
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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchange 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)

**ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the Special General Meeting of the Company to be held at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 31 October 2013, at 4:30 p.m. is set out on pages 35 to 36 of this circular. A form of proxy for use by the Shareholders at the Special General Meeting is enclosed. Whether or not you intend to attend and vote at the Special General Meeting in person, you are requested to read the notice of Special General Meeting and complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meetings should you so wish.

Hong Kong, 15 October 2013

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I — Details of Grant of Share Options Under the Existing Share Option Scheme	15
Appendix II — Summary of the Principal Terms of the New Share Option Scheme	23
Notice of Special General Meeting	35

DEFINITIONS

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

“associate(s)”	has the meaning as defined in the Listing Rules;
“Board”	the board of Directors;
“Code”	the Code on Takeovers and Mergers;
“Company”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 21 August 2003 and expired on 20 August 2013;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Latest Practicable Date”	11 October 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the Special General Meeting;
“Shareholder(s)”	the holder(s) of the Shares;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company;

DEFINITIONS

“Special General Meeting”	the special general meeting of the Company to be held at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 31 October 2013, at 4:30 p.m., the notice of which is set out on pages 35 to 36 of this circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“2003 Circular”	the circular of the Company dated 29 July 2003 in relation to the Existing Share Option Scheme; and
“%”	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

15 October 2013

To the Shareholders

Dear Sir or Madam,

ADOPTION OF NEW SHARE OPTION SCHEME

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed resolution at the Special General Meeting relating to the adoption of the New Share Option Scheme.

ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 21 August 2003 for a term of 10 years and expired on 20 August 2013. Pursuant to the Existing Share Option Scheme, the Directors were authorized to grant to participants options to subscribe

LETTER FROM THE BOARD

for Shares. As at the Latest Practicable Date, there were a total of 78,955 share options granted and outstanding under the Existing Share Option Scheme, of which the holders were entitled to subscribe for a total of 78,955 Shares. No vesting conditions and performance targets had been attached to the share options granted by the Company under the Existing Share Option Scheme.

As set out in the 2003 Circular, the Existing Share Option Scheme was adopted to allow wider classes of persons and/or entities to be the participants. The purpose of the Existing Share Option Scheme was to provide incentives or rewards to the participants thereunder for their contributions to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity. The purpose was achieved under the Existing Share Option Scheme by providing an opportunity to the grantees to have a personal stake in the Company. The Existing Share Option Scheme was considered as a means to assist and promote the growth and development of the Group as a whole and to strengthen or otherwise maintain the on-going relationships with the grantees.

The Directors of the Company are of the view that the grant of the share options under the Existing Share Option Scheme had achieved the purposes of (i) providing incentives or rewards to the participants thereunder for their contributions to the Group and (ii) enabling the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity as the grantees had actively exercised their share options and the Company had been able to maintain a co-operative relationship with the grantees directly which in turn had expedited the flow of communication.

Since the adoption of Existing Share Option Scheme by the Company on 21 August 2003, the Company had refreshed the total number of Shares which may be issued upon the exercise of all share options to be granted under the Existing Share Option Scheme and any other share option scheme of the Company (the “General Scheme Limit”), subject to the provisions of the Listing Rules, six times, in which four of the General Scheme Limit were fully-utilized and the rest were not utilized. The reasons for refreshing the General Scheme Limit were due to either full utilization or changes in the number of issued shares of the Company.

Details of the grant of the share options under the Existing Share Option Scheme is set out in “Appendix I — Details of the Grant of the Share Options under the Existing Share Option Scheme”.

LETTER FROM THE BOARD

Participants under the Existing Share Option Scheme

Under the Existing Share Option Scheme, the Directors may at their absolute discretion and subject to such conditions as they may think fit, grant share options to subscribe for Shares to any person(s) belonging to any of the following classes of participants:

- (a) any employee, whether full time or part time, including any executive directors, non-executive directors or independent non-executive directors of the Company, any of its subsidiaries or any invested entity;
- (b) any supplier of goods or services to any member of the Group or any invested entity;
- (c) any customer of the Group or any invested entity;
- (d) any person or entity that provides research, development or technological support or other services to the Group or any invested entity; and
- (e) any shareholder or any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or invested entity.

