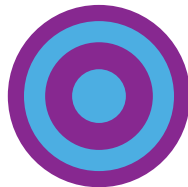


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

DISCLOSEABLE TRANSACTION ASSIGNMENT OF THE LOAN

Reference is made to the Company's announcement dated 16 July 2009 in relation to the further extension of the Loan and the Company's profit warning announcement dated 22 July 2009, respectively. As disclosed in the Company's announcement dated 16 July 2009, the Further Extended Total Outstanding Loan was due on 31 July 2009. The New Borrower and the Guarantor failed to repay the Further Extended Total Outstanding Loan or introduce the Co-investment Arrangement or any valuable resources project to the Company on 31 July 2009. As at the date of this announcement, the Debt amounts to HK\$207,298,064.52.

The Board announces that on 3 August 2009, the Company and the Assignee entered into a Deed of Assignment pursuant to which the Company agreed to sell to the Assignee and the Assignee agreed to purchase from the Company the Assigned Rights including the Further Extended Total Outstanding Loan at a total consideration of HK\$80,000,000.

As one of the applicable percentage ratios (as set out in the Listing Rules) is more than 5% but less than 25%, the Assignment and the transaction contemplated under the Deed of Assignment constitute a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules which shall be exempted from Shareholders' approval. As Completion is conditional upon the Company having obtained its Shareholders' approval in relation to this Deed of Assignment and the transactions contemplated thereunder, the Company will hold a SGM to approve the Deed of Assignment and the transactions contemplated thereunder and a notice of SGM will be dispatched to the Shareholders as soon as practicable and in accordance with the bye-laws of the Company.

As Completion is subject to the fulfillment of the condition precedent of the Deed of Assignment, which may or may not be satisfied, the Deed of Assignment may or may not complete. Shareholders and public investors are reminded to exercise caution when dealing with the securities of the Company.

Reference is made to the Company's announcement dated 16 July 2009 in relation to the further extension of the Loan and the Company's profit warning announcement dated 22 July 2009, respectively (collectively the "**Announcements**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

DEED OF ASSIGNMENT

Date: 3 August 2009

Parties: The Company (as assignor)

The Assignee (as assignee)

On 3 August 2009, the Company and the Assignee entered into a Deed of Assignment pursuant to which the Company agreed to sell to the Assignee and the Assignee agreed to purchase from the Company the Assigned Rights including the Further Extended Total Outstanding Loan at a Consideration of HK\$80,000,000.

The Assignee, a company incorporated in the British Virgin Islands with limited liability, is owned as to 55% by Mr. Chuang and the remaining 45% by three Independent Third Parties as at the date of this announcement. Mr. Chuang is the controlling shareholder of Hennabun PT which is interested in 492,000 Shares, representing 0.101% of the issued share capital of the Company. Mr. Chuang disclosed to the Company that he is the elder brother of Dr. Henry Chuang, the chairman of Willie who is interested in 4.99% in the issued share capital of Willie as at the date of this announcement. Willie is interested in 141,655,800 Shares representing 29.15% of the issued Shares through its wholly-owned subsidiary, Pearl Decade Limited, as at the date of this announcement. Mr. Chuang is interested in 90,000 shares in Willie representing 0.019% of the issued share capital of Willie through Hennabun PT as at the date of this announcement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Assignee, Hennabun PT and their ultimate beneficial owners is an Independent Third Party. As far as the Directors are aware, the Assignee, Hennabun PT and their respective associates have no relationship with the Debtor and the Guarantor as well as their respective associates.

Condition precedent

Completion shall be conditional upon the Company having obtained its shareholders' approval in relation to the Deed of Assignment and the transactions contemplated thereunder which can be waived by the Assignee.

Consideration

The Consideration is HK\$80,000,000 which shall be paid by the Assignee to the Company in the following manner:

- (i) an initial deposit of HK\$16,000,000 shall be paid upon signing of the Deed of Assignment which shall be refundable by the Company to the Assignee within seven Business Days after the Company determines that the above condition precedent is not fulfilled;
- (ii) HK\$16,000,000 shall be paid on the third Business Day after the Completion Date (the “**1st Instalment Date**”);
- (iii) HK\$16,000,000 shall be paid one month after the 1st Instalment Date (the “**2nd Instalment Date**”);
- (iv) HK\$16,000,000 shall be paid one month after the 2nd Instalment Date (the “**3rd Instalment Date**”); and

(v) HK\$16,000,000 shall be paid one month after the 3rd Instalment Date.

The Consideration was determined based on the commercial negotiation between the parties to the Deed of Assignment and represents the maximum amount the Assignee is willing to pay for the Assignment. Given the significant uncertainty relating to the recoverability of the Loan as further explained below, the Directors consider that the Assignment, under which the Company would be able to recover HK\$80,000,000 of the Loan, to be the best alternative available to the Company.

