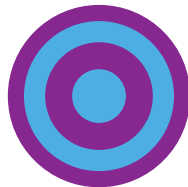


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PROPOSED GRANT OF SHARE OPTIONS AND SERVICE AGREEMENT WITH DR. WU

The Board is pleased to announce that the Company has entered into Option Deeds on 29 August 2011 with each of the Grantees in respect of the grant of Share Options by the Company. Under the Option Deeds, the Company conditionally agreed to grant Share Options for up to 730,000,000 Shares in aggregate, representing approximately 15.99% of the existing issued share capital of the Company.

The Company will convene an SGM for the Shareholders to consider and, if thought fit, approve the grant of the Share Options. A Specific Mandate to allot and issue up to 730,000,000 new Shares will also be sought in connection with the Share Options.

The Board is also pleased to announce that the Company has entered into the Service Agreement with Dr. Wu, a Director. Since the term of the Service Agreement exceeds three years, the Service Agreement will require Shareholders' approval at the SGM.

A circular containing further information on the Option Deeds, the Specific Mandate and the Service Agreement, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation from the Independent Board Committee, together with the notice of the SGM, will be despatched to the Shareholders as soon as possible.

OPTION DEEDS

The Board is pleased to announce that the Company entered into Option Deeds on 29 August 2011 with the persons listed in the table below (each a “**Grantee**”), the key terms of which are set out as follows:

(a) Grantees and the number of Share Options granted

Grantee	Position	Share Options representing
Dr. Wu Yi-Shuen	a Director, Chairman and Chief Executive Officer of Sun Materials	450,000,000 Shares
Mr. Eddie Woo	a Director, President of Sun Materials	115,000,000 Shares
Dr. Chuang, Henry Yueheng	Non-Executive Director and Deputy-Chairman of the Company	75,000,000 Shares
Mr. William Eui Won Pak	Consultant of the Company	50,000,000 Shares
Mr. Lo Yuen Wa Peter	a Director	10,000,000 Shares
Mr. Cheng Lien-Huang	Vice President and Factory 1 Manager of Sun Materials	10,000,000 Shares
Mr. Hsieh Yung-Ming	Senior Vice President and Chief Operating Officer of Sun Materials	10,000,000 Shares
Mr. Shen Gi-Chou	Senior Vice President and Financial Controller of Sun Materials	10,000,000 Shares

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Dr. Wu Yi-Shuen, Mr. Eddie Woo, Mr. Lo Yuen Wa Peter and Dr. Chuang, Henry Yueheng are connected persons of the Company under Rule 14A.11 of the Listing Rules.

(b) Consideration

The consideration payable by each of the Grantees for the grant of his Share Options is HK\$1.00.

(c) Conditions

The grant of the Share Options in each Option Deed is conditional on:

- the approval by the Stock Exchange of the grant of the Share Options, if required;
- the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Option Shares upon the exercise of the Share Options granted under the Option Deeds; and
- the approval by the Independent Shareholders of the grant of the Share Options, together with the issue of the Option Shares upon exercise of the Share Options pursuant to the Option Deeds, if required.

Each of the Option Deeds shall automatically terminate and be of no effect and neither party shall have any claim against the other in the event that the above conditions are not fulfilled by 31 October, 2011, or such later date as the Company and each of the Grantees may agree.

The Share Options to be granted pursuant to the Option Deeds will be granted in accordance with the requirements of Chapter 15 of the Listing Rules.

(d) Vesting

The Share Options shall vest upon the following dates, unless otherwise agreed between the Company and the Grantee:

Timing of the vesting of the Share Options	Amount of Share Options to be vested
On the date which is 12 months after the grant of the Share Options to a Grantee	25% of the Share Options granted to the Grantee
On the date which is 24 months after the grant of the Share Options to a Grantee	A further 35% of the Share Options granted to the Grantee
On the date which is 36 months after the grant of the Share Options to a Grantee	The remaining 40% of the Share Options granted to the Grantee

The Share Options which have been vested shall be exercisable until the expiry of the Option Period.

Full Vesting of the Share Options

Notwithstanding the above vesting schedule, the Share Options held by each of the Grantees shall automatically vest in full and become exercisable immediately upon the occurrence of any of the following events:

- an initial public offering with respect to Sun Mass or Sun Materials on any stock exchange or in any place;
- the Company ceasing to directly or indirectly control at least 50% of Sun Mass or Sun Materials;
- the Company and the Grantee agreeing that the Grantee’s Share Options shall vest in full; or
- if at any time after the Grant Date a person or entity acquires the legal and beneficial ownership of 30% or more of the issued and outstanding ordinary Shares of the Company.

(e) Exercise Period

Upon vesting as described above, the Share Options may be exercised at any time until the expiration of the Option Period (subject to any restrictions under the Listing Rules or applicable law).

(f) Exercise of the Share Options

Subject to the above conditions, the Share Options may be exercised during the Exercise Period by serving a Share Option exercise notice to the Company together with the Exercise Price payable.