One of the Company's principal business activities is investment in securities, including investing in the shares of the invested entities and the share prices of which are volatile and are subject to many factors which are out of the control of the Company and/or the invested entities. Share options were granted to invested entities under the Existing Share Option Scheme for the purpose of providing incentives or rewards to employees of the invested entities for their contributions to the invested entities and in turn, the Group, and further, to encourage the retention of such employees and to promote the mutual relationships between the invested entities, such as the securities broker and the Company. The Directors consider the granting of share options will create a bond between the Company and the invested entities, which would align the interests of the invested entities together with the Company as if the invested entities were a part of the Group.

Under the Existing Share Option Scheme, the Directors were granted the power to grant share options to participants at their discretion. Based on the information available to the Company, the share options previously granted to grantees under the Existing Share Option Scheme were granted in accordance with the terms of the Existing Share Option Scheme and the Listing Rules. As the Company did not have any written records setting out the basis for such grants, the Directors are not in the position to elaborate the reason(s) for the exercise of the discretion.

LETTER FROM THE BOARD

When selecting the executive directors of the invested entities as grantees of the Existing Share Option Scheme, the Directors will select on a random basis. The Directors are of the view that the selection is fair and reasonable as there is no special treatment, preference or selection criteria among the executive directors of such selected invested entities.

The Company would like to emphasize that the grant of share options by the Company to the executive directors of invested entities does not guarantee a positive return to the Company but merely as a means to encourage the invested entities to achieve better performance.

The New Share Option Scheme

The New Share Option Scheme has been prepared based on the Existing Share Option Scheme in form and substance, and in compliance with Chapter 17 of the Listing Rules. The New Share Option Scheme enables the Company to grant share options to the participants set out in the section ‘Participants under the New Share Option Scheme’ for a term of 10 years from the date of approval of the New Share Option Scheme and no share option may be granted more than 10 years after the date of approval of the New Share Option Scheme.

The purpose of the New Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any invested entity. It also provides the Company with the same flexibility in granting share options to participants of the Company under the New Share Option Scheme as the Existing Share Option Scheme.

Reasons for the adoption of the New Share Option Scheme

The Directors considers the adoption of the New Share Option Scheme in the interests of the Company for the following reasons:

- (a) allows the Board to provide incentives to a participant to remain as a participant and thereby enables the Group or the relevant invested entity to continue to benefit from the services and contributions of such participant. The discretion to grant share options with reference to the relevant participant’s history, business relationship and contribution(s) with/to the Group encourages the participants to use their best endeavors in assisting the long term growth and development of the Group to the benefits of the Company and its Shares;

LETTER FROM THE BOARD

- (b) the flexibility given to the Board in granting the share options to the participants will place the Group in a better position to attract human resources and might bring benefits to the Company that are valuable to the growth and development of the Group as whole;
- (c) as the Existing Share Option Scheme expired on 20 August 2013; and
- (d) the Existing Share Option Scheme was fully utilized on 9 October 2012. The Board considers it necessary to adopt the New Share Option Scheme to continue the provision of the flexibility to grant share options to eligible persons (including but not limited to employees and Directors) of the Company as incentives or rewards for their contribution to the Company.

Terms of the New Share Option Scheme

All of the terms of the New Share Option Scheme are the same as the Existing Share Option Scheme save for the following amendments, which have been made to reflect the changes to the Listing Rules since the adoption of the Existing Share Option Scheme:

- in compliance with Rule 17.03(4) of the Listing Rules, the requirement that the maximum number of Shares in respect of which share options may be granted under the New Share Option Scheme to any participant, shall not, when aggregated with (i) any Shares issued upon the exercise of share options or options under the other schemes which have been granted to that participant; (ii) any Shares which would be issued upon the exercise of outstanding share options or options under the other schemes granted to that participant; and (iii) any cancelled shares which were the subject of share options or options under the other schemes which had been granted to and accepted by that participant, in any 12-month period up to the date on which the Board passes a resolution approving the making of an offer of grant of a share option to that participant, exceed 1% of the number of Shares in issue on the such date;
- in compliance with Rule 17.03(5) of the Listing Rules, the requirement that no share option may be granted more than 10 years after the date of approval of the New Share Option Scheme;
- in compliance with the notes to Rule 17.03(4) of the Listing Rules, the requirement that grant of share options which exceed the specified limits in the New Share Option Scheme shall be subject to (i) the issue of a circular by the Company to its shareholders which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time; and (ii) the approval of the shareholders of the Company in general meeting at which that participant and his associates shall abstain from voting;

