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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

INTERIM RESULTS

The Board of Directors (the "Board") of Mascotte Holdings Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2011 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

		Six months ended 30 September	
		2011	2010
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**57,128**	75,951
Cost of sales		**(63,555)**	(75,560)
Gross (loss) profit		**(6,427)**	391
Other income		**10,064**	1,510
Selling and distribution costs		**(3,920)**	(5,470)
Administrative expenses		**(51,386)**	(27,343)
Other expenses for acquisition of assets		**(14,206)**	–
Net unrealised holding loss for investments held for trading		**(218,200)**	(87,629)
Net unrealised holding (loss) gain for investments designated as fair value through profit or loss upon initial recognition		**(27,553)**	14,219
Finance costs		**(37,033)**	–

	Notes	Six months ended 30 September 2011 (unaudited) HK$'000	2010 (unaudited) HK$'000
Loss before taxation		**(348,661)**	(104,322)
Income tax expense	*4*	**(2,062)**	(2,934)
Loss for the period	*5*	**(350,723)**	(107,256)
Other comprehensive (expense) income:			
Exchange differences on translating foreign operations		**(14,575)**	273
Total comprehensive expense for the period		**(365,298)**	(106,983)
Loss for the period attributable to:			
Owners of the Company		**(345,763)**	(107,440)
Non-controlling interests		**(4,960)**	184
		(350,723)	(107,256)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(352,589)**	(107,206)
Non-controlling interests		**(12,709)**	223
		(365,298)	(106,983)
Basic loss per share	*7*	**HK$10.58 cents**	HK$6.26 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Notes	30 September 2011 (unaudited) HK$'000	31 March 2011 (audited) HK$'000
Non-current assets			
Investment properties		**23,120**	22,150
Property, plant and equipment	*8*	**309,750**	4,795
Prepaid lease payments		**3,797**	4,068
Intangible asset	*9*	**2,128,495**	–
Deposits paid for acquisition of property, plant and equipment		**9,521**	–
Restricted bank balance		**13,145**	–
Rental deposit		**517**	–
Available-for-sale financial assets		**81,000**	81,000
		2,569,345	112,013
Current assets			
Financial assets at fair value through profit or loss			
Investments held for trading			
– securities listed in Hong Kong		**426,555**	484,825
Investments designated as fair value through profit or loss upon initial recognition		**60,227**	61,180
Inventories		**11,761**	11,804
Prepaid lease payments		**681**	669
Trade receivables	*10*	**41,299**	36,825
Loans and interest receivables	*11*	**121,180**	30,978
Other receivables, deposits and prepayments		**9,219**	54,944
Tax recoverable		**144**	144
Bank balances and cash		**702,538**	16,805
		1,373,604	698,174

	Notes	**30 September 2011 (unaudited)** *HK$'000*	31 March 2011 (audited) *HK$'000*
Current liabilities			
Trade and bills payables	*12*	**14,486**	11,589
Other payables and accrued charges		**49,800**	25,516
Tax payable		**17,714**	14,951
Margin facilities utilised		**504**	526
Bank borrowings	*13*	**2,475**	–
		84,979	52,582
Net current assets		**1,288,625**	645,592
Total assets less current liabilities		**3,857,970**	757,605
Capital and reserves			
Share capital	*14*	**456,678**	230,478
Reserves		**1,091,465**	522,176
Equity attributable to owners of the Company		**1,548,143**	752,654
Non-controlling interests		**1,156,937**	4,316
Total equity		**2,705,080**	756,970
Non-current liabilities			
Convertible notes	*15*	**1,053,411**	–
Deferred tax liabilities	*4*	**61,122**	635
Bank borrowings	*13*	**38,357**	–
		1,152,890	635
		3,857,970	757,605

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the unaudited interim condensed consolidated financial statements for the six months ended 30 September 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011. In addition, the Group applied the following new accounting policies during the current period.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Intangible asset

Intangible asset acquired separately and with finite useful lives is carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible asset with finite useful lives is provided on a straight-line basis over their estimated useful lives.

At the end of the reporting period, the Group reviews the carrying amounts of its intangible asset to determine whether there is any indication that the asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the other reserve. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards and amendments ("New HKFRSs"), issued by the HKICPA. The application of the New HKFRSs in the current interim period has had no material effect on the amounts reported in these unaudited interim condensed consolidated financial statements.