(g) The Exercise Price

The Exercise Price is HK\$0.40 per Share. The Exercise Price was arrived at after arm's length negotiations with each of the Grantees. The Exercise Price was determined after consideration of a number of factors, including the consideration of the price at which the most recent share placing was conducted by the Company, the recent trading price of the Shares, the appropriate reward to incentivise the Grantees to maintain their performance with or for the Group, and the potential enhancement in Shareholders' value and benefits to Shareholders of their continued employment or services provided to the Group given the expertise and experience each of them have.

In view of the factors stated above, the Directors are of the view that the grant of the Share Options to the Grantees at the Exercise Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

(h) Option Shares

The Option Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with all other Shares in issue on the date of the issue and allotment of the Option Shares and will accordingly entitle each of the Grantees to participate in full in all dividends or other distributions paid or made on the Shares on or after the relevant day on which the Share Options are duly exercised other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor shall be before the relevant exercise date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant exercise date. The Option Shares will be issued under the Specific Mandate.

(i) Completion

Subject to the fulfilment of the conditions as detailed above and the vesting and exercise of the Share Options by any of the Grantees within the Exercise Period, completion shall take place at the principal office of the Company in Hong Kong (or such other place as agreed between the Company and the relevant Grantee) on the date specified for completion in the exercise notice.

(j) Lapse of Share Options

A Share Option shall lapse automatically (to the extent not already vested, or if vested but not exercised) on the earlier of:

- the expiry of the Option Period; or
- the date on which:
 - Grantees employed by the Group resigns or terminates his employment with the Group other than for good reason; or
 - The Group terminates the employment of the Grantees employed by the Group for cause.

(k) Rights to participate in distributions and/or offers of further securities

None of the Grantees has any right under their respective Option Deed to participate in any distributions and/or offers of further securities made by the Company before the exercise of the Share Options.

(l) Transfer or transmission of the Share Options

The benefit of the Option Deeds (including but not limited to the Share Options) shall not be assignable in whole or in part.

(m) Winding up of the Company

If an effective resolution is passed during the Option Period for the voluntary winding-up of the Company, then:

- if such winding-up be for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the relevant Grantee as holder of the Share Options shall be a party or in conjunction with which a proposal is made to such Grantee, the terms of such scheme of arrangement or proposal (as the case may be) shall be binding on each of them if the scheme of arrangement or proposal is approved by the requisite majority of the relevant securities holders of the Company in accordance with any applicable laws, rules and/or regulations; and
- in any other case, the relevant Grantee shall be entitled at any time within six weeks after the passing of such resolution for the voluntary winding-up of the Company by service of an exercise notice, together with payment of the exercise price, to elect to be treated as if it had immediately prior to the commencement of such winding-up exercised the Share Options to the extent specified in the exercise notice and had on such date been the holder of Shares to which he would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the relevant Grantee of the passing of any such resolution within seven days after the passing thereof and such notice shall contain a reminder to the relevant Grantee with respect to its rights under this paragraph.

Subject to the foregoing, if the Company is voluntarily wound up, the Share Options, in so far as not exercised, shall lapse.

In the case of a non-voluntary winding-up of the Company, the Share Options, in so far as not exercised, shall lapse on an order having been made by the court for winding-up of the Company.

(n) Reorganisation of Capital Structure

If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount whilst any Share Option is able to be vested or remains exercisable, (i) the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately prior thereto by the revised nominal amount and dividing the product by the former nominal amount and (ii) the number of Option Shares to be issued on the exercise of all outstanding Share Options shall be adjusted by multiplying the number of Option Shares that would be issued on exercise of all outstanding Share Options by the former nominal amount and dividing the product by the revised nominal amount, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.

Save as provided above, there are no other adjustments which can be made to the Exercise Price or the number of Option Shares in the event of alteration in the capital structure of the Company.

Reasons for entering into the Option Deeds

As announced on 15 July 2011, the Company completed its acquisition of a 50.1% shareholding interest in Sun Materials. Sun Materials is in the process of commencing commercial production of polysilicon and plans to ramp up its production capacity aggressively to meet the market demand for solar grade polysilicon. The expansion of the polysilicon business requires the expertise, contribution and full dedication of the employees of Sun Materials, the executives of the Group, as well as the Group's consultants and strategic partners in the polysilicon business. In light of the expansion plan, the Board proposes to grant the Share Options to certain Directors and key employees of Sun Materials, and other key consultants of the Group. The Board believes that the continuing contribution of these Grantees is crucial to the expansion plan of Sun Materials and the success of the Group as a whole. The Board is of the view that the grant of the Share Options is an appropriate means to incentivise and reward these individuals and align their interests with those of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Option Deeds, which were arrived at after arm's length negotiations between the Company and each of the Grantees, are fair and reasonable and in the interests of the Company and the Shareholders as a whole (those Directors who are also Grantees not having participated in any discussion relating to the grant of the Share Options to themselves).

Specific Mandate

Upon the exercise of the Share Options a total of up to 730,000,000 new Shares will be issued by the Company. At the SGM, the Independent Shareholders will be asked to consider and, if thought fit, approve, among other things, the grant of the Specific Mandate to allot and issue up to 730,000,000 new Shares for the purpose of the Share Options.