LETTER FROM THE BOARD

- in compliance with Rule 17.05 of the Listing Rules, the extension of the restriction on the time of grant of options such that no share options may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for approval of the Company's annual results, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for publishing the interim or annual results of the Company for (1) any year or half-year period in accordance with the requirements of the Listing Rules, and (2) where the Company has elected to publish them, any quarterly or any other interim period, and ending on the actual date of the announcement of such results; and
- to include references to the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes.

The Company will continue to comply with the relevant Listing Rules from time to time in force in respect of share option scheme.

Participants under the New Share Option Scheme

The New Share Option Scheme permits the Company to grant share options to the same category of participants as eligible under the Existing Share Option Scheme. Participants under the New Share Option Scheme are:

- (a) any employee, whether full time or part time, including any executive directors, non-executive directors or independent non-executive directors of the Company, any of its subsidiaries or any invested entity;
- (b) any supplier of goods or services to any member of the Group or any invested entity;
- (c) any customer of the Group or any invested entity;
- (d) any person or entity that provides research, development or technological support or other services to the Group or any invested entity; and
- (e) any shareholder or any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or invested entity.

LETTER FROM THE BOARD

The rules and terms of the New Share Option Scheme allows the Board to provide incentives to a participant to remain as a participant and thereby enables the Group or the relevant invested entity to continue to benefit from the services and contributions of such participant. The discretion to grant share options with reference to the relevant participant's history, business relationship and contribution(s) with/to the Group encourages the participants to use their best endeavors in assisting the long term growth and development of the Group to the benefits of the Company and its Shares. Furthermore, the grant of share options provides participants with an opportunity to become equity holders of the Company and therefore their interests are aligned with the shareholders.

By fostering an amicable relationship with, among others, the executive directors of the invested entities, the Company would be advised by the invested entities of the publication of announcements. In addition, the Company would be able to gain access to investors' relationship meetings of the investee companies, all of which would enable the Company to gain first hand development information on the investee companies and assist the Board to evaluate the Company's investments in the investee companies.

The Directors are of the view that the flexibility given to the Board in granting the share options to the participants will place the Group in a better position to attract human resources and might bring benefits to the Company that are valuable to the growth and development of the Group as a whole. The Company at present has no plan to grant any share options immediately after the adoption of New Share Options Scheme but cannot rule out such possibility as and when it is considered appropriate by the Company to do so by reference to the then circumstances.

Basis of determination of the eligibility of the participants of the New Share Option Scheme

The scope of participants under the New Share Option Scheme is the same as the Existing Share Option Scheme. As with the Existing Share Option Scheme, when making an offer under the New Share Option Scheme to any participants, the Board in its absolute discretion may or may not impose the terms on which the share option is to be granted (including a minimum period for which an option must be held or a performance target which must be achieved before the share option can be exercised) either on a case-by-case basis or generally. The Board will also have absolute discretion in determining the subscription price (which will not be less than the price to be determined pursuant to the Listing Rules) in respect of any share option.

LETTER FROM THE BOARD

In addition, the Company does not propose to set any selection criteria or factors to be taken into account in determining the grantees under the New Share Option Scheme. No selection criteria or factors had been set under the Existing Share Option Scheme with a view of providing flexibility in granting share options. As such, no selection criteria or factors have been imposed on the New Share Option Scheme in order to retain the flexibility in determining the basis and the grantee of the share options. The Company is not proposing for changes in the basis of determination of the eligibility of the participants of the New Share Option Scheme.