The Group has not early applied the following new or revised standards and amendments that have been issued but are not yet effective.

HKFRS 7 (Amendments)	Disclosures – transfers of financial assets[1]
HKFRS 9	Financial instruments[2]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
HKAS 1 (Amendments)	Presentation of items of other comprehensive income[4]
HKAS 12 (Amendments)	Deferred tax: recovery of underlying assets[3]
HKAS 19 (Revised 2011)	Employee benefits[2]
HKAS 27 (Revised 2011)	Separate financial statements[2]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2012.
[4] Effective for annual periods beginning on or after 1 July 2012.

The directors of the Company are in the processing of assessing the impact on the results and the financial position of the Group. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA except that the directors of the Company are unable to assess whether an impairment loss needs to be recognised in respect of the intangible asset in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" ("HKAS 36") as explained in note 9.

3. TURNOVER AND SEGMENT INFORMATION

Based on the internal reports that are regularly reviewed by the chief operating decision markers, i.e. the Company's executive directors, the Group's reportable segments are as follows:

(i) Investments: Trading of investments

(ii) Loan financing: Provision of loan financing services

(iii) Manufacture and sales of accessories: Manufacture and trading of accessories for photographic, electrical and multimedia products

(iv) Property investment: Holding properties for rental and capital appreciation

(v) Manufacture and sales of solar grade polysilicon, arising on acquisition of assets as set out in note 16.

Segment results

For the six months ended 30 September 2011 (unaudited)

	Investments	Loan financing	Manufacture and sales of accessories	Property investment	Manufacture and sales of solar grade polysilicon	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
To external customers	**(45,323)**	**12,611**	**89,156**	**684**	**–**	**57,128**
Segment results	**(289,988)**	**13,010**	**6,967**	**1,344**	**(9,881)**	**(278,548)**
Unallocated other income						**2,144**
Unallocated corporate expenses						**(21,018)**
Other expenses for acquisition of assets						**(14,206)**
Finance costs						**(37,033)**
Loss before taxation						**(348,661)**

For the six months ended 30 September 2010 (unaudited)

	Investments	Loan financing	Manufacture and sales of accessories	Property investment	Manufacture and sales of solar grade polysilicon	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
To external customers	(31,811)	3,604	103,528	630	–	75,951
Segment results	(105,498)	3,597	10,156	626	–	(91,119)
Unallocated other income						558
Unallocated corporate expenses						(13,761)
Loss before taxation						(104,322)

Segment results represent the financial results earned by each segment without allocation of certain other income, corporate expenses and other expenses for acquisition of assets. This is the measure reported to the executive directors for the purpose of resource allocation and performance assessment.

Segment assets

As at 30 September 2011 (unaudited)

	Investments *HK$'000*	Loan financing *HK$'000*	Manufacture and sales of accessories *HK$'000*	Property investment *HK$'000*	Manufacture and sales of solar grade polysilicon *HK$'000*	Total segment assets *HK$'000*
Segment assets	**567,782**	**121,180**	**62,514**	**23,220**	**2,378,803**	**3,153,499**
Unallocated corporate assets						**789,450**
Consolidated total assets						**3,942,949**

As at 31 March 2011 (audited)

	Investments *HK$'000*	Loan financing *HK$'000*	Manufacture and sales of accessories *HK$'000*	Property investment *HK$'000*	Manufacture and sales of solar grade polysilicon *HK$'000*	Total segment assets *HK$'000*
Segment assets	675,060	30,978	58,107	22,250	–	786,395
Unallocated corporate assets						23,792
Consolidated total assets						810,187

Geographical Information

The Group's sales of accessories are principally carried out in Europe, United States of America, Hong Kong and other regions in The People's Republic of China ("PRC"). Property investment is carried out in other regions in the PRC. Investments trading and loan financing are carried out in Hong Kong.

