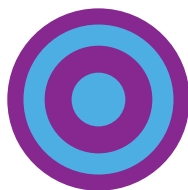


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## **MASCOTTE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 136)**

### **DISCLOSEABLE TRANSACTION**

#### **DISPOSAL OF APPROXIMATELY 5.82% INTEREST IN SUN MASS FUNDING**

On 9 April 2013 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement whereby the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing approximately 5.82% of the entire allotted and issued share capital of Sun Mass Funding, for a consideration of HK\$50 million. Upon Completion of the Disposal, the Company will retain an interest of approximately 94.18% in Sun Mass Funding.

Completion of the Disposal is conditional on the satisfaction (or, if applicable, waiver) of the Sale Condition. Details of the Sale and Purchase Agreement are set out under the section headed “The Sale and Purchase Agreement” below.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

**Shareholders and potential investors should note that Completion is subject to the satisfaction (or, if applicable, waiver) of the Sale Condition under the Sale and Purchase Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE SALE AND PURCHASE AGREEMENT**

On 9 April 2013 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement whereby the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing approximately 5.82% of the issued share capital of Sun Mass Funding, for a consideration of HK\$50 million. Details of the Sale and Purchase Agreement are set out below.

### **Date**

9 April 2013

### **Parties**

Vendor: The Company, being the owner of 100% of the allotted and issued shares of Sun Mass Funding

Purchaser: The Purchaser, which is a wholly-owned subsidiary of National Investments Fund Limited

The Purchaser is a limited liability company incorporated in the BVI which is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, National Investments Fund Limited holds 2,968,750 Shares, representing approximately 0.16% of the issued share capital of the Company.

### **Assets to be disposed of**

The Sale Shares, being approximately 5.82% of the entire allotted and issued shares of Sun Mass Funding.

Further information in relation to Sun Mass Funding and its subsidiaries is set out in the section titled "Information on the Disposal Group" in this announcement.

### **Consideration**

The consideration for the Sale Shares is HK\$50 million, of which HK\$25 million is required to be paid by the Purchaser to the Company in cash within 10 Business Days after the Signing Date; and the remaining balance is required to be paid by the Purchaser to the Company upon completion, in accordance with the terms and subject to the conditions of the Sale and Purchase Agreement.

The Consideration was determined by the Company and the Purchaser after arm's length negotiations after taking into consideration various factors, in particular (i) the unaudited net asset value of Disposal Group as at 28 March 2013; (ii) the terms of the Sale and Purchase Agreement and (iii) the reasons for the Disposal as discussed in the paragraph headed "Reasons for and use of proceeds from the Disposal" below.

### **Sale Condition**

The sale and purchase of the Sale Shares is conditional upon fulfilment of the condition that, if applicable, all consents from regulatory authorities or third parties which are necessary in connection with the execution and performance of the Sale and Purchase Agreement and any of the transactions contemplated thereunder are obtained.

As at the date of this announcement, the Company has obtained the prior written consent from Chung Nam Finance Limited relating to the Disposal, pursuant to the Credit Line.

If the Sale Condition has not been fulfilled within 45 days from the Signing Date for whatever reason, the Sale and Purchase Agreement shall cease and determine whereupon the Company shall refund the deposit paid pursuant to the Sale and Purchase Agreement in full, without interest, to the Purchaser within 7 business days after termination of the Sale and Purchase Agreement and neither party shall have any obligations and liability towards each other under the Sale and Purchase Agreement save for any antecedent breaches of its terms.

### **Completion**

Subject to the satisfaction of the Sale Condition, Completion shall take place on the Completion Date.

### **POST COMPLETION OBLIGATION**

From Completion and so long as Sun Mass Funding is a subsidiary of the Company, the Company must use its best endeavours to provide or procure that third parties provide Sun Mass Funding with all funding required by it to enable it to meet its funding obligations to Sun Mass and Sun Materials from time to time. Such funding shall be made by way of loan to Sun Mass Funding by the Company or any third party that the Company may procure to provide funding to Sun Mass Funding on such terms and subject to such conditions as are agreed between the Company, Sun Mas Funding and if applicable, any third party finance provider.

**INFORMATION ON THE GROUP**

The Group 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.