The Directors are of the view that the flexibility given to the Directors in granting the share options to eligible persons (subject to the Board's absolute discretion in imposing or not imposing the minimum period for holding the options and the condition of achieving performance targets and the Board's absolute discretion in determining the subscription price) will place the Group in a better position to motivate participants to recognize their performance and efficiency for the benefits of the Group and to attract and retain or otherwise maintain on-going business relationships with such participants whose contributions are or will be beneficial to the long term growth of the Group. In order to enhance the attractiveness of the grant of share options to the proposed grantees, the Directors has the flexible option to consider whether or not to impose any minimum holding period for holding the share options or conditions to the grant. As the purpose of the grant of share options is creating incentives to the grantees, the Directors may or may not impose any conditions on the share options granted.

General Guideline

The following criteria or factors in determining the eligibility of participants only provides a general guideline and does not form part of the New Share Option Scheme. The general guideline below has been included in this circular for illustration only, and the Company is not bound by the New Share Option Scheme to follow the general guideline may or may not adopt:

Employee

While considering a grant of share options to employees, the Directors may take into account (but are not bound to) criteria or factors such as the authority, the review by the management of the Company of the employee, the performance of the employee, the length of service, and/or any other circumstances which the management considers appropriate.

LETTER FROM THE BOARD

Supplier of goods or services to any member of the Group or any invested entity

While considering a grant of share options to the supplier of goods or services to any member of the Group or any invested entity, the Directors may take into account (but are not bound to) criteria or factors such as the authority, the business relationship with the Company, and/or any other circumstances which the management considers appropriate.

Customer of the Group or any invested entity

While considering a grant of share options to the customer of the Group or any invested entity, the Directors may take into account (but are not bound to) criteria or factors such as the authority, the business relationship with the Company, and/or any other circumstances which the management considers appropriate.

Services provider to the Group or any invested entity

While considering a grant of share options to the services provider to the Group or any invested entity, the Directors may take into account (but are not bound to) criteria or factors such as the authority, the business relationship with the Company, and/or any other circumstances which the management considers appropriate.

Shareholder or member of the Group or any invested entity or any holder of any securities issued by any member of the Group or invested entity

While considering a grant of share options to the Shareholder or member of the Group or any invested entity or any holder of any securities issued by any member of the Group or invested entity, the Directors may take into account (but are not bound to) criteria or factors such as the business relationship with the Company, if any, and/or any other circumstances which the management considers appropriate.

One of the purposes for the grant of the share options is to enhance the communication and to facilitate the gathering of information, including but not limited to, the macro-economics or the securities markets or the capital markets are considered valuable information that may be of use to assist in the Company's investment planning. Each of the securities brokers, consultant companies and investee entities possess different types of information and such information may be considered as useful information. As such, the Company chooses to adopt a random selection of grantees among the staff and directors of securities brokers, consultant companies and investee entities, with a view of obtaining a mixture of information.

LETTER FROM THE BOARD

Upon the grant of share options to the directors and staff of invested entities or securities broker or consultant companies, the Company will make use of the opportunity of such grant to create a stronger relationship by assigning a staff of the Company to liaise with the respective grantees personally in addition to the public announcements and disclosures.

General

In order to enable the Company to continue to utilize its discretion to grant share options to participants as incentive, the Directors wish to take the opportunity of the Special General Meeting to seek Shareholders' approval to adopt the New Share Option Scheme.

Upon the expiration of the Existing Share Option Scheme, no further options had been offered under the Existing Share Option Scheme, but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to expiration or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme and all share options granted prior to expiration and not exercised at the date of expiration shall remain valid. The Directors confirm that no further share options will be granted under the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company had 12,207,300,620 Shares in issue. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the scheme limit for the New Share Option Scheme will be 1,220,730,062 Shares, representing 10% of the issued share capital of the Company as at the date of the adoption of the New Share Option Scheme, under Rule 17.03(3) of the Listing Rules, should the New Share Option Scheme be adopted.

None of the Directors will be a trustee of the New Share Option Scheme nor will they have any direct or indirect interest in the trustees. None of the Shareholders is required to abstain from voting on this resolution in relation to the adoption of the New Share Option Scheme.

The Company considers that it would not be appropriate to state the value of all options that could have been granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the option value are yet to be determined. Such variables include the subscription price payable for the Shares, exercise period, any lock-up period and any performance target. The Company believes that any calculation of the value of the options as at the Latest Practicable Date based on a number of speculative assumptions would be misleading to the Shareholders.

