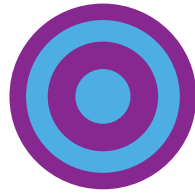

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mascotte Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

(1) GRANT OF ISSUE MANDATE

AND

(2) NOTICE OF THE SPECIAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders of Mascotte Holdings Limited**



天行聯合證券有限公司
United Simsen Securities Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 10 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 11 of this circular. A letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 23 of this circular.

A notice convening the SGM of the Company to be held on 21 February 2013 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:30 p.m. is set out on pages 24 to 26 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the scheduled SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM should Shareholders so wish.

Hong Kong, 1 February 2013

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DEFINITIONS

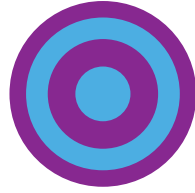
In this circular, unless the context otherwise requires, the following expressions have the following meanings:–

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Mascotte Holdings Limited (Stock code:136), a company incorporated in Bermuda with limited liability and the Shares of which are listed on main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Credit Line”	On 21 November 2012, the Group was granted a two-year revolving loan facility of HK\$500 million from Chung Nam Finance Limited and was secured by the shares of Sun Mass Energy Limited with a valuation of Sun Mass Energy Limited and its subsidiaries of not less than HK\$750 million and bearing an interest of the prime rate as quoted by Chong Hing Bank Limited from time to time plus 5% per annum, an aggregated principal amount of HK\$500 million was outstanding as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 25 September 2012 to allot and issue Shares up to 20% of the issued share capital of the Company on 25 September 2012
“Grant of Issue Mandate”	the general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	a committee comprising all the independent non-executive Directors which has been established by the Board to advise the Independent Shareholders in respect of the Grant of Issue Mandate
“Independent Financial Adviser”	United Simsen Securities Limited, a licensed corporation to carry on business in Type 1, 2, 4 and 6 regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Grant of Issue Mandate
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, executive Directors and the chief executive of the Company and their respective associates
“Latest Practicable Date”	30 January 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on 21 February 2013 at 4:30 p.m. to consider and approve the Grant of Issue Mandate
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

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

*Head office and principal place of
business in Hong Kong:*

1st Floor,
Po Chai Industrial Building
28 Wong Chuk Hang Road
Aberdeen
Hong Kong

Room 2511, 25th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

1 February 2013

To the Shareholders

Dear Sir or Madam,

**(1) GRANT OF ISSUE MANDATE
AND
(2) NOTICE OF THE SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to: (i) the proposed Grant of Issue Mandate to allot, issue and deal with new Shares not exceeding 20% of the share capital of the Company in issue at the date of the SGM; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders regarding the Grant of Issue Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Grant of Issue Mandate; and (iv) a notice of the SGM.

LETTER FROM THE BOARD

GRANT OF ISSUE MANDATE

The Company will convene the SGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the SGM.

The Grant of Issue Mandate will lapse on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

Based on the 1,534,550,104 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the Grant of Issue Mandate at the SGM, the Directors will be authorised to allot and issue up to 306,910,020 Shares under the refreshed mandate.

REASONS FOR THE GRANT OF ISSUE MANDATE

The Group is principally engaged in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment and manufacture and sale of accessories for photographic and multimedia products.

At the annual general meeting of the Company held on 25 September 2012, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 68,501,684 Shares, which is equivalent to 20% of the then issued share capital of the Company.

Since the annual general meeting of the Company held on 25 September 2012, the Company issued 68,501,684 Shares under the General Mandate on 15 November 2012 and the net proceeds thereof amounted to approximately HK\$11.10 million which has been applied for the redemption of the consideration bonds. As a result, the General Mandate has been fully utilized and there has not been any refreshment of General Mandate since the annual general meeting of the Company held on 25 September 2012.

LETTER FROM THE BOARD

On 24 December 2012, the Company entered into a placing agreement with the placing agent whereby the Company conditionally agreed to place, through the placing agent, on a fully underwritten basis, 176,000,000 placing shares at a price of HK\$0.165 per Share under specific mandate to be sought at a special general meeting to be convened (the “Placing”). The net proceeds from the Placing is estimated to be approximately HK\$27.62 million and the Company plans to use the net proceeds from the Placing to redeem part of the outstanding consideration bonds due in January 2014 bearing a coupon rate of 2.5% per annum and/or partial repayment of 2-year revolving loan facility due to Chung Nam Finance Limited bearing an interest rate of prime rate plus 5% per annum. On 30 January 2013, the Company and the placing agent entered into a termination deed to terminate the placing agreement at a consideration of HK\$100,000 payable to the placing agent by the Company. Pursuant to the termination deed, both the Company and the placing agent have been released of their respective obligations under the placing agreement.

