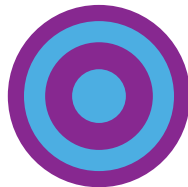


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PRELIMINARY AGREEMENT IN RESPECT OF THE POSSIBLE ACQUISITION OF A MAJORITY INTEREST IN A POLYCRYSTALLINE SILICON MANUFACTURING COMPANY

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that after trading hours on 3 August 2010, it approved the signing of the Preliminary Agreement by the Company with Mr Chang Wen-Shan, Dr Wu Yi-Shuen and the Vendor in relation to the Possible Acquisition. Save for those provisions relating to duration and termination, preliminary costs, confidentiality and announcements, assignment, counterparts, non-binding effect of certain provisions and governing law, which are legally binding, the provisions of the Preliminary Agreement are not legally binding.

Under the Preliminary Agreement, it is proposed that the Company will acquire an indirect beneficial interest in 50.1% of the issued share capital of Sun Materials. According to the Vendor, Sun Materials developed and patented in the USA, Europe, Japan, Taiwan and China, a new and innovative technology with a view to significantly reduce the production cost and the adverse environmental effects of manufacturing polycrystalline silicon. Sun Materials estimates that it will complete the construction of its production plant in Taiwan in August 2010.

If the Possible Acquisition materializes, the Company may, upon, around or after completion of the Possible Acquisition, conduct Possible Financing primarily for funding the Possible Acquisition and/or the capital expenditure and working capital of the Group and the Target Group. Save as disclosed in this announcement, the Company has not entered into any definitive agreement in relation to any Possible Financing.

The Board wishes to emphasize that the Possible Acquisition is subject to the signing of the Definitive Agreement and the terms of the Possible Acquisition are subject to further negotiation between the parties. As such, the Possible Acquisition may or may not proceed. The Possible Acquisition, if it materializes, may constitute a very substantial acquisition within the meaning of the Listing Rules. Further, even if the Possible Acquisition materializes, the Company may or may not conduct any Possible Financing. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition and Possible Financing, if any, will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

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The Board is pleased to announce that after trading hours on 3 August 2010, it approved the signing of the Preliminary Agreement by the Company with Mr Chang Wen-Shan, Dr Wu Yi-Shuen and the Vendor in relation to the Possible Acquisition. Save for those provisions relating to duration and termination, preliminary costs, confidentiality and announcements, assignment, counterparts, non-binding effect of certain provisions and governing law, which are legally binding, the provisions of the Preliminary Agreement are not legally binding.

Under the Preliminary Agreement it is proposed that the Company will, either directly or indirectly, acquire 50.1% of the issued share capital of the Target. The Target is incorporated in the BVI and its principal asset, upon completion of the Restructuring, will be an indirect 100% equity interest in Sun Materials.

Sun Materials

According to the Vendor and Sun Materials, Sun Materials developed and patented in the USA, Europe, Japan, Taiwan and China, a new and innovative technology for manufacturing polycrystalline silicon. Polycrystalline silicon is the primary raw material used in the solar energy value chain. The traditional “Siemens” process of manufacturing polycrystalline silicon raises concerns on the environment and general safety. A newer “modified Siemens” process is used by some manufacturers of polycrystalline silicon to address some of the environmental and safety issues of this older technology, but further innovation is being sought after by the industry to make the entire solar energy product value chain more environmentally friendly and less costly.

Compared to the processes commonly used by other manufacturers of polycrystalline silicon, Sun Materials considers that the production process it intends to adopt is innovative, in that it uses modular production lines and is designed with a view to use lower cost feedstock and substantially lower the consumption of electricity and water. Sun Materials believes that its technology will assist in reducing the production cost and the adverse environmental effects of manufacturing polycrystalline silicon. This potentially translates into a lower cost of polycrystalline silicon procurement by customers which may allow them to deliver a product that can generate electricity at or below grid parity without the aid of subsidies.

Sun Materials entered into fixed term purchase agreements with both domestic and international customers, which, unless terminated by the parties thereto, are effective until at least 2015. According to Sun Materials’ estimation, seventy-five percent of its production plant’s output level through the end of 2011 will be attributable to the orders generated by these purchase agreements.

Sun Materials is in the process of constructing its production plant in Taiwan, which it estimates will be completed in August 2010.

The Target Group is undergoing Restructuring. Upon completion of the Restructuring, the Target will beneficially own the entire issued share capital of Sun Materials.

MAJOR TERMS OF THE PRELIMINARY AGREEMENT

Under the Preliminary Agreement, it is proposed that the Company will, either directly or indirectly, acquire 50.1% of the issued share capital of the Target from the Vendor.

Consideration

The consideration for the Possible Acquisition for 50.1% of the Target (the “**Consideration**”) is expected to be at a discount to the fair market value of Sun Materials and is expected not to exceed US\$125,000,000.