LETTER FROM THE BOARD

A summary of the principal terms of the New Share Option Scheme is set out in “Appendix II — Summary of the Principal Terms of the New Share Option Scheme”. The rules of the New Share Option Scheme proposed to be adopted by the Company at the Special General Meeting will be available for inspection at the Company’s principal place of business in Hong Kong at 1st Floor, Po Chai Industrial Building, 28 Wong Chuk Hang Road, Aberdeen, Hong Kong during normal business hours from the date of this circular up to and including the date of the Special General Meeting.

SPECIAL GENERAL MEETING

The special general meeting of the Company will be held at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 31 October 2013, at 4:30 p.m..

From Tuesday, 29 October 2013 to Thursday, 31 October 2013, both days inclusive, the register of members of the Company will be closed for the purpose of ascertaining shareholders’ entitlement to attend and vote at the Special General Meeting. In order to be eligible for attending and voting at the Special General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 28 October 2013.

A form of proxy for the Special General Meeting is enclosed herewith. Whether or not you intend to attend and vote at the Special General Meeting in person, you are requested to complete the form of proxy and return it to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meetings should you so wish.

Pursuant to the requirements of the Listing Rules, all votes to be taken at the Special General Meeting will be by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the interests of the Company and its Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the related resolution to be proposed at the Special General Meeting.

Yours faithfully,
By order of the Board of
MASCOTTE HOLDINGS LIMITED
Peter Temple Whitelam
Chairman

APPENDIX I
**DETAILS OF GRANT OF SHARE OPTIONS UNDER
THE EXISTING SHARE OPTION SCHEME**
Table 1

The following is a summary of the history of the Company's refreshment of the share option scheme mandate limit from 21 August 2003 to the Latest Practicable Date.

No.	Date of refreshment/ approval	Maximum no. of options	Options utilized	Grant date	Grantee(s)	Options granted	Options exercised	Option price on grant date (HK\$)	Options outstanding as at Latest Practicable Date	Proceeds received (approximate HK\$ '000)
1	21 Aug 2003	42,400,010	42,400,000	5 May 2007	Table 2	16,000,000	16,000,000	0.46	—	\$7,360
				6 Nov 2007	Table 2	26,400,000	26,400,000	0.65	—	\$17,160
2	6 May 2008	190,616,010	Not utilized	—	—	—	—	—	—	—
3	5 Sep 2008	285,924,015	Not utilized	—	—	—	—	—	—	—
4	4 Sep 2009	54,592,401	54,592,401	3 Mar 2010	Table 3	54,592,401	54,342,401	0.99	78,955 ⁽¹⁾ & ⁽⁵⁾	\$53,799 ⁽²⁾
5	7 Jun 2010	69,970,121	Not utilized	—	—	—	—	—	—	—
6	30 Sep 2010	177,050,304	177,050,304	26 Nov 2010	Table 4	177,050,304	177,050,304	0.382	—	\$67,633 ⁽²⁾
7	8 Sep 2011	28,542,368	28,540,000	5 Oct 2012	Table 5	28,540,000	28,540,000	0.204	—	\$5,822 ⁽²⁾

APPENDIX I

DETAILS OF GRANT OF SHARE OPTIONS UNDER
THE EXISTING SHARE OPTION SCHEME

Table 2

The following table sets out the details of the grant of share options by the Company on 5 May 2007 and 6 November 2007.

No.	Name of grantee	Position as at the date of grant	Options granted	Exercise Date	Issue price per share (HK\$)	Closing market price per share of immediately preceding business day	% discount/premium of issue price to market price	Days between grant and exercise date ⁽⁴⁾	Options exercised
<i>Staff of the Company</i>									
1	Au Wai Ling	Staff	4,000,000	7 May 2007	0.46	0.46	—	1 Day	4,000,000
2	Tse, Ariann Bing Shan	Staff	4,000,000	7 May 2007	0.46	0.46	—	1 Day	4,000,000
3	Tsui Wong Kong Ling	Staff	4,000,000	7 May 2007	0.46	0.46	—	1 Day	4,000,000
4	Wong Kong May	Staff	4,000,000	7 May 2007	0.46	0.46	—	1 Day	4,000,000
<i>Staff of Chung Nam Securities Limited (securities broker) ^{(3)&(9)}</i>									
5	Chan Kwok On	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
6	Cheng Wai Chung	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
7	Lam Mei Lin Ada	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
8	Lam King Ho	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
9	Ng Kwai Cho	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
10	Tan Kin Kwok	Staff ⁽³⁾	4,400,000	7 Nov 2007	0.65	0.65	—	—	4,400,000
			<u>42,400,000</u>						<u>42,400,000</u>