Further, on 28 December 2012, the Company entered into the placing agreement with Beijing Securities Limited as the placing agent, pursuant to which the Company agreed to issue and place through Beijing Securities Limited, on a best effort basis, unsecured notes of an aggregate principal amount up to HK\$100 million. The maximum net proceeds will be approximately HK\$94.8 million and will be used as repayment of part of the Consideration Bonds (as defined below). On 22 January 2013, the Company and the placing agent entered into a supplemental agreement to the placing agreement (the “Supplemental Agreement”) which provides the revised term for the placing as agreed between the Company and the placing agent. According to the Supplemental Agreement, the Company and placing agent agree that the interest payable on the principal amount of the placing notes shall be increased from 3.5% per annum to 5% per annum. As at the Latest Practicable Date, the Company has not yet issued any such notes.

The Company has taken various steps to reduce its debt level and enhance its working capital including but not limited to equity fund raising, debt restructuring and disposal of assets. In addition to the above equity fund raising activities, the Directors are still actively exploring the possibility of further fund raising activities, which is vital for sustainability of the Group’s operations and compliance with the debt obligations regarding payment of the principal and interest in relation to (i) the Consideration Bonds (as defined below); (ii) the Convertible Bonds (as defined below); (iii) the Credit Line; and (iv) the Bank Borrowings (as defined below), collectively as the “Debts”. Meanwhile, the Company is awaiting/seeking available financial resources including (but not limited to) (i) the Placing; (ii) aforesaid placing of unsecured notes of an aggregate principal amount up to HK\$100 million; and (iii) the proposed rights issue as announced on 17 July 2012 and 4 January 2013 to support the financial requirements of the Group’s operations in relation to: (i) the payment obligation of the Debts as mentioned above; and (ii) the polycrystalline silicon business, of which approximately HK\$53 million will be required for the committed capital expenditure based on the contracts entered into between the Group and various contractor(s) and supplier(s) and approximately HK\$95 million will be required for the planned capital expenditure relating other recycling plant facilities and equipment.

LETTER FROM THE BOARD

As the Company experienced a prolonged process in relation to the proposed rights issue, the General Mandate has been fully utilized and the Placing may or may not proceed, in order to provide a flexible means for the Company to raise further funds through the issue of new Shares for repayment of debts, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM. As at the Latest Practicable Date, the Company intends to utilize the refreshed mandate to reduce the Debts including (i) to redeem part of the outstanding Consideration Bonds (as defined below); and/or (ii) partial repayment of Credit Line (as defined below), upon approval by the Shareholders in the SGM in view of the Group's financial position.

Although the Grant of Issue Mandate may result in a maximum possible future dilution effect of approximately 16.67% in the shareholding (enlarged by the issue of new Shares under such refreshed mandate), the Company considers such potential future dilution of shareholding to be justifiable and the Grant of Issue Mandate to be fair, reasonable and in the interests of the Company and the Shareholders as a whole. This has been made possible by having balanced the benefits of the Grant of Issue Mandate by allowing the Company to meet the debt obligations regarding paying the principal and interests of the Debts when due.

FINANCIAL POSITION

The table below demonstrates the indebtedness of the Group as at the Latest Practicable Date:

Description	Identity of the lender	Approximate outstanding principal as at the Latest Practicable Date	Terms	Due date	Approximate interest rate per annum	Approximate simple interest payable per annum based on the remaining principals (Note 2)	Interest repayment schedule
Unsecured consideration bonds (the "Consideration Bonds") (Note 3)	Holders of the Consideration Bonds	HK\$890.00 million	2 years	4 January 2014	2.5%	HK\$22.25 million	Quarterly
Unsecured convertible bonds (the "Convertible Bonds") (Note 4)	Holders of the Convertible Bonds	HK\$1,200.00 million	3 years	14 July 2014	5.0%	HK\$60.00 million	Semi-annually
Secured revolving loan facility (the "Credit Line")	Chung Nam Finance Limited	HK\$500.00 million	2 years	21 November 2014	10.25% equivalent to prime rate plus 5%	HK\$51.25 million	Monthly

LETTER FROM THE BOARD

Description	Identity of the lender	Approximate outstanding principal as at the Latest Practicable Date	Terms	Due date	Approximate interest rate per annum	Approximate simple interest payable per annum based on the remaining principals (Note 2)	Interest repayment schedule
Bank borrowings (the "Bank Borrowings")	Bank and financial institutions	HK\$42.70 million (equivalent to new Taiwan dollar 160.00 million) (Note 1)	10 years	3 February 2023	1.8%	HK\$0.77 million (equivalent to new Taiwan dollar 2.90 million) (Note 1)	Monthly
Total		<u>HK\$2,632.70 million</u>				<u>HK\$134.27 million</u>	