The Consideration is expected to be payable in cash, and/or by the issue of Consideration Shares, and/or by the issue of convertible notes, or a combination of any of the above, or in any other forms as the Vendor and the Company may agree.

The Consideration and the means to satisfy such Consideration are subject to agreement between the parties to the Preliminary Agreement with reference to, among other things, the valuation and due diligence review of the business of Sun Materials and compliance with applicable Listing Rules.

Conditions Precedent

Under the Preliminary Agreement, completion of the Possible Acquisition is expected to be subject to and conditional upon the satisfaction or waiver of certain conditions to be agreed between the parties to the Preliminary Agreement, including:

- (a) the approval of the Shareholders (or independent Shareholders, if required) under the Listing Rules and all necessary resolutions having been obtained at a duly convened Shareholders' meeting of the Company approving the Definitive Agreement and the transactions contemplated therein;
- (b) the Company completing, to its satisfaction, a due diligence review of the Target Group, which shall include but not be limited to technical, legal, financial and operational aspects of the Target Group and its business and operations;
- (c) the completion of the Restructuring;
- (d) the Company having received a valuation report on the fair market value of the Target Group in form and substance satisfactory to the Company;
- (e) all requisite approvals from governmental and other authorities in all applicable jurisdictions in connection with the Possible Acquisition having been obtained;
- (f) the approval for the listing of, and permission to deal in the Consideration Shares and such shares of the Company issuable under the convertible notes in relation to the Possible Acquisition having been granted by the Stock Exchange and not having been revoked; and
- (g) no indication being received from the Stock Exchange that the Possible Acquisition contemplated under the Definitive Agreement will be treated or, as the case may be, ruled by the Stock Exchange to be a reverse takeover under the Listing Rules, or may otherwise trigger a mandatory general offer obligation under the Hong Kong Code on Takeovers and Mergers.

Call option

Under the Preliminary Agreement, it is proposed that the Vendor will grant the Company a call option to purchase the remaining 49.9% of the issued share capital of the Target on the following terms: (a) this call option would be exercisable, in the Company's absolute discretion, in increments of not less than 10% during the period from 12 months to 36 months following completion of the Possible Acquisition (the "**Option Period**"); (b) the exercise price under the call option will be determined with reference to the fair market value of Sun Materials at the time the option is exercised; and (c) during the Option Period, the Target Group cannot issue any new equity, debt or derivative instrument without the Company's consent. The terms of the call option are subject to further negotiation between the Company and other parties to the Preliminary Agreement.

Lock-up on the Consideration Shares

Under the Preliminary Agreement, the following restrictions on the disposal of Mr Chang's indirect beneficial interest in the Consideration Shares and the corresponding number of Consideration Shares by the Vendor are proposed: (a) Mr Chang may only dispose of up to 25% of his indirect beneficial interest in the Consideration Shares (and in the Vendor's case, 25% of the corresponding number of Consideration Shares) 18 months after the completion of the Possible Acquisition and (b) Mr Chang may only dispose of the remaining 75% of his indirect beneficial interest in the Consideration Shares (and in the Vendor's case, the remaining 75% of the corresponding number of Consideration Shares) 24 months after the completion of the Possible Acquisition.

Non-Competition

Under the Preliminary Agreement, it is proposed that Dr Wu will enter into a non-competition agreement with the Target Group and the Company whereby Dr Wu undertakes that should he resign or leave the Target Group for any reason, he will not compete with the business of the Target Group for a period of three years following his departure.

Due Diligence

It is proposed in the Preliminary Agreement that the Company and/or its advisers shall have the right to conduct a due diligence review on the Target Group and the Vendor shall provide such assistance, information and documents as the Company and/or its advisers may reasonably require.

Duration and Termination

The Preliminary Agreement came into effect upon the Board's approval of the signing of the Preliminary Agreement by the Company. It shall terminate on the earlier of (i) the execution of the Definitive Agreement; and (ii) the date falling 45 days from the date of the Preliminary Agreement (or such other date as may be agreed by the parties thereto).

Binding Effect

Save for those provisions relating to duration and termination, preliminary costs, confidentiality and announcements, assignment, counterparts, non binding effect of certain provisions and governing law, which are legally binding, the provisions of the Preliminary Agreement are not legally binding.

REASONS AND BENEFITS OF THE POSSIBLE ACQUISITION

The Group is engaged in the business of, among other things, the trading of investments, loan financing, property investment and the manufacturing of computer, photographic, video, phone and solar powered multi-media bags and accessories. The Group implemented a diversification strategy aimed at identifying suitable investment opportunities.

The Company wishes to diversify its investments through acquisition of companies in the alternative energy market. The Company understood from negotiations with the Vendor and through its initial due diligence that Sun Materials developed and patented in the USA, Europe, Japan, Taiwan and China, a technology which has the potential to significantly reduce the cost of manufacturing polycrystalline silicon. The Directors believe the Possible Acquisition will give the Company the opportunity to position itself favourably in the clean technology market.