APPENDIX I

**DETAILS OF GRANT OF SHARE OPTIONS UNDER
THE EXISTING SHARE OPTION SCHEME**

Table 3

The following table sets out the details of the grant of share options by the Company on 3 March 2010⁽⁵⁾:

No.	Name of grantee	Position as at the date of grant	Options granted	Exercise Date	Issue price per share (HK\$)	Closing market price per share of immediately preceding business day	% discount/premium of issue price to market price	Days between grant and exercise date ⁽⁴⁾	Options exercised
<i>Director of the Company⁽⁶⁾</i>									
1	Peter Temple Whitelam	Executive Director	500,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	500,000
2	Lo Yuen Wa Peter	Executive Director	1,000,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	1,000,000
3	Lam Suk Ping ⁽⁷⁾	Executive Director	1,000,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	1,000,000
4	Au Yeung Kai Chor ⁽⁸⁾	Executive Director	1,000,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	1,000,000
<i>Staff of the Company⁽⁶⁾</i>									
5	Lam Yick Sing	Staff	4,592,401	5 Mar 2010	0.990	0.990	—	1 Day	4,592,401
6	Cheung Kwun Hung	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
7	Ng Lai Hung	Staff	250,000	14 Feb 2011	0.396 ⁽¹⁵⁾	0.54	26.67% discount	347 Days	250,000
<i>Director of Chung Nam Securities Limited (securities broker)^{(3) & (9)}</i>									
8	Cheng Wai Chung	Executive director	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
9	Ng Kwai Cho	Executive director	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
<i>Staff of Chung Nam Securities Limited (securities broker)^{(3) & (9)}</i>									
10	Chan Kwok On	Staff	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
11	Tan Kin Kwok	Staff	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
12	Lee Yuk Ching	Staff	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
13	Chui Yuk Oi	Staff	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
14	Leung Siu Ki	Staff	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
15	Lee Yuk Fan	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
16	Liao Miao Ling Cindy	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
17	Wong Oi Lin	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
18	Lam Siu Kuen	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
<i>Director of Willie International Holdings Limited (investee entities)⁽¹⁰⁾</i>									
19	Wong Ying Seung, Asiong	Executive Director	500,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	500,000
20	King, Philip	Executive Director	1,000,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	1,000,000
<i>Director of Hennabun Capital Group Limited (investee entities)⁽¹⁰⁾</i>									
21	Tong So Yuet	Executive Director	5,000,000	5 Mar 2010	0.990	0.990	—	1 Day	5,000,000
22	Pak Eui Won William	Executive Director	1,000,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	1,000,000
23	Chan Shek Wah	Executive Director	500,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	500,000
<i>Staff of Hennabun Capital Group Limited (investee entities)⁽¹⁰⁾</i>									
24	Kwok Ka Yik	Staff	1,000,000	7 Jan 2011	0.396 ⁽¹⁵⁾	0.470	15.74% discount	309 Days	400,000
				10 Jun 2011	0.396 ⁽¹⁵⁾	0.470	15.74% discount	312 Days	600,000
25	Chan Mee Sze	Staff	250,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	250,000
26	Chan Ka Man	Staff	500,000	6 Aug 2010	0.396 ⁽¹⁵⁾	0.420	5.71% discount	155 Days	500,000
27	Lam Bun Cathy	Staff	250,000					—	—
			<u>54,592,401</u>						<u>54,342,401</u>

APPENDIX I

DETAILS OF GRANT OF SHARE OPTIONS UNDER
THE EXISTING SHARE OPTION SCHEME

Table 4

The following table sets out the details of the grant of share options by the Company on 26 November 2010:

