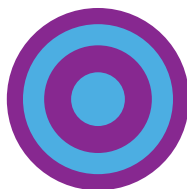


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## **MASCOTTE HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

### **SUPPLEMENT TO THE PLACING AGREEMENT AND LAUNCH OF THE PLACING**

**Placing Agent of the Company**



The Board is pleased to announce that on 28 June 2011 (after trading hour), Mascotte Holdings Limited (the "**Company**") and Deutsche Bank AG, Hong Kong Branch, entered into a supplemental agreement to the Placing Agreement (the "**Third Supplemental Agreement**") to further vary and supplement the terms and conditions of the Placing Agreement.

The Company expects that the bookbuilding process for the Placing will commence on 29 June 2011, based on an indicative Placing Price of HK\$0.40 per Placing Share and an indicative Initial Conversion Price of HK\$0.50 for the Convertible Bonds. The Company and the Placing Agent have further agreed on the indicative terms and conditions of the Convertible Bonds, as set out below in this announcement.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcements of the Company dated 19 January 2011, 11 February 2011 and 30 March 2011 (the “**Announcements**”) and the circular (the “**Circular**”) of the Company dated 20 May 2011 relating to, among other things, the Placing of the Placing Shares and the Convertible Bonds pursuant to the placing agreement dated 17 January 2011 (as varied and supplemented by the Supplement Agreements dated 11 February 2011 and 30 March 2011) (the “**Placing Agreement**”) on a best efforts basis. Unless otherwise stated herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

### **Third Supplemental Agreement**

Pursuant to the Placing Agreement, the Placing Agent shall place on a best efforts basis a maximum of 3,000,000,000 Placing Shares and shall have an option to require the Company to issue, in addition, up to 2,000,000,000 Additional Placing Shares, such that the aggregate gross proceeds from the Placing of the Placing Shares (assuming that the option is fully exercised) shall not exceed HK\$2,000,000,000. Further, the Placing Agent shall place on a best efforts basis Convertible Bonds in the aggregate principal amount of up to HK\$2,000,000,000.

The Board is pleased to announce that on 28 June 2011 (after trading hour), the Company and the Placing Agent entered into the Third Supplemental Agreement to further vary and supplement the terms and conditions of the Placing Agreement. Pursuant to the Third Supplemental Agreement,

- (1) the Placing Agent shall, on a best efforts basis, procure Placees to subscribe for (i) such number of Placing Shares as would raise up to HK\$450,000,000 in aggregate Placing Price and (ii) the Convertible Bonds in the aggregate principal amount of up to HK\$1,250,000,000 in accordance with the terms of the Placing Agreement and the Bond Documents, as varied and supplemented by the Third Supplemental Agreement; and
- (2) the Company granted an option (the “**Upsize Option**”) to the Placing Agent to require the Company to issue, in addition to the maximum number of Placing Shares and principal amount of Convertible Bonds to be placed under the Placing Agreement (i) such number of Placing Shares as would raise up to HK\$1,550,000,000 in aggregate Placing Price (the “**Upsize Shares**”) and (ii) the Convertible Bonds in the aggregate principal amount of up to HK\$750,000,000 (the “**Upsize Bonds**”) in accordance with the terms of the Placing Agreement and the Bond Documents, as varied and supplemented by the Third Supplemental Agreement.

Assuming that the final Placing Price per Placing Shares is HK\$0.40 and the final Initial Conversion Price for the Convertible Bonds is HK\$0.50, and that the Upsize Option is exercised in full, the aggregate number of Placing Shares and Conversion Shares to be issued by the Company will remain to be 9,000,000,000, and the aggregate gross proceeds from the Placing of the Placing Shares and the Convertible Bonds will remain to be HK\$4,000,000,000.

## Launch of the Placing

The Company expects that the bookbuilding process for the Placing will commence on 29 June 2011, based on an indicative Placing Price of HK\$0.40 per Placing Share and an indicative Initial Conversion Price of HK\$0.50 for the Convertible Bonds, as stated in the Circular. The Company and the Placing Agent have further agreed on the key indicative terms and conditions of the Convertible Bonds, as set out below:

<b>Aggregate Principal Amount</b>	HK\$1,250,000,000, with an Upsize Option to issue additional Convertible Bonds in the aggregate principal amount of HK\$750,000,000
<b>Denomination</b>	HK\$1,000,000 or integral multiples thereof
<b>Issue Price</b>	100% of the principal amount of the Convertible Bonds.
<b>Use of Proceeds</b>	The net proceeds from the issue of the Convertible Bonds will be used to fund the acquisition of the Target, as well as the capital expenditure, research and development costs, and working capital of the Target and its subsidiaries following Completion.
<b>Bondholders</b>	Investors to be procured by the Placing Agent pursuant to the Placing Agreement.
<b>Maturity Date</b>	36 Months after the completion of the Placing of the Convertible Bonds (the “ <b>Closing Date</b> ”).
<b>Interest</b>	5% p.a., accruing daily and payable semi-annually on each Interest Payment Date (as defined in the Bond Documents). The Interest Payment Dates shall be each 6 month and 12 month anniversary of the Closing Date.
<b>Final Redemption</b>	Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at the Redemption Price on the Maturity Date.  The Redemption Price shall be paid to the Bondholders on the Maturity Date.
<b>Early Redemption at Company’s Option</b>	The Company may redeem the Convertible Bonds in whole or in part, at the Redemption Price by giving notice in writing to the Bondholders (“ <b>Company Early Redemption Notice</b> ”).  Redemption shall take place on the first business day falling 30 days after the date of the Company Early Redemption Notice (“ <b>Company Early Redemption Date</b> ”).

