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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)

(Stock Code of Warrants: 1493)

HOLDING ANNOUNCEMENT

PURSUANT TO

- (1) RULES 13.09 AND 13.10 OF THE LISTING RULES; AND
(2) INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF
THE SECURITIES AND FUTURES ORDINANCE**

Reference is made to the announcement of Mascotte Holdings Limited (the “**Company**”) issued on 9 June 2015 in relation to the suspension of trading in the securities of the Company. This announcement is made pursuant to (1) Rules 13.09 and 13.10 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and (2) the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The purpose of this holding announcement is to inform the shareholders of the Company the current status of the Company in connection with the suspension of trading in its securities since 9 June 2015.

* *For identification purpose only*

THE SUBSCRIPTION AGREEMENT

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 9 June 2015, the Company entered into a memorandum of understanding (the “**MOU**”) with Evergrande Real Estate Group Limited (“**Evergrande**”) and Tencent Holdings Limited (“**Tencent**”) who are, to the best of the Company’s knowledge, independent and not connected with the Company, in respect of the subscription of new shares (the “**Shares**”) of the Company. Pursuant to the MOU and further negotiations, the Company has, on 15 June 2015, entered into a definitive subscription agreement (the “**Subscription Agreement**”) with Evergrande and Mount Yandang Investment Limited (together with Evergrande, the “**Subscribers**”), a wholly-owned subsidiary of Tencent, and certain entity and individuals who are guaranteeing the obligations of the Company under the Subscription Agreement. Pursuant to the Subscription Agreement, the Company has agreed to issue and allot, and the Subscribers have severally agreed to subscribe (the “**Subscription**”), (a) such number of Shares representing 75.0% of the enlarged total issued share capital of the Company immediately after completion of the Subscription Agreement (the “**Completion**”) at an issue price of HK\$0.0061 per Share and (b) top-up warrants (the “**Top-Up Warrants**”) to be issued by the Company with an initial exercise price of HK\$0.0061 per Share subject to the terms of the Subscription Agreement. The Top-up Warrants are designed to give the Subscribers the right to subscribe for additional Shares to bring their shareholding back to 75.0% in the event the shareholding of the Subscribers is diluted following the allotment and issuance of new Shares as a result of any exercise of existing warrants of the Company after Completion. However, the Subscribers may exercise the Top-up Warrants for reasons not related to a dilution of their shareholding, provided they may not exercise the Top-up Warrants if it would result in the Company ceasing to meet the public float requirement under the Listing Rules. The maximum net proceeds from the Subscription is expected to amount to approximately HK\$750.7 million. The Subscription Agreement is subject to certain completion conditions.

The Subscription Agreement, if completed, would lead to a change in control of the Company. According to the Subscription Agreement, Completion is conditional upon, among other things, obtaining a waiver from the Securities and Futures Commission (the “SFC”) pursuant to Note 1 on dispensations from Rule 26 of The Code on Takeovers and Merges (the “Takeovers Code”), in respect of the obligations of the Subscribers and parties acting in concert with them to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Subscribers and parties acting in concert with them, which would otherwise arise as a result of the transactions contemplated under the Subscription Agreement (the “Whitewash Waiver”). The Subscription Agreement provides that such completion condition may be waived by the Subscribers jointly at their discretion. In the event that the Subscribers jointly waive such completion condition and elect to proceed with the transactions contemplated under the Subscription Agreement, the Subscribers will comply with all the relevant requirements under the Takeovers Code, including but not limited to, the making of a general offer under Rule 26.1 of the Takeovers Code and further announcement(s).

As at the date of this announcement, the Company is still in the process of preparing the announcement in relation to, among other things, the Subscription Agreement and the transactions contemplated thereunder pursuant to the Takeovers Code and the Listing Rules (the “Subscription Announcement”). The Board considers that additional time is required for such purpose. The Subscription Announcement will be published as soon as possible.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increase in the price and trading volume of the securities of the Company on 8 June 2015. Having made such enquiry with respect to the Company as is reasonable in the circumstances and except as disclosed above, the Board confirms that it is not aware of any reasons for such price and/or volume movements or of any information which must be announced to avoid false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance.

DEALING DISCLOSURE

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the share capital of the Company comprises (i) 36,090,585,506 Shares; and (ii) 4,931,260,716 outstanding warrants with rights to subscribe for a total of 4,931,260,716 Shares. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). As required under Rule 3.8 of the Takeovers Code, associates (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company are required to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the securities of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 9 June 2015 and will remain suspended pending release of the Subscription Announcement.

By order of the Board
MASCOTTE HOLDINGS LIMITED
Chung Yuk Lun
Chairman

Hong Kong, 23 June 2015

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

Executive Directors

Mr. Chung Yuk Lun (*Chairman*)

Dr. Kwong Kai Sing, Benny (*Managing Director*)

Mr. Chow Chi Wah, Vincent

Independent Non-executive Directors

Mr. Frank H. Miu

Mr. Robert James Iaia II

Mr. Hung Cho Sing

Mr. Chung Kong Fei, Stephen

All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.