Notes:

- 1 Principal amounts of the liabilities in new Taiwan dollar have been converted into Hong Kong dollar at approximately HK\$1= new Taiwan dollar 3.75;
- 2 Interest payable is estimated based on simple method as at the Latest Practicable Date and the outstanding principals;
- 3 The maturity date of the Consideration Bonds shall be 2nd anniversary of the issue of the Consideration Bonds or, if the Company elects in its discretion to extend the term of the Consideration Bonds, the seventh (7th) anniversary of the issue date of the Consideration Bonds, the interest thereafter shall accrue daily on the principal amount of the outstanding Consideration Bonds at 12.5% per annum; and
- 4 On 3 December 2012, the Company entered into the deeds of amendments with each of the bond holders of the Convertible Bonds to alter the certain terms and conditions of the Convertible Bonds (the "Deeds"), which was approved by the Shareholders on 18 January 2013. Further details of the Deeds has been set out in the circular of the Company dated 31 December 2012.

Set out below are the Company's major cash inflow and outflow items since 30 September 2012:

	<i>Approx. HK\$' million</i>
Unaudited cash and bank balances as at 30 September 2012	31.0
Add:	
Unsecured loan from Chung Nam Finance Limited (Note 1)	60.0
Proceeds from the exercised of share options under the Company's share option scheme (Note 2)	5.8
Disposal of securities and investments	34.6
Proceeds from the placing of 68,501,684 new Shares under general mandate (Note 3)	11.1
Draw down of the Credit Line	<u>415.0</u>
Sub-total	557.5

LETTER FROM THE BOARD

*Approx.
HK\$' million*

Less:

Redemption of Consideration Bonds	399.0
Interests paid for Consideration Bonds	9.5
Interests paid to secured loan from Chung Nam Finance Limited	0.6
Document fee in relation to the Credit Line	3.1
Unsecured loan repayment – Chung Nam Finance Limited	35.0
Capital expenditure for the implementation of recycling plant	50.0
Working capital for the Group's polycrystalline silicon business	8.5
Loan installment (principal plus interest)	1.8
Professional fee	6.6
Payroll – the Company	4.1
Others	1.4
 Unaudited cash and bank balances as at 31 December 2012	 37.9

Note 1: An unsecured loan facility due to Chung Nam Finance Limited bearing an interest rate of 1% per month with an aggregate principal amount up to HK\$100.0 million due in January 2013.

Note 2: As disclosed in the announcement dated 5 October 2012, the Company offered to grant an aggregate of 28,540,000 share options to subscribe for the new ordinary shares of HK\$0.01 each in the share capital of the Company under the share option scheme of the Company to certain eligible participants, at an exercise price of HK\$0.204 each. 28,540,000 share options were fully exercised on 9 October 2012.

Note 3: As disclosed in the announcement dated 8 November 2012, the Company entered into the placing agreement pursuant to which the placing agent has conditionally agreed to place a total of 68,501,684 new ordinary shares of HK\$0.01 each on a fully underwritten basis, to not less than six places, at a price of HK\$0.17 per Share, under the Company's general mandate. The net proceeds from the placing was approximately HK\$11.1 million.

Note 4: Further, the followings are the major cash flow items from 31 December 2012 to the Latest Practicable Date:

*Approximately
HK\$' million*

(i) Interest payments for Convertible Bonds	(35.7)
(ii) Interest payments for Consideration Bonds	(5.8)
(iii) Redemption of part of Consideration Bonds	(29.0)
(iv) Further draw down of the Credit Line	85.0

LETTER FROM THE BOARD

SGM

The SGM will be convened and held for the purpose of considering, and, if thought fit, approving the Grant of Issue Mandate.

The notice of the SGM is set out on page 24 to page 26 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the branch registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

Pursuant to Rule 13.36(4) of the Listing Rules, the Grant of Issue Mandate will be subject to the Independent Shareholders' approval at the SGM. As at the Latest Practicable Date, Mr. Peter Temple Whitelam, being the chairman and Mr. Lo Yuen Wa Peter, being the managing Director and Dr. Wu Yi-Shuen, being the chief executive of Sun Materials Technology Co., Ltd held 78,125 Shares, 156,250 Shares and 17,797,250 Shares, respectively, the mentioned persons and their respective associates shall abstain from voting in favour of the relevant ordinary resolution regarding the Grant of Issue Mandate. Save as disclosed, none of the executive Directors and the chief executives of the Company and their respective associates hold any Shares. Since there is no controlling Shareholder of the Company, the executive Directors (including Mr. Peter Temple Whitelam and Mr. Lo Yuen Wa Peter) and chief executive of Sun Materials Technology Co., Ltd (Dr. Wu Yi-Shuen) and their respective associates (to the extent they hold any Shares at the time of the SGM) are required to abstain from voting in favour at the SGM in respect of the ordinary resolution relating to the Grant of Issue Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, the ordinary resolution at the SGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 11 of this circular and the letter from the Independent Financial Adviser containing its advice and the principal factors which it has considered in arriving at its advice with regard to the Grant of Issue Mandate, as set out on pages 12 to 23 of this circular.