Reasons for and benefits of the Assignment

As disclosed in the Company's announcement dated 16 July 2009, the Company has sought legal advice from its legal advisers on possible enforcement proceedings against the New Borrower and the Guarantor and the chance of success of recovering the Extended Total Outstanding Loan from the New Borrower and the Guarantor. Based on the information available to the Directors as at 16 July 2009, it appeared to the Directors that the New Borrower and the Guarantor might not have sufficient means to repay the loan even if the Company eventually succeeds in the enforcement proceedings. As a result thereof, the Company verbally agreed to extend the repayment of the Extended Total Outstanding Loan in order to allow New Borrower and the Guarantor to have additional time to arrange the partial repayment such that the Extended Total Outstanding Loan can be reduced to HK\$160,000,000 and arrange the provision of additional due diligence materials in relation to the Co-investment Arrangement to the Company. As the Board later anticipated that the Further Extended Total Outstanding Loan might not be recoverable in full from the New Borrower and the Guarantor on the extended repayment date on 31 July 2009 and the introduction of the Co-investment Arrangement to the Company was unlikely to materialise on or before 31 July 2009, the Company issued the profit warning announcement on 22 July 2009. Immediately prior to the date on which the Company published its results announcement in relation to the Group's most recent audited consolidated financial statements for the year ended 31 March 2009 (the "**2009 Financial Statement**"), the Directors became aware that there was no progress concerning the repayment of the Further Extended Total Outstanding Loan nor the introduction of the Co-investment Arrangement to the Company, impairment allowance would need to be made to the 2009 Financial Statement.

As at 31 March 2009, the date to which the 2009 Financial Statements were made up and which were published on 28 July 2009, the total amount due from the New Borrower was HK\$199,488,000, comprising (i) the original outstanding principal sum of HK\$160,000,000 (the "**Original Principal Sum**") and (ii) interest accrued on the Original Principal Sum from 2 August 2008 up to 31 March 2009 amounting to HK\$37,488,000 plus an extension fee of HK\$2,000,000 ("**Accrued Interest and Extension Fee**"). Upon finalisation of the 2009 Financial Statements:

- (i) an impairment allowance of approximately HK\$160,000,000 was made to write down the Original Principal Sum to HK\$1; and
- (ii) the Accrued Interest and Extension Fee were not recognized as the Group's revenue, income and receivable as the Group's accounting policies require that revenue be recognized when it is probable that economic benefits will flow to the Group.

As disclosed in the Company's announcement dated 16 July 2009, the Further Extended Total Outstanding Loan was due on 31 July 2009. The New Borrower and the Guarantor failed to repay the Further Extended Total Outstanding Loan or introduce the Co-investment Arrangement or any valuable resources project to the Company on 31 July 2009. As at the date of this announcement, the Debt amounts to HK\$207,298,064.52.

The Board considers that by entering into the Deed of Assignment, the Company will be able to recover part of the Debt. The Directors, including the independent non-executive Directors, consider that the terms of the Deed of Assignment are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

The Directors, including the independent non-executive Directors, also consider the terms of the Deed of Assignment and the transaction contemplated thereunder including the Consideration payable by the Assignee to the Company is entered into upon normal commercial terms following arm's length negotiations among the parties.

Financial effects of the Assignment

Upon Completion, the Consideration of HK\$80,000,000 will represent a partial reversal of the impairment allowance made and will be recognised as a gain in the Group's financial statements. The Group's equity and assets will also be increased by HK\$80,000,000.

GENERAL

The Group is principally engaged in the (i) trading of investments; (ii) loan financing; (iii) manufacturing and sale of accessories for photographic, electrical and multimedia products; and (iv) property investment.

The Assignee is an investment holding company incorporated in the British Virgin Islands with limited liability. Hennabun PT is a company incorporated in the British Virgin Islands with limited liability and is a securities investment holding company.

As one of the applicable percentage ratios (as set out in the Listing Rules) is more than 5% but less than 25%, the Assignment and the transaction contemplated under the Deed of Assignment constitute a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules which shall be exempted from Shareholders' approval. As Completion is conditional upon the Company having obtained its Shareholders' approval in relation to this Deed of Assignment and the transactions contemplated thereunder, the Company will hold a SGM to approve the Deed of Assignment and the transactions contemplated thereunder and a notice of SGM will be dispatched to the Shareholders as soon as practicable and in accordance with the bye-laws of the Company.