**INFORMATION ON THE PURCHASER**

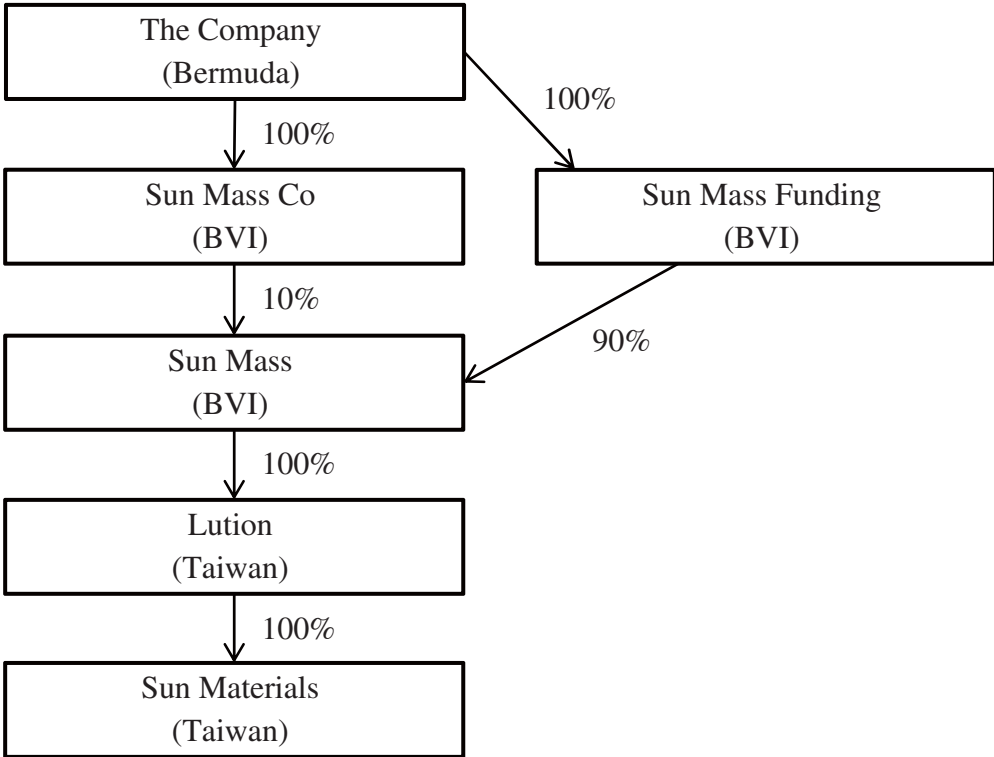
The Purchaser is principally engaged in investment. The ultimate beneficial owner of the Purchaser is National Investments Fund Limited, which is an investment company under Chapter 21 of the Listing Rules and is principally engage in investment in listed and unlisted securities. As at the date of this announcement to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, National Investments Fund Limited hold 2,968,750 shares, representing approximately 0.16% of the issued share capital of the Company.