The Board is of the opinion that the Grant of Issue Mandate is in the best interests of the Company and Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

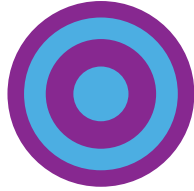
This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

GENERAL

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

By Order of the Board
Mascotte Holdings Limited
Lo Yuen Wa Peter
Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

1 February 2013

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED GRANT OF ISSUE MANDATE

We refer to the circular from the Company to the Shareholders dated 1 February 2013 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the Grant of Issue Mandate, details of which are set out in the “Letter from the Independent Financial Adviser” set out on pages 12 to 23 of the Circular, which contains the Independent Financial Adviser’s advice regarding the Grant of Issue Mandate.

Taking into account the advice of the Independent Financial Adviser, we consider the Grant of Issue Mandate to be fair, reasonable, and in the interests of the Company and the Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Grant of Issue Mandate accordingly.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Frank H. Miu

*Independent Non-
executive Director*

Dr. Agustin V. Que

*Independent Non-
executive Director*

**Mr. Robert James
Iaia II**

*Independent Non-
executive Director*

Mr. Hung Cho Sing

*Independent Non-
executive Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from United Simsen Securities Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Grant of Issue Mandate for the purpose of inclusion in this circular.



Suites 7001-02, 70/F.
Two International Finance Centre
No. 8 Finance Street
Central
Hong Kong

1 February 2013

*To: The independent board committee and the independent shareholders
of Mascotte Holdings Limited*

Dear Sirs,

GRANT OF ISSUE MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Grant of Issue Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 1 February 2013 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

At the annual general meeting of the Company held on 25 September 2012, the then Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 68,501,684 Shares, which is equivalent to 20% of the then issued share capital of the Company.

Since the annual general meeting of the Company held on 25 September 2012, the Company issued 68,501,684 Shares under the General Mandate on 15 November 2012 through a placing of new Shares under the General Mandate and the net proceeds thereof amounted to approximately HK\$11.10 million which was applied for the redemption of the Consideration Bonds (as defined below). As a result, the General Mandate was fully utilized and there has not been any refreshment of the General Mandate since the annual general meeting of the Company held on 25 September 2012.

Given that the General Mandate was fully utilized, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 13.36(4) of the Listing Rules, the Grant of Issue Mandate will be subject to the Independent Shareholders' approval at the SGM. As at the Latest Practicable Date, Mr. Peter Temple Whitlam, being the chairman and Mr. Lo Yuen Wa Peter, being the managing Director and Dr. Wu Yi-Shuen, being the chief executive of Sun Materials Technology Co., Ltd ("**Sun Materials**"), an indirect wholly-owned subsidiary of the Company, held 78,125 Shares, 156,250 Shares and 17,797,250 Shares respectively. Save as disclosed above, none of the executive Directors and the chief executives of the Company and their respective associates held any Shares as at the Latest Practicable Date. Since there is no controlling Shareholder, the executive Directors (including Mr. Peter Temple Whitlam and Mr. Lo Yuen Wa Peter) and chief executive of Sun Materials (Dr. Wu Yi-Shuen) and their respective associates (to the extent they hold any Shares at the time of the SGM) are required to abstain from voting in favour at the SGM in respect of the ordinary resolution relating to the Grant of Issue Mandate.

An Independent Board Committee comprising Mr. Frank H. Miu, Dr. Agustin V. Que, Mr. Robert James Iaia II and Mr. Hung Cho Sing (all being independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Grant of Issue Mandate. We, United Simsen Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our recommendation in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Grant of Issue Mandate. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Grant of Issue Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of the Grant of Issue Mandate

The Company is an investment holding company and the Group is principally engaged in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment and manufacture and sale of accessories for photographic and multimedia products.

At the annual general meeting of the Company held on 25 September 2012, the then Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 68,501,684 Shares, which is equivalent to 20% of the then issued share capital of the Company.