No.	Name of grantee	Position as at the date of grant	Options granted	Exercise Date	Issue price per share (HK\$)	Closing market price per share of immediately preceding business day	% discount/premium of issue price to market price	Days between grant and exercise date ⁽⁴⁾	Options exercised
<i>Director of Willie International Holdings Limited (investee entities)⁽¹⁾</i>									
1	Dr. Chuang, Henry Yueheng ⁽²⁾	Executive director	17,500,000	10 Jan 2011	0.382	0.47	18.72% discount	44 days	17,500,000
2	Wong Ying Seung, Asiong	Executive director	16,500,000	10 Jan 2011	0.382	0.47	18.72% discount	44 days	16,500,000
<i>Staff of Willie International Holdings Limited (investee entities)⁽¹⁾</i>									
3	Chan Suk Chi	Staff	16,050,304	10 Jan 2011	0.382	0.47	18.72% discount	44 days	16,050,304
4	Wong Pui Yee, Edith	Staff	16,000,000	10 Jan 2011	0.382	0.47	18.72% discount	44 days	16,000,000
5	Ho Chung Ki	Staff	5,000,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	5,000,000
6	Mo Wai Sum	Staff	5,000,000	12 Jan 2011	0.382	0.47	18.72% discount	46 days	5,000,000
7	Lee Tak Har, Irene	Staff	5,000,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	5,000,000
8	Lee Chi Chung	Staff	3,000,000	12 Jan 2011	0.382	0.47	18.72% discount	46 days	3,000,000
9	Kwok Wing Ka	Staff	3,000,000	12 Jan 2011	0.382	0.47	18.72% discount	46 days	3,000,000
10	Ko Ying Kit	Staff	5,000,000	12 Jan 2011	0.382	0.47	18.72% discount	46 days	5,000,000
11	Chan Kwok Fai	Staff	3,000,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	3,000,000
12	Cheung Ka Yee	Staff	16,000,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	16,000,000
13	Lam Wai Ming	Staff	16,000,000	10 Jan 2011	0.382	0.47	18.72% discount	44 days	16,000,000
14	Wong Yuen Mei	Staff	16,000,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	16,000,000
15	Man Wai Chuen, Rick	Staff	16,500,000	17 Jan 2011	0.382	0.47	18.72% discount	51 days	16,500,000
16	Cheung Wing Ping	Staff	17,500,000	11 Jan 2011	0.382	0.47	18.72% discount	45 days	17,500,000
			<u>177,050,304</u>						<u>177,050,304</u>

Table 5

The following table sets out the details of the grant of share options by the Company on 5 October 2012:

No.	Name of grantee	Position as at the date of grant	Options granted	Exercise Date	Issue price per share (HK\$)	Closing market price per share of immediately preceding business day	% discount/premium of issue price to market price	Days between grant and exercise date ⁽⁴⁾	Options exercised
<i>Staff of the Company</i> ⁽¹³⁾									
1	Au Yeung Kai Wah	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
2	Chow Kam Wah	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
3	Fu Ka Cheung	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
4	He Qianyi	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
5	Ip Cheuk Ho	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
6	Lam Tang	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
7	Mak Shun Hei	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
8	Tam Kin Man James	Staff	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
<i>Consultant</i> ⁽¹⁴⁾									
9	Ip Yeuk Ping Gloria	Consultant	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
10	Ip Pak Kau	Consultant	2,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,000,000
11	Wong Wan Men Margaret	Consultant	2,540,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	2,540,000
<i>Director of Chung Nam Securities Limited (securities broker)</i> ^{(3) & (9)}									
12	Ng Kwai Cho	Executive Director	3,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	3,000,000
13	Tan Kin Kwok	Executive Director	3,000,000	9 Oct 2012	0.204	0.201	1.49% premium	3 days	3,000,000
			<u>28,540,000</u>						<u>28,540,000</u>

Notes:

- (1) Adjusted after the capital reorganization and rights issue took effect on 26 April 2012 and 20 May 2013 respectively. The adjusted option price is approximately HK\$3.134 as at the Latest Practicable Date.
- (2) The proceeds received had been used as general working capital of the Group.
- (3) Chung Nam Securities Limited (Chung Nam), a corporation deemed licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 regulated activity (dealing in securities), which is not a connected person (as defined in the Listing Rules) of the Company.
- (4) Approximate number of days exclusive of date of grant and the date of allotment and issuance of new ordinary share of the Company.
- (5) 250,000 options granted on 3 March 2010 have been adjusted to 78,955 which are still outstanding at the Latest Practicable Date.

