximately 14.14% to the closing price of the Shares of HK\$0.099 quoted on the Stock Exchange on 8 November 2013, being the date of the Placing Agreement and (ii) a discount of approximately 15.84% to the average closing price of the Shares of approximately HK\$0.101 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 November 2013.

The gross proceeds from the Placing will be approximately HK\$106.25 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expense) will be approximately HK\$99.7 million which will be used for general working capital of the Group.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 26 August 2013.

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

**Completion of the Placing is subject to the satisfaction of the condition 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 of the Company.**

## **THE PLACING**

The Board announced that on 8 November 2013, 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 1,250,000,000 new Shares on a fully underwritten basis, to not less than six independent Placers, at a price of HK\$0.085 per Placing Share.

## **THE PLACING AGREEMENT**

### **Date:**

8 November 2013 (after trading hours)

### **Issuer:**

The Company

**Placing Agent and Placees:**

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 are 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 independent Placees. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

**Number of Placing Shares:**

The 1,250,000,000 Placing Shares under the Placing represent approximately 10.24% of the existing issued share capital of the Company of 12,207,300,620 Shares as at the date of this announcement and approximately 9.29% of the then issued share capital of 13,457,300,620 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.

**Placing Price:**

The Placing Price of HK\$0.085 per Placing Share represents (i) a discount of approximately 14.14% to the closing price of the Shares of HK\$0.099 quoted on the Stock Exchange on 8 November 2013, being the date of the Placing Agreement; and (ii) a discount of approximately 15.84% to the average closing price of the Shares of approximately HK\$0.101 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 November 2013.

The net placing price for the Placing is approximately HK\$0.080 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent with reference to current market price of the Shares. 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 5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

**Condition of the Placing Agreement:**

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

If the condition is not fulfilled on or prior to the 30th Business Day after the date of the Placing Agreement 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.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant 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 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 Placing Shares will be allotted and issued under the General Mandate.

Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate.

**Completion:**

Completion of the Placing shall take place not later than the second Business Day upon the fulfillment of the condition of the Placing (or such other 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 of the Company.**

**REASONS FOR THE PLACING**

The Company 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.

In view of the recent setback of the Company in the polycrystalline silicon business resulting in substantial write-downs and disappointing financial performances, the Company has engaged HEC Securities to advise on:

1. The financial condition of the Company;
2. The capital needs and requirements of the Company; and
3. The Placing.

In its report addressed to the Company, the Financial Advisor indicated that there is an immediate need to

1. Strengthen the capital base of the Company; and
2. Procure additional working capital to cater for the expected substantial short term cashflow requirements of the Company.

On the terms of the Placing, the Financial Advisor has advised that, in view of the uncertain cash flow and the expected turbulence in the International Capital Market, as a result of a combinations of factors including but not limited the impending January and February time limits for U.S. Government Spending and Debt Ceilings, it is advisable that the Company should implement fund raising activities as soon as practicable. They have further advised that after considering the Company's financial condition and the general market for placements, the terms of the Placing are fair and reasonable under the present circumstances.

In the meantime, the Company can take this opportunity to broaden the capital base and shareholders' base of the Company. Accordingly, the Board considers that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds from the Placing will be approximately HK\$106.25 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of approximately HK\$99.7 million will be used for general working capital of the Company.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company's equity fund raising activities over the past 12-month period immediately preceding the date of this announcement are set out below:

<b>Date of announcement</b>	<b>Fund raising activities</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
22 February 2013	Placing of 306,910,020 Shares under general mandate at a price of HK\$0.10 per Share	HK\$29.44 million	To repay part of indebtedness of the Group	Used as intended

<b>Date of announcement</b>	<b>Fund raising activities</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
4 February 2013	Rights issue of not less than 6,138,200,416 Shares and not more than 7,365,996,744 Shares	HK\$494.62 million	For facilities implementation and partial repayment of the indebtedness of the Group	Used as intended
28 December 2012	Placing of 5% unsecured seven-year notes in the aggregate amount up to HK\$100.00 million	HK\$28.50 million	To repay part of indebtedness of the Group	Used as intended
24 December 2012 <i>(Note)</i>	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
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

*Note:* Such proposed placing was terminated and announced by the Company on 30 January 2013.

Save for the fund raising activities disclosed above, the Company had not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement 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	
	No. of Shares	Approximately %	No. of Shares	Approximately %
<b>Shareholders</b>				
<b>Directors:</b>				
Mr. Peter Temple Whitelam (Note 1)	78,125	0.00	78,125	0.00
Mr. Lo Yuen Wa Peter (Note 1)	156,250	0.00	156,250	0.00
<b>Substantial Shareholders</b>				
Mr. Andrew Liu	1,900,000,000	15.56	1,900,000,000	14.12
<b>Public Shareholders</b>				
Placees (Note 2)	—	—	1,250,000,000	9.29
Other public Shareholders	10,307,066,245	84.44	10,307,066,245	76.59
Total	<u>12,207,300,620</u>	<u>100.00</u>	<u>13,457,300,620</u>	<u>100.00</u>

Notes:

1. Mr. Peter Temple Whitelam and Mr. Lo Yuen Wa Peter are executive Directors of the Company.
2. The Placing Shares will be placed to not less than six independent Placees. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Placees, being 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.

## 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 condition 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 of the Company.**

## **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 Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Advisor” or “HEC Securities”	HEC Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 26 August 2013 to allot, issue and deal with 20% of the then issued share capital of the Company on 26 August 2013
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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

“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 1,250,000,000 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 licensed corporation to carry out business in 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 8 November 2013 in respect of the Placing
“Placing Price”	HK\$0.085 per Placing Share
“Placing Shares”	1,250,000,000 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 holder(s) of the Share(s)
“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**  
**Suen Yick Lun Philip**  
*Executive Director and Company Secretary*

Hong Kong, 8 November 2013

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

*Independent non-executive Directors*

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