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the accessories/services:

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Europe	**36,920**	43,753
United States of America	**9,763**	23,119
Hong Kong	**(17,917)**	(17,412)
Other regions in the PRC	**14,804**	7,985
Others	**13,558**	18,506
	57,128	75,951

4. INCOME TAX EXPENSE AND DEFERRED TAX LIABILITIES

Income tax expense

	Six months ended 30 September 2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Current tax:		
Hong Kong	**1,020**	2,078
PRC Enterprise Income Tax	**878**	856
Taiwan	**(1)**	–
	1,897	2,934
Deferred tax	**165**	–
	2,062	2,934

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for both periods. Taxation arising in Taiwan is calculated at 17% for the period.

Deferred tax liabilities

	Revaluation of properties HK$'000	Convertible notes HK$'000	Total HK$'000
As at 1 April 2011 (audited)	635	–	635
Charge to profit or loss for the period	165	–	165
Charge to equity for the period	–	60,322	60,322
As at 30 September 2011 (unaudited)	800	60,322	61,122

5. LOSS FOR THE PERIOD

	Six months ended 30 September 2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Loss for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**6,635**	758
Loss on disposal of property, plant and equipment	**–**	14
Release of prepaid lease payments	**340**	336
Effective interest expense on convertible notes	**36,590**	–
Government subsidy	**(1,753)**	–
Dividend income from listed securities	**(4,585)**	(2,598)
Gain on fair value change of investment properties	**(660)**	(188)

6. DIVIDENDS

No dividend was paid, declared or proposed during the period (six months ended 30 September 2010: nil). The directors do not recommend the payment of an interim dividend.

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic loss per share	**(345,763)**	(107,440)

	Six months ended 30 September	
	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,267,380,045**	1,715,598,810

The computation of diluted loss does not assume (i) the conversion of the Company's convertible notes and (ii) the exercise of the Company's share options because the loss per share for both periods would be reduced.

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired a new office premise in Hong Kong of HK$75,000,000 and property, plant and equipment of HK$229,145,000 upon acquisition of assets as set out in note 16.

9. INTANGIBLE ASSET

Intangible asset represents certain technology for manufacturing of solar grade polysilicon which is not yet available for use (the "Core Technology") that was acquired by the Group through the acquisition of assets as set out in note 16. According to HKAS 36, intangible asset that are not yet available for use are tested for impairment. An impairment loss is recognised when the recoverable amount of the asset is lower than its carrying amount.

The directors of the Company have assessed whether the intangible asset may be impaired and whenever there is an indication that they may be impaired as of 30 September 2011 in accordance with HKAS 36. The directors concluded that because the recoverability of the carrying amount of the intangible asset depends upon the results of commercial production and successful establishment of additional production plants in Taiwan, which is uncertain until successful launch of the product by using the Core Technology, the directors are unable to prepare an estimate of the future cash flows the Group expects to derive from the intangible asset for the calculation of the recoverable amount of the intangible asset and assess whether an impairment loss needs to be recognised in respect of the intangible asset.

Upon commencement of the commercial production and successful launch of the product, valuation of the intangible asset will be performed by the directors in subsequent reporting periods for the purpose of determining the recoverable amount of the intangible asset.

10. TRADE RECEIVABLES

The Group allows credit period of 30 to 150 days to its trade customers. The aging analysis of trade receivables (net of allowances for doubtful debts) is stated as follows:

	As at 30 September 2011	As at 31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 60 days	**30,408**	25,243
61 – 150 days	**8,722**	9,841
More than 150 days	**2,169**	1,741
	41,299	36,825

11. LOANS AND INTEREST RECEIVABLES

Fixed-rate loans receivable bear interest from 5% to 24% per annum.

12. TRADE AND BILLS PAYABLES

The aging analysis of trade and bills payables is stated as follows:

	As at 30 September 2011	As at 31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 60 days or on demand	**13,095**	10,724
61 to 150 days	**859**	768
More than 150 days	**532**	97
	14,486	11,589

13. BANK BORROWINGS

Bank borrowings carry interest at variable rate ranged from 0.57% to 1.3% over the local bank interest rate in Taiwan per annum.

14. SHARE CAPITAL

	Notes	Number of shares	Share capital HK$'000
Authorised:			
At 1 April 2011		10,000,000,000	1,000,000
Increased on 7 June 2011	*(a)*	10,000,000,000	1,000,000
At 30 September 2011, ordinary shares of HK$0.1 each		20,000,000,000	2,000,000
Issued and fully paid:			
At beginning of period		2,304,778,952	230,478
Issue of new shares under placement	*(b)*	2,200,000,000	220,000
Conversion of convertible notes	*(c)*	62,000,000	6,200
At end of period		4,566,778,952	456,678

Notes:

(a) On 7 June 2011, the number of authorised shares of the Company was increased from 10,000,000,000 to 20,000,000,000. The increased authorised shares rank pari passu with the existing ordinary shares of the Company.