Since the annual general meeting of the Company held on 25 September 2012, the Company issued 68,501,684 Shares under the General Mandate on 15 November 2012 and the net proceeds thereof amounted to approximately HK\$11.10 million were applied for the redemption of the Consideration Bonds (as defined below). As a result, the General Mandate was fully utilized and there has not been any refreshment of the General Mandate since the annual general meeting of the Company held on 25 September 2012. Accordingly, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

As at the Latest Practicable Date, the Company had 1,534,550,104 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the Grant of Issue Mandate would allow the Directors to issue, allot and deal with up to 306,910,020 new Shares, representing 20% of the aforesaid total issued share capital of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(2) Reasons for the Grant of Issue Mandate

We noted from the interim report of the Company for the six months ended 30 September 2012 (the “**Interim Report**”) that the Group recorded net current liabilities of approximately HK\$42.90 million and net liabilities of approximately HK\$1,101.29 million as at 30 September 2012.

The table below demonstrates the major liabilities of the Group as at the Latest Practicable Date: (i.e. 30 January 2013):

Description	Identity of the lender	Approximate outstanding principal as at the Latest Practicable Date	Terms	Due date	Approximate interest rate per annum	Approximate simple interest payable per annum based on the remaining principals (Note 2)	Interest repayment schedule
Unsecured consideration bonds (the “ Consideration Bonds ”) (Note 3)	Holders of the Consideration Bonds	HK\$890.00 million	2 years	4 January 2014	2.5%	HK\$22.25 million	Quarterly
Unsecured convertible bonds (the “ Convertible Bonds ”) (Note 4)	Holders of the Convertible Bonds	HK\$1,200.00 million	3 years	14 July 2014	5.0%	HK\$60.00 million	Semi-annually
Secured revolving loan facility (the “ Credit Line ”)	Chung Nam Finance Limited	HK\$500.00 million	2 years	21 November 2014	10.25% (equivalent to prime rate plus 5%)	HK\$51.25 million	Monthly
Bank borrowings	Bank and financial institutions	HK\$42.70 million (equivalent to new Taiwan dollar 160.00 million) (Note 1)	10 years	3 February 2023	1.8%	HK\$0.77 million (equivalent to new Taiwan dollar 2.90 million) (Note 1)	Monthly
Total		<u>HK\$2,632.70 million</u>				<u>HK\$134.27 million</u>	

Notes:

- Principal amounts of the liabilities in new Taiwan dollar have been converted into Hong Kong dollar at approximately HK\$1 = new Taiwan dollar 3.75;
- Interest payable is estimated based on the simple method as at the Latest Practicable Date and the principals outstanding;
- The maturity date of the Consideration Bonds shall be 2nd anniversary of the issue of the Consideration Bonds or, if the Company elects in its discretion to extend the term of the Consideration Bonds, the seventh (7th) anniversary of the issue date of the Consideration Bonds, the interest thereafter shall accrue daily on the principal amount of the outstanding Consideration Bonds at 12.5% per annum; and

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- 4 On 3 December 2012, the Company entered into the deeds of amendments with each of the bond holders of the Convertible Bonds to alter the certain terms and conditions of the Convertible Bonds (the “Deeds”), which was approved by the Shareholders on 18 January 2013. Further details of the Deeds has been set out in the circular of the Company dated 31 December 2012.

From the table above, the Group is required to pay an aggregate of approximately HK\$134.27 million for interests within one year from the Latest Practicable Date based on the existing terms, interest repayment schedule and principals outstanding.

We noted that the Deeds were approved by the Shareholders on 18 January 2013 and the Company could, at its sole and absolute discretion, to redeem each Convertible Bonds by cash or issuance of new Shares equivalent to the outstanding principals with accrued interests and divided by the conversion price of HK\$0.2 per Share. In the event that the outstanding Convertible Bonds are redeemed by issuance of new Shares, the Group’s total liabilities will be reduced and the Company’s equity base will be enlarged without cash outflow and the Group shall in turn enhance its financial position and improve its gearing ratio. Assuming all the Convertible Bonds are fully redeemed by the Company either in cash or issuance of new Shares, the Group is still obliged to pay an aggregate of approximately HK\$74.27 million for interests within one year from the Latest Practicable Date based on the existing terms, interest repayment schedule and outstanding principals. In view of the said significant amounts of outstanding liabilities, we consider that it is necessary for the Group to have additional options when considering fund raising options then available by the Grant of Issue Mandate to further relieve its financial position.