The Independent Shareholders will also be asked to consider, and if thought fit, authorise the Board to, on behalf of the Company, determine and deal with, at its discretion and with full authority, matters relating to the Share Options.

Details of the proposed Specific Mandate will be set out in the circular to the Shareholders for the SGM.

Listing Rules Implications

The entering into of the Option Deeds with Dr. Wu Yi-Shuen, Mr. Eddie Woo, Mr. Lo Yuen Wa Peter and Dr. Chuang, Henry Yueheng, who are Directors of the Company, will constitute connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules. In addition, the grant of the Share Options to the Grantees pursuant to the Option Deeds must comply with the requirements under Chapter 15 of the Listing Rules. Accordingly, the terms of the Option Deeds and the grant of the Share Options must be approved by the Stock Exchange and by Independent Shareholders in a general meeting, subject to the requirements under Chapter 15 of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Lo Yuen Wa Peter is interested in 2.5 million Shares of the Company. As such, Mr. Lo Yuen Wa Peter will abstain from voting at the SGM.

SERVICE AGREEMENT WITH DR. WU

The Company entered into the Service Agreement with Dr. Wu, pursuant to which Dr. Wu is appointed as a Director. The Service Agreement will take effect on the Effective Date until 1 August 2016, unless terminated earlier in accordance with the terms of the Service Agreement. Under the Service Agreement, Dr. Wu's remuneration is US\$300,000 per annum, payable in equal monthly instalments and subject to annual review. Dr. Wu is also entitled to the grant of Share Options and discretionary bonus in accordance with the terms of the Service Agreement.

Listing Rules Implications

As the term of the Service Agreement exceeds 3 years, it will require the approval of the Independent Shareholders pursuant to Rule 13.68 of the Listing Rules. Further details of the Service Agreement will be included in the circular for the SGM. Dr. Wu is required to abstain from voting at the SGM in relation to the Service Agreement.

SPECIAL GENERAL MEETING

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the grant of the Share Options, the Specific Mandate and the Service Agreement. The Independent Board Committee comprising all the independent non-executive Directors was formed to advise the Independent Shareholders on, among other things, the grant of the Share Options, the Specific Mandate and the Service Agreement and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on those transactions.

GENERAL

A circular containing, among other things, further details of the grant of the Share Options, the Specific Mandate and the Service Agreement and other disclosures as required by the Listing Rules, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation from the Independent Board Committee together with the notice of the SGM will be despatched to the Shareholders in due course.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Mascotte Holdings Limited
“Director”	a director of the Company
“Dr. Wu”	Dr. Wu Yi-Shuen, a Director
“Effective Date”	the date on which the Service Agreement is approved by the Independent Shareholders at the SGM
“Exercise Period”	the period during which the Share Options shall remain exercisable after being vested as described in the section headed “Option Deeds – (e) Exercise Period” in this announcement
“Exercise Price”	the exercise price of the Share Options at HK\$0.40 per Share
“Grant Date”	means the date of the grant of the Share Options;
“Grantees”	as defined under the paragraph headed “Option Deed” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board which comprises independent non-executive Directors to be formed to advise the Independent Shareholders in connection with the grant of the Share Options
“Independent Shareholders”	(i) all Shareholders except persons required to abstain from voting on the Share Options and Specific Mandate, when used in the context of the grant of Share Options and the Specific Mandate, or (ii) all Shareholders except Dr. Wu, when used in the context of the Service Agreement;
“Latest Practicable Date”	26 August 2011
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Deeds”	the option deeds dated 29 August 2011 entered into between the Company and each of the Grantees, each an “Option Deed”
“Option Period”	means the period between the Grant Date and the date which is four years from the Grant Date

“Option Shares”	an aggregate of 730,000,000 Shares to be issued to the Grantees when exercised in accordance with the terms and conditions set out in the Option Deeds at the Exercise Price
“Service Agreement”	the service agreement between the Company and Dr. Wu dated 1 August 2011
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the grant of the Share Options under the Option Deeds, the Specific Mandate and the Service Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Options”	such number of share options to be granted by the Company to each of the Grantees in accordance with the terms and conditions set out in their respective Option Deeds
“Shareholders”	the holders of Shares
“Specific Mandate”	the authority to issue and allot up to 730,000,000 Option Shares pursuant to the Shareholders’ resolutions to be proposed at the SGM
“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 with limited liability in Taiwan and an indirect non-wholly owned subsidiary of the Company
“Sun Mass”	Sun Mass Energy Limited (formerly known as Trifecta International Incorporated), a company incorporated with limited liability in the British Virgin Islands and is a non-wholly-owned subsidiary of the Company

By order of the board of
Mascotte Holdings Limited
Peter Temple Whitelam
Chairman

Hong Kong, 29 August 2011

As at the date of this announcement, the Board 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
Dr. Wu Yi-Shuen

Non-executive Director

Dr. Chuang, Henry Yueheng (*Deputy-Chairman*)

Independent Non-executive Directors

Mr. Frank H. Miu
Dr. Agustin V. Que
Mr. Robert James Iaia II
Dr. Chien, Yung Nelly