(b) On 14 July 2011, the Company issued 2,200,000,000 ordinary shares at HK$0.4 each for a total proceed of HK$880,000,000. Details of the placement is set out in the Company's announcement dated 15 July 2011.

(c) On 24 August 2011, 62,000,000 ordinary shares were issued upon conversion of convertible notes.

15. CONVERTIBLE NOTES

The Company issued 2,900,000,000 convertible notes with coupon rate of 5% per annum at an initial conversion price of HK$0.5 each (subject to adjustments) on 14 July 2011 for a total proceed of HK$1,450,000,000. The convertible notes are denominated in Hong Kong dollars. The notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the notes and maturity date on 14 July 2014. If the notes have not been converted, they will be redeemed on 14 July 2014 at the face value of convertible notes. Interest of 5% will be paid semi-annually.

The convertible notes contain two components, liability and equity elements. The equity element is presented in equity heading convertible notes equity reserve. The effective interest rate of the liability component is approximately 15.5% per annum.

The movement of the liability component of the convertible notes for the period is set out below:

	HK$'000
At 14 July 2011	1,054,764
Interest charge	36,590
Interest payable	(15,151)
Converted into new ordinary shares during the period	(22,792)
At 30 September 2011	1,053,411

16. ACQUISITION OF ASSETS

On 31 December 2010, the Company entered into an agreement pursuant to which the Company purchased 50.1% interest in Sun Mass Energy Limited ("Sun Mass") for the total cash consideration of US$150,000,000 (equivalent to HK$1,170,000,000). The transaction was completed on 15 July 2011. The principal assets of Sun Mass are property, plant and equipment and intangible asset for manufacturing of solar grade polysilicon in Taiwan. As Sun Mass did not commence its production as at 15 July 2011, the transaction was accounted for as acquisition of assets.

	HK$'000
Cash consideration	1,170,000
Assets recognised and liabilities assumed at date of acquisition:	
Property, plant and equipment	229,145
Intangible asset	2,129,391
Deposits paid for acquisition of property, plant and equipment	3,719
Rental deposit	545
Restricted bank deposit	5,654
Other receivables and prepayments	763
Bank balances and cash	91,478
Other payables and accruals	(1,579)
Other borrowing	(80,730)
Bank borrowings	(43,056)
Net assets acquired	2,335,330
Less: Non-controlling interests	(1,165,330)
	1,170,000
Net cash outflow on acquisition of assets:	
Cash consideration paid	1,170,000
Less: Cash and cash equivalents acquired	(91,478)
	1,078,522

17. CAPITAL COMMITMENTS

	As at 30 September HK$'000 (unaudited)	As at 31 March HK$'000 (audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the unaudited interim condensed consolidated financial statements	**28,844**	–

On 12 September 2011, the Company entered into a sale and purchase agreement to acquire the remaining 49.9% interest in Sun Mass for a consideration of HK$2,500,000,000. Details of the transaction is set out in the Company's announcement on 4 October 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was primarily engaged in the business of manufacturing solar grade polysilicon in Taiwan, investment and trading of securities, provision of finance; property investment and manufacturing of accessories for photographic and multimedia products.

During the six months ended 30 September 2011 (the "Period"), the Group has completed the acquisition of 50.1% interest in Sun Mass Energy Limited ("Sun Mass"). Sun Mass and its subsidiary (Sun Materials Technology Co., Ltd ("Sun Materials")) then became non-wholly owned subsidiaries of the Company with effect from 15 July 2011. Sun Materials was then in the position to commence limited scale commercial production, but the decision was taken to delay the production in order that further enhancements to the manufacturing process can be made so as to decrease the manufacturing costs and increase the efficiency. Accordingly, commencement of commercial production has been re-scheduled to accomodate the latest enhancement and no revenue from the polysilicon business has been derived in the Period.