As further advised by the Directors, the total bank balances and cash of the Company amounted to approximately HK\$37.9 million as at 31 December 2012, after taking into account the Company’s major cash inflow and outflow items since 30 September 2012 but not the proceeds from the Notes Placing (as defined below) and a very substantial disposal of a property located at North Point, Hong Kong as announced by the Company on 22 November 2012 and approved by the Shareholders on 8 January 2013. Subsequent to 31 December 2012 and up to the Latest Practicable Date, as advised by the Directors, the Group (i) used approximately HK\$35.7 million for payment of interests of the Convertible Bonds; (ii) used approximately HK\$29 million to redeem the Consideration Bonds; (iii) used approximately HK\$5.8 million for payment of interests of the Consideration Bonds; and (iv) obtained HK\$85 million from the drawdown of the Credit Line.

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To repay the outstanding liabilities together with the accrued interests, the Group could not solely rely on the cash generated from operation. According to the Interim Report, the Group recorded a net cash flow of approximately HK\$105.36 million from the operating activities for the six months ended 30 September 2012, but there was a cash inflow item of approximately HK\$131.88 million, being the decrease in financial assets at fair value through profit or loss, which is derived from the disposal of or change in the fair value of the financial assets. As such item is not sustainable and will be affected by the fluctuation of market prices of the financial assets and thus should be disregarded. Having disregarded such figure, the Group recorded a net cash outflow from its operating activities of approximately HK\$26.52 million and it is not sufficient to cover the interest expenses on outstanding liabilities of approximately HK\$56.94 million for the six months ended 30 September 2012.

Furthermore, no commercial production of solar grade polycrystalline silicon was commenced during the six months ended 30 September 2012 due to delay in large scale production. As referred to in the Interim Report, it is stated that during the week of 23 April 2012, after improving the thermal decomposition capabilities at the production plant, Sun Materials was able to produce samples of polycrystalline silicon using the commercial production line. The need to expedite the further enhancement of its production facilities before formal commercial production is prompted by the following reasons:

- (i) hydrofluoric acid, an industrial acid requiring special handling, is produced as a by-product of the silicon decomposition and production process;
- (ii) the Group is capable of commencing large-scale production now, but once it has commenced large scale production, the amount of hydrofluoric acid produced will increase exponentially and cannot be safely handled under its current storage method and facilities, especially during the typhoon season in Taiwan from May to November (with the peak season from June to September); and
- (iii) originally, the enhancement of production plants was intended to be carried out after the Group's commencement of large-scale production in around the fourth quarter of 2011. That would avoid the accumulation of hydrofluoric acid during the peak typhoon season in Taiwan. However, since large scale production was delayed, if the Company proceeded with commercial production without enhancing its production facilities, a high volume of hydrofluoric acid would be accumulated during the peak typhoon season. Therefore, the Group has to enhance its production facilities now before commencing formal large-scale production.

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The Directors expected that the enhancement of production facilities before formal commercial production will be completed by early 2013, and the formal commercial production will commence in the first half of 2013. We have discussed with the Directors and reviewed the latest cash flow projection of the Group and the valuation report on the polycrystalline silicon business, based on the assumption that the formal commercial production to be commenced in the first half of 2013, the sale proceeds from its polycrystalline silicon products will be reserved for self financing for the polycrystalline silicon business, including production and working capital requirements of the polycrystalline silicon business prior to the next annual general meeting of the Company in 2013 and also for its future development and expansion in long run. As confirmed with the Directors, save as and except for the delay in production schedule as a result of the enhancement works on existing facilities required and the relevant disclosures as set out in the Interim Report, the business plan of the Group on the polycrystalline silicon business remains the same.

As advised by the Directors, it is estimated that, prior to the commencement of formal production of the polycrystalline silicon business, as to approximately HK\$53 million will be required for the committed capital expenditure based on the contracts entered into between the Group and various contractor(s) and supplier(s) and approximately HK\$95 million will be required for the planned capital expenditure relating other recycling plant facilities and equipment. We have discussed with the Directors and understood that such capital expenditure is inevitable as the initial hydrofluoric acid volume estimates were too conservative and the existing method of storing the hydrofluoric acid is insufficient to treat the discharged generated, in particular under the full scale production. Accordingly, the capital expenditure totaling approximately HK\$148 million is used for enhancement of existing production facilities and it is also expected that the ability to recycle the hydrofluoric acid and related discharge could lower the Group's production cost of polycrystalline silicon by reducing the cost of sodium fluorosilicate. Save for the abovementioned capital expenditure, it is expected that no further capital expenditure will be required prior to the next annual general meeting of the Company in 2013. As the enhancement work of the existing production facilities must be completed before the commencement of the formal commercial production, we consider it is fair and reasonable and is in the interests of the Company and the Shareholders as a whole to incur approximately HK\$148 million as the planned and committed capital expenditure on the polycrystalline silicon business.