Save as disclosed, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

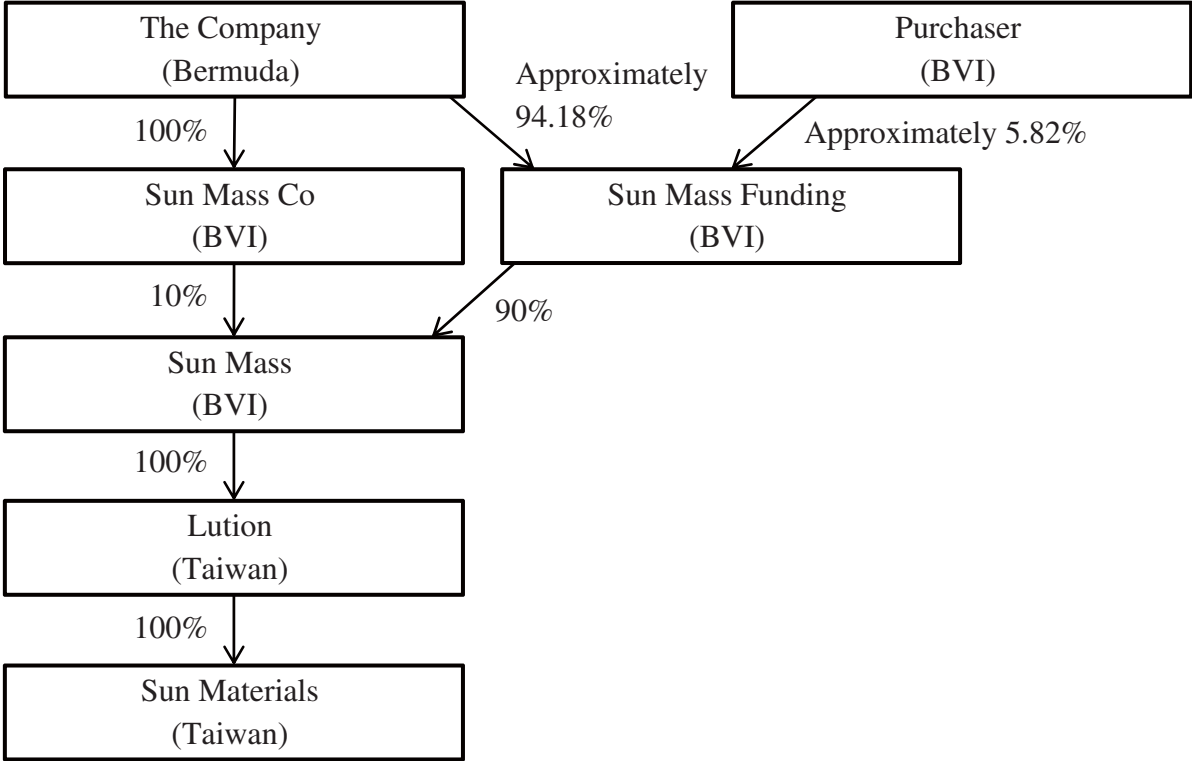
**INFORMATION ON THE DISPOSAL GROUP**

The following charts illustrate the shareholding structure of the Disposal Group before and after Completion:

**As at the date of this announcement and immediately before Completion:**



**Immediately after Completion:**



Set out below is the background information and financial information of the Disposal Group.

**Sun Mass Funding**

Sun Mass Funding was incorporated on 4 January 2013 and is a limited liability company incorporated in the BVI. Sun Mass Funding’s principal business is investment holding and it has a 90% interest in Sun Mass. At present Sun Mass Funding is a wholly owned subsidiary of the Company.

**Sun Mass**

Sun Mass is a limited liability company incorporated in the BVI. Sun Mass’s principal business is investment holding and it is the sole shareholder of Lution. At present Sun Mass is an indirect wholly owned subsidiary of the Company.

**Lution**

Lution is a limited liability company incorporated in Taiwan. Lution’s principal business is investment holding and it is the sole shareholder of Sun Materials.

## Sun Materials

Sun Materials is a limited liability company incorporated in Taiwan. Its principal business is the manufacture of solar grade polycrystalline silicon. Sun Materials developed a new and innovative technology and patented in the USA, Europe, Japan, Taiwan and China the key production reactor for such technology, with a view to significantly reducing the plant development costs, production costs, production hazards and adverse environmental effects of manufacturing solar grade polycrystalline silicon.

Sun Materials completed construction of its first polycrystalline silicon production plant in Taiwan in October 2010, which has a designed production capacity of up to 3,500 metric tons. Commercial production of polycrystalline silicon has been delayed due to the need to enhance the Group's production facilities before commencing commercial production. Commercial production is expected to commence in the first half of 2013.

### Financial information on the Disposal Group

Set out below is the consolidated financial information of the Sun Mass Group for the year ended 31 December 2011 and 31 December 2012:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2011</b>	<b>2012</b>
	<i>(HK\$'000,000)</i>	<i>(HK\$'000,000)</i>
	unaudited	unaudited
<b>Net (loss) before tax and extraordinary items</b>	(27.63)	(55.74)
<b>Net (loss) after tax and extraordinary items</b>	(27.63)	(55.74)
<b>Net asset value</b>	184.67	287.88

## **REASONS FOR AND USE OF PROCEEDS FROM THE DISPOSAL**

The Company has entered into the Disposal, in addition to undertaking the rights issue as announced on 4 February 2013, in order to fund the partial repayment of the Credit Line. The Disposal provides the Group a good opportunity (i) to realise its investment in its polycrystalline silicon business; and (ii) to reduce its debt level as well as its interest burden.