In view of the adverse conditions of the financial markets; the Group aims to diversify its investments and has been closely monitoring and aiming to diversify its investment portfolio. During the Period under review, there was no material change in the Group's investment portfolio; however, the market's volatility and downfall has a significant adverse impact on the value of investments. On the other hand, for money lending business, as all loans receivable and interest were duly settled on time, no provision for non-recovery was considered necessary or made during the Period. The manufacturing of accessories for photographic and multimedia products experienced no material change in its customer base and product mix.

Furthermore, the Group has purchased a commercial property which is located at Hong Kong. The transaction was completed during the period. The commercial property is now under renovation and will be used by the Company.

During the Period, the Group has made charitable donations of approximately HK$2.6 million.

FINANCIAL REVIEW

The Group's turnover decreased by 24.9% to HK$57.1 million compared to HK$76.0 million for the same period in 2010. It was mainly due to increase in loss on trading of investments and decrease in revenue from manufacture and sales of accessories.

During the Period under review, interest income from provision of finance significantly increased by 2.5 times to HK$12.6 million from HK$3.6 million for the comparison period in 2010, it was mainly due to increase in number of customers. The Group recorded a net loss from trading of securities of HK$45.3 million, 42.5% higher than HK$31.8 million for the same period in 2010, it was mainly due to the adverse change in financial market during the Period. Income from manufacture and sales of accessories was decreased by 13.8% to HK$89.2 million from HK$103.5 million for the comparison period in 2010. Income from investment property increased by 16.7% to HK$0.7 million from HK$0.6 million. No income posted from polysilicon segment.

The Group's gross loss during the Period was HK$6.4 million (2010: gross profit of HK$0.4 million), representing an increase of 17.0 times as compared to the same period in 2010. It was mainly due to the increase in loss on trading of investments.

The Group posted an unrealised loss of financial assets at fair value through profit or loss of HK$245.8 million (2010: a net loss of HK$73.4 million).

Administrative expenses increased to HK$51.4 million from HK$27.3 million, representing an increase of 88.3% as compared to the same period in 2010, which was mainly due to the increase in costs for corporate exercises (including expenses for acquisition of assets) and consolidation of the newly acquired assets.

During the Period, the Group recorded a finance cost of HK$37.0 million (2010: nil). The increase was primarily due to amortisation of interest expense of convertible notes which was approximately HK$36.6 million.

The net loss attributable to shareholders of the Company was HK$345.8 million (2010: a net loss of HK$107.4 million). It was mainly due to increase in realised and unrealised losses of investments held for trading.

PROSPECTS

The Group will monitor the macro-economic environment while keeping its pace on business development. The Group has also implemented a diversification strategy aimed at identifying suitable investment opportunities and wishes to expand its involvement in the renewable energy market.

On 4 October 2011, the Company announced, among other things, it had entered into the Sales and Purchase Agreement to acquire the remaining interest of 49.9% of Sun Mass (the "Acquisition"). While the Acquisition is still in progress, the Company are of the view that upon the completion of the Acquisition, the Group will benefit from the full integration of Sun Materials when it becomes a wholly owned subsidiary.

The Group is optimistic about the future development of Sun Materials in the green energy industry; and will be substantially engaged in manufacturing and trading of polycrystalline silicon. The Group believes that prospect of this new business is positive.

LIQUIDITY AND CAPITAL RESOURCES

The Group primarily financed its operations with its internally generated cash flows and by its shareholder's equity. On 14 July 2011, the Company completed a placing of new ordinary shares and convertible bonds with aggregated proceeds of HK$2,330.0 million in which HK$880.0 million was raised from placing of 2,200,000,000 new ordinary shares.

At 30 September 2011, net current assets of the Group amounted to HK$1,288.6 million (As at 31 March 2011: HK$645.6 million) with bank balances and cash of HK$702.5 million (As at 31 March 2011: HK$16.8 million).

The Group had secured bank borrowings of approximately HK$40.8 million (NT$160 million) (As at 31 March 2011: Nil) which was denominated in new Taiwan Dollars. Gearing ratio calculated on the basis of the Group's total debts (interest-bearing bank and other borrowings plus convertible notes) over shareholders' funds was 70.7% (As at 31 March 2011: 0.1%). The bank borrowings carried floating interest rate calculated by reference to Taiwan's local bank loan rate. As the amount of bank borrowings is not material, thus it has been considered no material exposure in currency risk.