As confirmed by the Directors, the Company has taken various steps to reduce its debts level and to enhance its working capital including but not limited to equity fund raising, debt restructuring and disposal of assets. In addition to the equity fund raising activities, the Directors are still actively exploring the possibilities of other fund raising activities, which is vital for the sustainment of the operation of the Group and compliance with the relevant debt obligations for the liabilities of the Group as summarized in the table above. Meanwhile, the Company is awaiting/seeking available financial resources, including but not limited to (i) the Share Placing which was terminated on 30 January 2013; (ii) the Notes Placing; and (iii) the proposed rights issue as announced on 17 July 2012 and 4 January 2013 to support the financial requirements of the Group's operation in relation to the payment obligation of the liabilities as mentioned in the table above and the capital expenditures for polycrystalline silicon business.

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On 24 December 2012, the Company entered into a placing agreement with a placing agent (the “**Share Placing Agreement**”) whereby the Company conditionally agreed to place, through the placing agent, on a fully underwritten basis, 176,000,000 placing shares at a price of HK\$0.165 per Share under specific mandate to be sought at a special general meeting to be convened (the “**Share Placing**”). As confirmed by the Directors, the net proceeds from the Share Placing is estimated to be approximately HK\$27.62 million and the Company plans to use the net proceeds from the Share Placing to redeem part of the Consideration Bonds and/or partial repayment of the Credit Line. On 30 January 2013, the Company and the placing agent entered into a termination deed to terminate the Share Placing Agreement at a consideration of HK\$100,000 payable to the placing agent by the Company. Pursuant to the termination deed, both the Company and the placing agent have been released of their respective obligations under the Share Placing Agreement.

On 28 December 2012, the Company entered into a placing agreement (as supplemented a supplemental agreement on 22 January 2013) with a placing agent whereby the Company agreed to place, through the placing agent, on a best effort basis, a 5 per cent unsecured seven-year notes in the aggregate amount of up to HK\$100 million (the “**Notes Placing**”). As confirmed by the Directors, the maximum net proceeds will be approximately HK\$94.8 million and will be used for repayment of part of the Consideration Bonds.

However, the Notes Placing may or may not proceed. As at the Latest Practicable Date, the Notes Placing has not yet completed and none of which has been issued.

In addition, as the Company has experienced a prolonged process in relation to the proposed rights issue and the fact that the General Mandate was fully utilized and the Notes Placing may or may not proceed or raise sufficient funds, in order to provide additional flexibility for the Company when considering fund raising options then available, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

As at the Latest Practicable Date, the Company intends to utilize the refreshed general mandate (the “**Refreshed Mandate**”) to reduce the outstanding liabilities, including (i) to redeem part of the outstanding Consideration Bonds; and/or (ii) partial repayment of the Credit Line, upon approval by the Shareholders in the SGM.

Accordingly, the Directors believe that the Grant of Issue Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group’s financial position reliefment and to strengthen the capital base of the Company.

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Given all the foregoing and in particular (i) the substantial liabilities as at the Latest Practicable Date and the Group is unable to repay such outstanding liabilities with accrued interests solely rely on the cash generated from its operation prior to the date of the next annual general meeting of the Company; and (ii) the sale proceeds from the polycrystalline silicon business after the commencement of formal production would be reserved for self financing for the polycrystalline silicon business, including the production and working capital requirements of the polycrystalline silicon business and also for its future development and expansion in long run, we are of the opinion that the Grant of Issue Mandate would provide the Company with the necessary flexibility to strengthen the capital base of the Company in order to relieve the Group's financial position. Accordingly, we concur with the Directors that the Grant of Issue Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(3) Capital fund raising activities in the past twelve months

Sets out below are the capital fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcements	Description of the fund raising activities	Approximate net proceeds raised	Intended use of proceeds	Actual use of proceeds
19 June 2012	Placing of 57,084,736 new Shares	HK\$12.7 million	Approximately HK\$11.7 million would be used for the down payment for the construction of the new facility building of the Group's polycrystalline silicon business and the remaining balance of approximately HK\$1 million would be utilized for the construction works, details of which were set out in the Company's announcement dated 19 June 2012	Used as intended, approximately HK\$11.7 million was used for the down payment for the construction of the new facility building and approximately HK\$1 million for the electric works for the Group's polycrystalline silicon business

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Date of announcements	Description of the fund raising activities	Approximate net proceeds raised	Intended use of proceeds	Actual use of proceeds
8 November 2012	Placing of 68,501,684 new Shares	HK\$11.10 million	General working capital	Used for the redemption of part of the Consideration Bonds
24 December 2012 <i>(Note)</i>	Share Placing	HK\$27.62 million	To redeem part of the Consideration Bonds and/or partial repayment of the Credit Line	Terminated
28 December 2012	Notes Placing	HK\$94.8 million	Repayment of part of the Consideration Bonds	Not yet completed and will be used as intended

Note:

The Share Placing is announced on 24 December 2012 and is conditional on, among other things, the Shareholder's approval at a special general meeting of the Company. On 30 January 2013, the Share Placing Agreement was terminated by the parties thereto.

