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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)

NOTICE OF MEETING OF HOLDERS OF THE EXISTING WARRANTS IN REGISTERED FORM TO SUBSCRIBE UP TO HK\$447,743,527.20 FOR SHARES IN THE CAPITAL OF MASCOTTE HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that a meeting of holders of warrants (the “**Existing Warrants**”) in registered form to subscribe up to HK\$447,743,527.20 for shares in the capital of Mascotte Holdings Limited (the “**Company**”) will be held at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on 11 September 2015 for the purpose of considering and, if thought fit, passing the special resolution set forth below. The Company hereby nominates Mr. Chung Yuk Lun to act as chairman of such meeting of the holders of the Existing Warrants.

Reference is made to the announcement of the Company dated 31 July 2015 (the “**Announcement**”). Capitalised terms used herein have the same meanings as those defined in the Announcement unless the context requires otherwise. On 15 June 2015, Evergrande Real Estate Group Limited and Mount Yandang Investment Limited, a wholly-owned subsidiary of Tencent Holdings Limited, as subscribers (the “**Subscribers**”) entered into a subscription agreement (the “**Subscription Agreement**”) with the Company as issuer and HEC Capital Limited, Mr. Chung Yuk Lun, Dr.

* *For identification purpose only*

Kwong Kai Sing, Benny and Mr. Chow Chi Wah, Vincent as guarantors, pursuant to which the Company agreed to allot and issue, and the Subscribers agreed to subscribe for, (a) such number of Subscription Shares representing 75.0% of the enlarged total issued share capital of the Company immediately after Completion at an issue price of HK\$0.0061 per Share; and (b) the New Warrants at an aggregate nominal consideration of HK\$2.00, subject to the terms of the Subscription Agreement. Completion is conditional upon certain completion conditions as described in the sub-section headed “Completion Conditions” under the section headed “Principal Terms of the Subscription Agreement” in the Announcement being fulfilled or waived (if applicable).

The Subscription Agreement provides that, among other things, on the date of Completion, the Company will execute by way of deed poll the New Warrant Instrument pursuant to which the Company will issue to the Subscribers, and the Subscribers will subscribe for, the New Warrants, at an aggregate nominal consideration of HK\$2.00. The New Warrants will have (i) an aggregate value equal to the product of the number of the New Warrant Shares and HK\$0.0061, (ii) an initial exercise price of HK\$0.0061 per New Warrant Share and (iii) have a subscription period of five (5) years from the date of Completion. The New Warrants are designed to give the Subscribers the right to subscribe for additional Shares to bring their shareholding in the Company 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 the exercise of one or more of the Existing Warrants after the Completion. However, the Subscribers may exercise the New Warrants at their discretion at any time, provided that the New Warrants may not be exercised if it will result in the Company not being able to comply with the public float requirement under the Listing Rules immediately following such exercise.

In addition, in connection with the Subscription, the Board proposes to conduct the Capital Reorganization, pursuant to which, among other things, the par value of each existing issued Share will be reduced from HK\$0.01 to HK\$0.001 by the cancellation of the paid-up capital to the extent of HK\$0.009 on each existing issued Share and the authorised but unissued Shares of HK\$0.01 each will be subdivided into ten Shares of HK\$0.001 each. Immediately after the Capital Reorganization taking effect, and on the basis that (i) the Company will not allot or issue any new Shares or repurchase any existing issued Shares prior thereto and (ii) none of the Existing Warrants will be exercised prior thereto, the Company’s issued and paid-up share capital shall be HK\$36,544,410.95 comprising 36,544,410,950 Shares, each with a par value of HK\$0.001. The number of Shares in issue of the Company immediately before and following the Capital Reorganization will remain the same.

Under Clause 4 of the instrument governing the Existing Warrants dated 24 February 2015 (the “**Existing Warrant Instrument**”) and Condition 3 of the Conditions to the Existing Warrants, the Subscription Price (as defined in the Existing Warrant Instrument) would be adjusted, among other things, (i) if and whenever there is an alteration to the nominal amount of each of the Shares by reason of any consolidation or subdivision; (ii) if and whenever the Company issues wholly for cash any securities which by their terms are convertible into or exchangeable for or carrying rights of subscription for new Share, and the total Effective Consideration per new Share (as defined in the Existing Warrant Instrument) initially receivable for such securities is less than 80% of the market price on the date of the announcement of the terms of such issue of such securities (whether or not such issue is subject to the approval of the holders of Shares or other persons); or (iii) if and whenever the Company issues wholly for cash any Shares at a price which is less than 80% of the market price on the date of the announcement of the terms of such issue. Pursuant to the Subscription Agreement, both the initial exercise price of the New Warrants and the consideration per Subscription Share to be paid by the Subscribers upon Completion would be below 80% of the market price of the Shares of HK\$0.285 as at the date of the Announcement, being 31 July 2015.

Your attention is drawn to the Announcement for further details of the Subscription Agreement, the New Warrants and the Capital Reorganization and other associated transactions, including but not limited to the Share Consolidation, the Purchase Agreements and the respective transactions contemplated thereunder.