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

CHARGE OF ASSETS

At 30 September 2011, margin facilities of HK$185.8 million (As at 31 March 2011: HK$234.2 million) from three regulated securities brokers were granted to the Group under which financial assets at fair value through profit or loss of HK$426.6 million (As at 31 March 2011: HK$484.8 million) were treated as collateral for the facilities granted. Aggregated of HK$0.5 million (As at 31 March 2011: HK$0.5 million) facilities were utilised and the carrying amount of the financial assets at fair value through profit or loss charged under the utilised facilities to a securities broker is HK$26.5 million (As at 31 March 2011: HK$28.6 million).

Furthermore, the Group has an outstanding bank borrowings amounted to approximately HK$40.8 million (NT$160 million) which was secured by buildings with a carrying amount of approximately HK$79.2 million (NT$310.3 million) as at 30 September 2011. The buildings are located at Taiwan.

CONTINGENT LIABILITIES

The Company and the Group had not provided corporate guarantee to its subsidiaries or other parties and did not have other contingent liabilities as at 30 September 2011 (As at 31 March 2011: Nil).

CURRENCY RISK MANAGEMENT

The majority of the Group's assets are held in Hong Kong Dollars with no material foreign exchange exposure. The Group's manufacturing business has its overseas market, which alone accounts for around HK$36.9 million of the Group's sales turnover. Furthermore, the Group also engaged in polysilicon business in Taiwan, United Stated Dollar ("US$") will be expected to be the functional currency, no income is yet to be recorded during the Period. In safeguarding the volatile Euro Dollars currency risk, the management has chosen to adopt a more prudent sales policy by mainly accepting US$ quoted sale orders, which in turn the management can maintain a stable currency exchange condition for normal trading business development. During the Period, the directors are of the view that the Group's exposure to exchange rate risk is not material, and will continue to monitor it.

EVENTS AFTER THE REPORTING PERIOD

On 4 October 2011, the Company announced that, among other things, it had entered into a conditional agreement to acquire the remaining 49.9% shareholding interest in Sun Mass. A circular to shareholders is currently being prepared as announced by the Company on 25 October 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the placing of new ordinary shares on 14 July 2011, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months period ended 30 September 2011.

AUDIT COMMITTEE

The Audit Committee is principally responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board of the Company. The Audit Committee comprise of three INEDs of the Company. The terms of reference of the Audit Committee are consistent with the terms set out in the relevant section of the Code.

The condensed consolidated results of the Company for the six months ended 30 September 2011 have been reviewed by the Audit Committee. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, legal and compliance and discussed internal controls, risk management and financial reporting matters including the review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2011.

REMUNERATION COMMITTEE

The remuneration committee is principally responsible for formulating the Group's policy and structure for all remunerations of the directors and senior management and providing advice and recommendations to the Board of the Company. The remuneration committee comprises the three INEDs of the Company. The terms of reference are consistent with the terms set out in the relevant section of the Code. During the six months period ended 30 September 2011, one meeting has been held by the Remuneration Committee discussed and reviewed the remuneration packages for all existing and newly appointed directors and senior management.

CORPORATE GOVERNANCE

The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules during the six months period ended 30 September 2011 except for the following deviations from a code provision with considered reasons are given below:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

All of the non-executive directors of the Company are not appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings of the Company. Pursuant to the clause 87(1) of the Company's Bye-laws, each director shall be subject to retirement by rotation at least once every three years at the annual general meeting. This means that the terms of appointment of the directors, including INEDs, cannot exceed three years. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than those in the Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiries of all directors, all directors confirm that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2011.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE WEBSITE

This interim results announcement is also published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.irasia.com/listco/hk/mascotte/index.htm). The interim report containing all information required by the Listing Rules will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to our business partners, employees and shareholders for their continuous support.

By Order of the Board
MASCOTTE HOLDINGS LIMITED
Suen Yick Lun Philip
Executive Director

Hong Kong, 25 November 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 *(Managing Director)*
Mr. Eddie Woo
Mr. Suen Yick Lun Philip
Mr. Lau King Hang
Dr. Wu Yi-Shuen

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