As Completion is subject to the fulfillment of the condition precedent of the Deed of Assignment, which may or may not be satisfied, the Deed of Assignment may or may not complete. Shareholders and public investors are reminded to exercise caution when dealing with the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Assignee”	Wellsmart Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 55% by Mr. Chuang and the remaining 45% by three Independent Third Parties as at the date of this announcement
“Assignment”	the assignment of the Assigned Rights including the Further Extended Total Outstanding Loan by the Company to the Assignee pursuant to the Deed of Assignment

“Amendment Agreement”	the agreement dated 5 December 2008 entered into between the Company and the New Borrower to amend the Original Facility Letter as novated from the Borrower to the New Borrower (as amended from time to time by the Supplemental Facility Letters)
“Assigned Rights”	the right to recover the Debt and all other rights, titles and interests of the Company under and inspect of the Facility Letter, the Supplemental Facility Letters and the Amendment Agreement
“Board”	the board of Directors
“Borrower”	Leadup Resources Investments Ltd., a company incorporated in the British Virgin Islands with limited liability
“Business day”	a day (other than a Saturday or Sunday) on which banks are normally open in Hong Kong for the transaction of business
“Company”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the transactions contemplated under the Deed of Assignment
“Completion Date”	the date on which the condition precedent as described in the paragraph headed “Condition precedent” in this announcement is fulfilled
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$80,000,000, being the total consideration payable by the Assignee to the Company for the purchase of the Assigned Rights including the Further Extended Total Outstanding Loan
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Debt”	a total amount of HK\$207,298,064.52 which comprises (i) HK\$207,112,258.06, being the Further Extended Total Outstanding Loan; and (ii), HK\$185,806.46, being the total outstanding interest accrued on the Loan during the period from 1 August 2009 to the date of the Deed of Assignment
“Deed of Assignment”	a deed of assignment dated 3 August 2009 entered into between the Company and the Assignee pursuant to which the Company agreed to sell to the Assignee and the Assignee agreed to purchase from the Company the Assigned Rights including the Further Extended Total Outstanding Loan
“Deed of Novation”	a deed of novation dated 5 December 2008 entered into between the Borrower, the New Borrower and the Company novating the Original Facility Letter from the Borrower to the New Borrower
“Directors”	the directors of the Company, including the independent non-executive directors of the Company
“Group”	the Company and its subsidiaries

“Guarantee”	a guarantee dated 5 December 2008 entered into between the Guarantor in favour of the Company in support of the obligations and liabilities of the New Borrower to the Company under the Original Facility Letter (as amended from time to time by the Supplemental Facility Letters and the Amendment Agreement)
“Guarantor”	Mr. Zeng Jian, the ultimate controlling shareholder of the New Borrower
“Hennabun PT”	Hennabun PT Limited, a company incorporated in the British Virgin Islands with limited liability which is indirectly owned as to 79.07% by Mr. Chuang as at the date of this announcement
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan facility in an amount of HK\$200,000,000 granted by the Company to the New Borrower pursuant to the Original Facility Letter, as amended time to time by the Supplemental Facility Letters and the Amendment Agreement
“Mr. Chuang”	Mr. Chuang Yue-Chien Eugene, the controlling shareholder of Hennabun PT which is interested in 492,000 Shares, representing 0.101% of the issued share capital of the Company as at the date of this announcement. He is the elder brother of Dr. Henry Chuang, the chairman of Willie who is interested in 4.99% of issued share capital of Willie as at the date of this announcement. He is also holding 90,000 shares in Willie representing 0.019% of the issued share capital of Willie through Hennabun PT as at the date of this announcement
“Original Facility Letter”	the facility letter entered into between the Borrower and the Company on 19 November 2007 pursuant to which the Company granted, among other things, a term loan facility in an amount of HK\$200,000,000 to the Borrower and the details of which have been disclosed in the Company’s announcement dated 22 November 2007 and the Company’s circular dated 3 December 2007 (as amended from time to time by the Supplemental Facility Letters and the Amendment Agreement)
“SGM”	special general meeting of the Company
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Facility Letters”	the supplemental facility letter dated 20 November 2007, the 2nd supplemental facility letter dated as of 19 May 2008, the letter agreement dated 30 May 2008, the oral agreement made on 10 June 2008, the 4th letter agreement dated 26 June 2008, the oral agreement made on 7 August 2008, all entered into between the Company and the Borrower in relation to the Loan
“Willie”	Willie International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 273) and is interested in 141,655,800 Shares representing 29.15% of the issued Shares through its wholly-owned subsidiary, Pearl Decade Limited as at the date of this announcement
“%”	per cent

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

Hong Kong, 3 August 2009

As at the date of this announcement, the Executive Directors of the Company are Mr. Peter Temple Whitlam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), Mr. Au Yeung Kai Chor, Mr. Lam Suk Ping and Ms. Song Jiajia; and the Independent Non executive Directors of the Company are Mr. Chan Sze Hung, Ms. Kristi L Swartz and Ms. Hui Wai Man, Shirley.