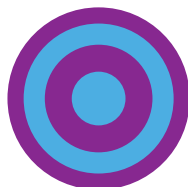


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## **MASCOTTE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

### **VOLUNTARY ANNOUNCEMENT**

Mascotte Holdings Limited (the “**Company**”) wishes to make this voluntary announcement.

Respectively on 14 July, 2011 and 4 January, 2012, the Company acquired from Ms. Hsieh Cheng-Lu (“**Ms. Hsieh**”) a total of 100% indirect beneficial interest in Sun Materials Technology Co., Ltd. (“**Sun Materials**”) from Quinella International Incorporated (“**Quinella**”). Sun Materials is a company incorporated under the laws of Taiwan and having a production plant situated at Yilan, Taiwan for the production of polycrystalline silicon (“**the Product**”).

As announced on 3 August, 2010, the Company first entered into a preliminary agreement with Mr. Chang Wen-Shan, Dr. Wu Yi-Shuen (“**Dr. Wu**”) and Quinella for the acquisition of 50.1% indirect beneficial interest in the issued share capital of Sun Materials.

Originally, Dr. Wu was a direct seller of his beneficial interest in Sun Materials. In the course of negotiating for the terms of the formal agreement for sale and purchase, legal advisors for the Company insisted that each and every seller of his beneficial interest in Sun Materials to provide personal warranties for the performance and observations of the agreement, which Dr. Wu, among other sellers, refused. As a result, Dr. Wu and other refusing sellers had decided to dispose of their respective beneficial interests in Sun Materials to Ms. Hsieh.

During the initial stage of negotiation, Dr. Wu had given representation to the Company as to the intended productivity of the Product by the facility and design of the plant at Yilan owned by Sun Materials. After acquisition of the first 50.1% indirect interest in Sun Materials by the Company, Dr. Wu was appointed as executive director of the Company on 22 July, 2011 until his resignation on 31 December, 2012. Dr. Wu was also appointed and employed by Sun

Materials as Chairman, Chief Executive Officer and Chief Technical Officer starting from 19 July, 2011 until the termination of his service by way of accepting his voluntary resignation on 29 July, 2013.

Since the acquisition of the interest in Sun Materials, the Company had been relying on the continuous representation and assurance of Dr. Wu, both as the preliminary seller and Chief Executive Officer and Chief Technical Officer of Sun Materials that the modular production lines in the Yilan plant was in proper and workmanlike condition and that the delay in production of the desired quantity of the Product was bona fide due to unforeseen circumstances. In fact, a total of 22 test runs that had been carried out under the engineering and technical supervision of Dr. Wu during the period from 4 September, 2011 to 15 June, 2012 had proven some apparent successes when certain quantity of the Product (a total of around 100 kg) was produced in the process, albeit not the bulk as originally promised by Dr. Wu. The latest excuse Dr. Wu gave was that further intellectual property and designs had to be acquired by the Company from him before mass production of the Product could be achieved. The Company then entered into a conditional agreement (subject to the Company's shareholder approval) with Dr. Wu and other parties on 28 May, 2013 to acquire from Dr. Wu certain intellectual property rights that Dr. Wu represented were required in order to enable the Yilan plant achieve full operation and production.

In early July, 2013, Sun Materials received two anonymous parcels in mail containing materials that suggested the test runs aforesaid were faked by Dr. Wu. The Company then consulted lawyers both in Taipei and Hong Kong. A confrontation meeting was held on 26 July, 2013 at Taipei whereat Dr. Wu was present before two directors of the Company and representatives of two law offices. Dr. Wu admitted that during the various test runs both before the first acquisition of 50.1% interest and after the acquisition of 49.9% interest in Sun Materials, he had deliberately poured some foreign materials in the reactor in order to conceal the operational process from the engineers of the plant. Dr. Wu refused to disclose what foreign materials were engaged. The two directors present suspected that the foreign materials were polycrystalline silicon Dr. Wu brought in from an outside source in order to fake the outcome of the tests.

Before the Company was able to discuss and consider the termination of Dr. Wu's service, Dr. Wu tendered his verbal resignation at the conclusion of the confrontation meeting with effect from 29 July, 2013.

Given Dr. Wu's essential role of the plant, the Company considers his departure shall seriously hamper the intended production of the Product by Sun Materials.

The Company has decided to appoint Mr. Frank H. Miu, one of the non-executive directors of the Company, a member of the American Bar Association and the American Institute of Certified Public Accountants, to form a special committee to study the events leading up to the termination of Dr. Wu's service, to report to the Company thereafter and to recommend legal actions, both criminal and civil, against those responsible. It is intended that the special committee shall comprise with lawyer and expert in the field of the polycrystalline silicon production.

The Company will report further on development.

By order of the Board  
**MASCOTTE HOLDINGS LIMITED**  
**Suen Yick Lun Philip**  
*Executive Director and Company Secretary*

Hong Kong, 1 August, 2013

As at the date of this announcement, the board of directors of the Company 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

*Independent Non-executive Directors*

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