On 21 November 2012, the Group entered into the Credit Line which bears interest at the prime rate as quoted by Chong Hing Bank Limited from time to time plus 5% per annum. An aggregate principal amount of HK\$489.0 million was outstanding pursuant to the Credit Line as at the date of this announcement. This currently equates to approximately 10.25% per annum corresponding to monthly interest payments by the Company of approximately HK\$4.18 million.

The Directors are of the view that it is in the interests of the Company to partially repay the Credit Line in order to reduce interest payments to be made in respect of the Credit Line and to increase the amount to be available for draw-down when necessary.

The proceeds from the Disposal will be applied to fund the partial repayment of Credit Line.

The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and that the entry into the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole. The Company will continue to seek available financial resources including fund-raising activities and/or pursuing strategic investors and partners for its operations to reduce its debt level and to enhance its working capital.

## **BUSINESS OF THE GROUP**

After Completion, there will be no material change to any of the Group's business segments, except for the Group's reduced interest in the Disposal Group.

## FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the interest of the Company in Sun Mass Funding will be reduced to approximately 94.28% and Sun Mass Funding and its subsidiaries will continue to be subsidiaries of the Company. The results and assets and liabilities of Sun Mass Funding and its subsidiaries will continue to be incorporated in the consolidated financial statements of the Company following Completion.

The Group expects to recognize an unaudited loss of approximately HK\$1.1 million from the Disposal, which is calculated with reference to the Consideration to be received, the carrying investment cost in Sun Mass Funding as at 28 March 2013 and the estimated transaction costs including legal and professional expenses related to the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group cannot be ascertained as at the date of this announcement and is subject to audit.

## LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

**Shareholders and potential investors should note that Completion is subject to the satisfaction (or, if applicable, waiver) of the Sale Condition under the Sale and Purchase Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Business Day”	a day (except a Saturday or Sunday) 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 Disposal in accordance with the Sale and Purchase Agreement
“Completion Date”	the date not later than the third Business Day following the satisfaction of the conditions specified the Sale and Purchase Agreement or one calendar month after the Signing Date, whichever is the later, or such other date as the Company and the Purchaser may agree
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	a total of HK\$50 million to be satisfied in the manner disclosed in the paragraph headed “Consideration” above
“Credit Line”	a two-year revolving loan facility for the aggregate amount of HK\$500 million granted by Chung Nam Finance Limited to the Company
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Company in accordance with the terms of the Sale and Purchase Agreement
“Disposal Group”	Sun Mass Funding, Sun Mass, Lution and Sun Materials
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Lution”	Lution International Holdings Co., Ltd, a company incorporated with limited liability in Taiwan and a wholly-owned subsidiary of Sun Mass

“PRC” or “China”	the People’s Republic of China
“Purchaser”	Gold Full Corporate Development Limited, a company incorporated in BVI with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 April 2013 between the Company and the Purchaser in relation to the Disposal
“Sale Condition”	the condition set out in the section headed “Sale Condition” in this announcement
“Sale Share(s)”	531,575 shares of a single class of no par value of Sun Mass Funding, representing approximately 5.82% of the issued shares of Sun Mass Funding as at the date of the Sale and Purchase Agreement
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Signing Date”	9 April 2013, being the date on which the Company and the Purchaser entered into the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Sun Mass”	Sun Mass Energy Limited, a company established in the BVI with limited liability and an indirect wholly owned subsidiary of the Company
“Sun Mass Co”	Sun Mass Corporation, a company established in the BVI with limited liability and a wholly owned subsidiary of the Company
“Sun Mass Funding”	Sun Mass Funding Corporation, a company established in the BVI with limited liability and a wholly owned subsidiary of the Company

“Sun Materials”	Sun Materials Technology Co., Ltd., a company incorporated with limited liability in Taiwan and a wholly owned subsidiary of Lution
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

By order of the Board  
**Mascotte Holdings Limited**  
**Lo Yuen Wa Peter**  
*Managing Director*

Hong Kong, 9 April 2013

As at the date of this announcement, the Directors are as follows:

*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