Therefore, the Company hereby requests the holders of the Existing Warrants to consider and pass the following special resolution:

SPECIAL RESOLUTION

“THAT

- (a) the holders of the listed warrants (Stock Code: 1493) (the “**Existing Warrants**”) issued by Mascotte Holdings Limited (the “**Company**”) hereby waive any and all rights under the instrument governing the Existing Warrants dated 24 February 2015 (the “**Existing Warrant Instrument**”) and the terms and conditions of the Existing Warrants, including but not limited to those rights (including the adjustment rights) under Clause 4 of the Existing Warrant Instrument and Condition 3 of the Conditions of the Existing Warrants as a result of or in connection with the Subscription (as defined below) (including but not limited to the Capital Reorganization (as defined below)) and any matter related to the Subscription (other than the Share Consolidation (as defined below)) and confirm that the Subscription Price (as defined in the Existing Warrant Instrument) of the

Existing Warrants of HK\$0.1 will not be adjusted as a result of or in connection with the Subscription (including but not limited to the Capital Reorganization) and any matter related to the Subscription (other than the Share Consolidation);

- (b) the Capital Reorganization, the Share Consolidation, the Subscription Agreement (as defined below), the New Warrant Instrument (as defined below), and the respective transactions contemplated thereunder be and are hereby approved and sanctioned;
- (c) every abrogation, alteration, compromise or arrangement in respect of the rights of the holders of the Existing Warrants involved in or resulting from the matters contemplated in this resolution be and are hereby sanctioned;
- (d) any director of the Company be and is hereby authorised, to sign and execute all such documents, deeds (including but not limited to a supplemental deed poll) and instruments, and to do all such acts and things as the directors of the Company consider necessary or expedient to give effect to the transactions contemplated under this resolution or in connection thereto; and
- (e) for the purpose of this resolution:

“Capital Reorganization” means (i) the proposed reduction of the existing issued share capital of the Company through the cancellation of the paid-up capital to the extent of HK\$0.009 on each existing issued share of the Company such that the par value of each existing issued share of the Company will be reduced from HK\$0.01 to HK\$0.001; and (ii) the proposed subdivision of each of the authorised but unissued share of the Company of HK\$0.01 each into ten (10) shares of the Company of HK\$0.001 each.

“Share Consolidation” means the proposed consolidation of every two (2) issued and unissued shares of the Company of HK\$0.001 each into one (1) consolidated share of the Company of HK\$0.002 each and where applicable, the total number of such consolidated shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

“Subscription” means the issuance of the Subscription Shares (as defined below) and the issuance of the New Warrants (as defined below) by the Company at completion of the Subscription, as contemplated in the Subscription Agreement.

“Subscription Agreement” means the subscription agreement dated 15 June 2015 entered into by the Company, as issuer, Evergrande Real Estate Group Limited and Mount Yandang Investment Limited, as subscribers and HEC Capital Limited, Mr. Chung Yuk Lun, Dr. Kwong Kai Sing, Benny and Mr. Chow Chi Wah, Vincent as guarantors.

“Subscription Shares” means such number of shares of the Company as shall represent 75.0% of the enlarged total issued share capital of the Company immediately after completion of the Subscription.

“New Warrant(s)” means the warrant(s) to be issued by the Company on terms stipulated in the Subscription Agreement.

“New Warrant Instrument” means the formal warrant instrument to be executed on completion of the Subscription pursuant to which the New Warrants are to be issued to Evergrande Real Estate Group Limited and Mount Yandang Investment Limited.”

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

Hong Kong, 18 August, 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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.

Notes:

- (1) Each of Murtsa Capital Management Limited, Dr. Kwong Kai Sing, Benny and Smart Jump Corporation will abstain from voting at the meeting.
- (2) Any holder of the Existing Warrants entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her/it. Where a holder of the Existing Warrants appoints more than one proxy to attend the meeting, such holder of the Existing Warrants shall specify the proportion of his/her/its holdings of the Existing Warrants to be represented by each proxy. A proxy need not be a holder of the Existing Warrants.
- (3) A form of proxy for use at the meeting is enclosed herewith.
- (4) To be valid, the form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited to the Company's warrant registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong at least 48 hours before the time appointed for the holding of the meeting or adjourned meeting as the case may be.
- (5) Completion and return of the form of proxy will not preclude a holder of the Existing Warrants from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (6) In the case of joint holders of the Existing Warrants, any one of such joint holders may vote, either in person or by proxy, in respect of such Existing Warrants as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of warrant holders of the Company in respect of the joint holding.
- (7) For determining the entitlement to attend and vote at the meeting, the register of warrant holders of the Company will be closed from Tuesday, 8 September 2015 to Friday, 11 September 2015 (both days inclusive), during which period no transfer of the Existing Warrants will be registered. In order for a holder of the Existing Warrants to be eligible to attend and vote at the meeting, all transfer forms accompanied by the relevant warrant certificates must be lodged with the Company's warrant registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 7 September 2015.
- (8) As at the date hereof, the executive directors of the Company are Mr. Chung Yuk Lun, Dr. Kwong Kai Sing, Benny and Mr. Chow Chi Wah, Vincent. The independent non-executive directors of the Company are Mr. Frank H. Miu, Mr. Robert James laia II, Mr. Hung Cho Sing and Mr. Chung Kong Fei, Stephen.