Save as and except for the above, the Company had not conducted any other capital fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

We have enquired into the Directors regarding its capital expenditure procurement procedures/ selection of constructors for the Group's polycrystalline silicon business and as advised by the Directors, it is the standard practices of the Group to approach a number of potential contractors and to obtain relevant quotations from them. Once the potential contractors submitted their quotations, the Company will then evaluate and shortlist out the potential contractors and further discuss the detailed specifications and requirements with them. Based on the detailed specification with quotation, the Company will confirm the engagement with the potential contractor. The Directors confirmed that the existing contractors were selected in accordance with the procedure as just mentioned and we did not notice any parts of the procedure which is uncommon to normal market practice.

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(4) Other financing alternatives

We have enquired into the Directors and the Directors confirmed that, apart from equity financing, which includes placing of new Shares and rights issue exercise, the Group will also consider debt financing, such as bank borrowings and issue of bonds, to be other possible fund raising alternatives available to the Group. However, in light of the amounts of outstanding liabilities of the Group as at the Latest Practicable Date as demonstrated in the section headed “Reasons for the Grant of Issue Mandate” of this letter, it is impracticable to further increase the amounts of debts of the Group.

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the Grant of Issue Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods to relieve its financial position, we concur with the Directors that the Grant of Issue Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(5) Potential dilution to shareholding of the public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the Refreshed Mandate (assuming no other Shares are issued or repurchased by the Company):

	Shareholding in the Company as at the Latest Practicable Date		Shareholding in the Company upon full utilization of the Refreshed Mandate (assuming no other Shares are issued or repurchased by the Company)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Peter Temple Whitelam <i>(Note 1)</i>	78,125	0.01%	78,125	0.00%
Mr. Lo Yuen Wa Peter <i>(Note 1)</i>	156,250	0.01%	156,250	0.01%
Dr. Wu Yi-Shuen <i>(Note 2)</i>	17,797,250	1.16%	17,797,250	0.97%
PMA Emerging Opportunities Fund SPC <i>(Note 3)</i>	200,000,000	13.03%	200,000,000	10.86%
VMS Private Investment Partners II Limited <i>(Note 3)</i>	200,000,000	13.03%	200,000,000	10.86%
Mr. Andrew Liu <i>(Note 3)</i>	200,000,000	13.03%	200,000,000	10.86%
Public Shareholders	916,518,479	59.73%	916,518,479	49.77%
New Shares to be issued under the Refreshed Mandate	—	—	306,910,020	16.67%
Total	<u>1,534,550,104</u>	<u>100.00%</u>	<u>1,841,460,124</u>	<u>100.00%</u>

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Notes:

- 1 As at the Latest Practicable Date, Mr. Peter Temple Whitlam is the chairman and Mr. Lo Yuen Wa Peter is the managing Director of the Company; and
- 2 Dr. Wu Yi-Shuen is the chairman and chief executives of Sun Materials.
- 3 Holders of the Convertible Bonds.

The table above illustrates that the shareholdings of the public Shareholders would decrease from approximately 59.73% as at the Latest Practicable Date to approximately 49.77% upon full utilization of the Refreshed Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the public Shareholders represents a dilution of approximately 9.96 percent point.

Taking into account that the Refreshed Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the Refreshed Mandate to relieve its financial position; and (ii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilization of the Refreshed Mandate, we concur with the Directors that the potential dilution to the shareholdings of the public Shareholders as just mentioned is justifiable and the Grant of Issue Mandate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the Grant of Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Grant of Issue Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
United Simsen Securities Limited
Chiu Ka Him
Director

NOTICE OF SGM



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

NOTICE IS HEREBY GIVEN that a special general meeting of Mascotte Holdings Limited (the “**Company**”) will be held at 4:30 p.m. on 21 February 2013 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:–

ORDINARY RESOLUTION

1. “**THAT**:–

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with new Shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF SGM

(d) for the purposes of this resolution:–

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

By Order of the Board
Mascotte Holdings Limited
Lo Yuen Wa Peter
Managing Director

Hong Kong, 1 February 2013

NOTICE OF SGM

Notes:

1. A form of proxy to be used for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Hong Kong branch registrar of the Company, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting at which the person named in the instrument proposes to vote. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

As at the date of this notice, 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

Independent Non-executive Directors:

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