The Redemption Price shall be paid to the Bondholders on the Company Early Redemption Date.

Notwithstanding the issue of a Company Early Redemption Notice, Bondholders may exercise their Conversion Option until 7 business days prior to the Company Early Redemption Date.

### **Early Redemption at Bondholder's Option**

#### **(a) Event of Default**

Each Bondholder shall be entitled, upon giving written notice to the Company, to require the Company to redeem all (but not part of) the Convertible Bonds at the Redemption Price upon the occurrence of an Event of Default (as defined in the Bond Documents).

The Redemption Price shall be paid to the Bondholder within 5 business days of such notice of an Event of Default.

#### **(b) Delisting or Change of Control**

Each Bondholder shall be entitled, upon giving written notice to the Company, to require the Company to redeem all (but not part only) of the Convertible Bonds at the Redemption Price upon (i) a delisting of the Shares from the Stock Exchange or (ii) the occurrence of a Change of Control. A "Change of Control" shall be construed strictly to mean a reverse take-over as determined by the Stock Exchange under the Listing Rules, or otherwise a situation where the mandatory general offer obligations under the Takeovers Code are triggered.

The Redemption Price shall be paid to the Bondholder within 10 business days after the Bondholder's notice of early redemption.

The Bondholders shall not be entitled to require the early redemption of the Convertible Bonds under any other circumstances.

### **Redemption Price**

The redemption price ("**Redemption Price**") shall be an amount in Hong Kong Dollars equal to:

- (a) 100% of the principal amount of the Convertible Bonds; plus
- (b) all interest accrued up to the date of Redemption.

<b>Conversion Option</b>	Each Bondholder shall have the right to convert the Convertible Bonds held by it into Shares in whole or in part at the Conversion Price on or before the date that is 7 business days prior to the earlier of (a) the Maturity Date and (b) the Company Early Redemption Date; provided, however, that no Convertible Bonds may be converted if any such conversion would either (i) result in any person being required to make a general offer for all or part of the Company's issued share capital under the Takeovers Code or (ii) result in the Company ceasing to satisfy the minimum public floatation requirement under the Listing Rules.
<b>Conversion Price</b>	HK\$0.50, subject to Adjustment.
<b>Adjustment</b>	Adjustment events relating to subdivision or consolidation of Shares, capital distributions, bonus issues, rights issues and other dilutive events
<b>Conversion Shares</b>	Assuming a Conversion Price of HK\$0.50, the maximum number of Shares issuable upon full conversion of the Convertible Bonds is 4,000,000,000.
<b>Event of Default</b>	Customary events of default for a transaction of this type, including cross default.
<b>Transferability</b>	Freely transferable
<b>Security</b>	Unsecured
<b>Negative Pledge</b>	<p>So long as there is any Outstanding Bond (as defined in the Bond Documents), subject to the terms and conditions in the Bond Documents and save for any security interests which have been created in favour of others and remain outstanding as at the Issue Date, neither the Company nor any of its subsidiaries will create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future to secure any Relevant Indebtedness or any guarantee of or indemnity in respect of any such Relevant Indebtedness, in each case without the written consent of the Bondholders holding 51 per cent. or more of the outstanding principal amount of Convertible Bonds, unless, at the same time or prior thereto the Company's obligations under the Convertible Bonds are secured equally and rateably therewith.</p> <p>Notwithstanding the foregoing, the Company is only required to notify the Bondholders in writing in advance in respect of any renewal or extension of any security interest for any Financial Indebtedness existing as at the Issue Date and no prior consent of any of the Bondholders is required in such cases.</p>

**“Relevant Indebtedness”** means any future indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement). For the avoidance of doubt, Relevant Indebtedness shall not include any present indebtedness of the Company or any of its subsidiaries, any future indebtedness of the Company or any of its subsidiaries in the form of bank borrowings, trade debts, or other types of indebtedness incurred in the ordinary course of business of the Company or any of its subsidiaries.

**“Financial Indebtedness”** shall mean any indebtedness for or in respect of moneys borrowed and debit balances with financial institutions.

**Form and Registration  
of the Convertible Bonds**

The Convertible Bonds may be issued in registered definitive form. The register of Bondholders will be maintained by the Company outside Hong Kong.

**Fiscal Agent**

The Company will perform the fiscal agent’s functions.

**Paying Agent**

The Company will perform the paying agent’s functions.

**Governing Law**

Hong Kong law

**Listing and Trading**

It is not expected that the Convertible Bonds will be listed. Application will be made to list the Conversion Shares.

Except as described in this announcement, the terms and conditions of the Placing Agreement are as previously described in the Circular. Further announcement will be made by the Company as appropriate in relation to the Placing.

By order of the Board of  
**Mascotte Holdings Limited**  
**Lo Yuen Wa Peter**  
*Acting Chief Executive Officer*

Hong Kong, 28 June 2011

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

*Executive Directors*

Mr. Peter Temple Whitelam (*Chairman*)

Mr. Lo Yuen Wa Peter

(*Acting Chief Executive Officer*)

Mr. Eddie Woo

Mr. Suen Yick Lun Philip

Mr. Lau King Hang

*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