ENGAGEMENT OF EXPERTS, LEGAL COUNSEL AND FINANCIAL ADVISER

To assist the Company to evaluate the Possible Acquisition, the Company engaged American Appraisal China Limited as valuation consultant, Ove Arup & Partners Hong Kong Ltd as technical consultant and Deloitte Touche Tohmatsu as reporting accountant. The Company also engaged Hogan Lovells as its international legal counsel and Lee and Li Attorneys-at-Law as its Taiwan legal counsel in connection with the Possible Acquisition.

Sun Materials engaged Skadden, Arps, Slate, Meagher & Flom as its Hong Kong legal counsel in connection with the Possible Acquisition.

Deutsche Bank AG, Hong Kong Branch was jointly engaged by the Company and Sun Materials as exclusive financial adviser in connection with the Possible Acquisition. The Company and Sun Materials has also agreed to appoint Deutsche Bank AG, Hong Kong Branch as the sole placing agent for the Possible Financing, if any.

POSSIBLE FINANCING FOR THE POSSIBLE ACQUISITION AND FUTURE WORKING CAPITAL

If the Possible Acquisition materializes, the Company may, upon, around or after completion of the Possible Acquisition, conduct Possible Financing primarily for funding the Possible Acquisition and/or the capital expenditure and working capital of the Group and the Target Group. The exact terms and structure of Possible Financing has not been determined or agreed. Save for the appointment of Deutsche Bank as its sole placing agent for Possible Financing as described in the paragraph above, neither the Company nor the Target Group has entered into any definitive agreement for any Possible Financing. The Company may or may not conduct any Possible Financing.

LISTING RULES IMPLICATIONS

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. The Company will comply with applicable requirements of the Listing Rules in relation to the Possible Acquisition and/or Possible Financing, if any. Further announcement, as and when appropriate, will be made by the Company in connection with the Possible Acquisition and/or the Definitive Agreement and/or Possible Financing, if any, in compliance with the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Target, Sun Materials and the ultimate beneficial owners of Sun Materials are independent of and not connected with the Company and its connected persons.

Save as disclosed above, the Directors confirm that there are no other matters that are required to be disclosed pursuant to Rule 13.09(1) of the Listing Rules in relation to the Possible Acquisition and Possible Financing, if any.

GENERAL

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition was entered into as at the date of this announcement. The Possible Acquisition may or may not proceed. If the Possible Acquisition materializes, it may constitute a very substantial acquisition of the Company within the meaning of the Listing Rules. Further, save as disclosed in this announcement, the Company has not entered into any agreement in relation to any Possible Financing. Even if the Possible Acquisition materializes, the Company may or may not conduct any Possible Financing. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Acquisition and Possible Financing, if any, will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company” or “Mascotte”	Mascotte Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	new Shares which may be issued by the Company to satisfy in part the Consideration
“Definitive Agreement”	the legally binding agreement to be entered into by, among other parties, the Company and the Vendor
“Directors”	the directors of the Company
“Dr Wu”	Dr Wu Yi-Shuen, the ultimate beneficial owner of approximately 4.22% of the equity interest in Sun Materials and the inventor of the technology used by Sun Materials
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Chang”	Mr Chang Wen-Shan, the ultimate beneficial owner of approximately 81.91% of the equity interest in Sun Materials
“Possible Acquisition”	the possible acquisition of 50.1% of the issued share capital of the Target by the Company

“Possible Financing”	any type of possible financing activity to be conducted by the Company and/or the Target Group upon, around or after the completion of the Possible Acquisition to fund the Possible Acquisition and/or the capital expenditure and working capital of the Group and the Target Group, including but not limited to the possible placing of shares by the Company
“Preliminary Agreement”	the preliminary agreement between the Company, the Vendor, Mr Chang and Dr Wu in relation to the Possible Acquisition
“Restructuring”	the restructuring of the Target Group and the receipt of all approvals and completion of all procedural steps required in connection therewith. Upon completion of the Restructuring, Sun Materials will be an indirect wholly owned subsidiary of the Target
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Materials”	Sun Materials Technology Co., Ltd (山陽科技股份有限公司), a company incorporated in Taiwan, the principal business of which is intended to be the manufacturing of polycrystalline silicon. Upon completion of the Restructuring, it will become an indirect wholly owned subsidiary of the Target
“Target”	Trifecta International Incorporated, an investment holding company incorporated in BVI
“Target Group”	Target and its subsidiaries
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendor”	Quinella International Incorporated, an investment holding company incorporated in BVI. Upon completion of the Restructuring, it will become the sole shareholder of the Target

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

Hong Kong, 3 August 2010

As at the date of this announcement, the Executive Directors of the Company are Mr. Peter Temple Whitelam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), Mr. Lam Suk Ping, Ms. Song Jiajia and Mr. Eddie Woo; and the Independent Non-executive Directors of the Company are Mr. Frank H. Miu, Dr. Agustin V. Que and Mr. Robert James Iaia II.