APPENDIX I DETAILS OF GRANT OF SHARE OPTIONS UNDER THE EXISTING SHARE OPTION SCHEME

- (6) Share options were granted by the Company to directors and staff of the Company in recognition of their contribution in relation to their performance in the past two years.
- (7) Lam Suk Ping resigned as executive director of the Company on 27 April 2011.
- (8) Au Yeung Kai Chor resigned as executive director of the Company on 9 April 2010.
- (9) In respect of share options granted by the Company to directors and staff of its securities broker, the securities broker selected by the Company was and, as at the Latest Practicable Date, is the prime securities broker of the Company through which the Company's transactions in dealing in listed shares were conducted. The Company is of the view that it could benefit from the contribution of the directors and staff of its securities broker if they were more attentive to the Company's orders at the time when the market was volatile. The Company is not aware of any inadvertent mistakes which were made by its securities broker in the past history of dealings. In addition, as they are more familiar with the latest development of the market, they can provide updated market information as well as refer any business opportunity to the Company for consideration. Share options were granted in recognition of their contribution in relation to their services rendered to the Group in the past few years. The share options were granted to the securities broker under the Existing Share Options Scheme as a supplier of services to the Group. The share options granted to the directors and staff of securities broker were selected on a random basis. The securities broker was appointed as (i) the placing agent of the Company in respect of placing of news shares under general mandate and rights issues exercised in the past few years; and (ii) the broker of the Company in respect of securities trading. Saved as disclosed, the Company has no other business relationships with the securities broker.

In relation to the grant of share options to director of the securities broker of the Company, the grantee was mainly responsible for managing the investee company. Share options were granted to the grantee in order to provide an incentive to enhance the grantee's efficiency and performance which is beneficial to the Company. However, there was no guarantee that the grantee would achieve the said objective. The communication between the Company and the grantee was strengthened.

In relation to the grant of share options to staff of the securities broker of the Company, the grantee was mainly responsible for the administration of the securities broker. Share options were granted to the grantee in order to provide an incentive to enhance the grantee's efficiency and performance which is beneficial to the Company. However, there was no guarantee that the grantee would achieve any such objective. Besides, it was unable to quantify the contribution made by the grantee. However, the document flow and communication between the Company and the grantee was streamlined.

As the achieved results of the grant of share options was improved communication, which by its intangible nature, cannot be quantified, and improved communication does not automatically result in economic returns to the Company, the Company is unable to quantify the achievement of the said objectives. By reason of the Company's business operations, all types of information including but not limited to the macro-economics or the securities markets or the capital markets are considered valuable information that may be of use in assisting the Company's investment planning. The Company acknowledges that not all information will yield economic returns to the Company and considers it impractical and not feasible to set any parameters for testing contributions from the directors and staff of securities broker that be of value for the Company.

Upon the grant of share options to directors and staff of its securities broker, as the case may be, the Company will make use of the opportunity of such grant to create a stronger relationship by assigning a staff of the Company to liaise with the respective grantees personally in addition to the public announcements and disclosures.

- (10) The grantee was an executive director of the investee company responsible for the management of the investee company at the relevant time of granting of the share options.

Share options were granted to the grantee (including staff of investee company) in order to provide an incentive to the grantee to better run the investee company which might be beneficial to the Company by increasing its investment returns on the investee company. However, there was no guarantee that the grantee would achieve the said objective. Besides, it was unable to quantify the contributions of the grantee. However, the communication between the Company and the grantee was improved that the Company would be able to obtain the latest development and news of the investee company in a timely manner. The Directors consider that the share options granted to the directors and staff of investee companies have served the purposes of fostering an amicable relationship with their executive directors (for example, the Company was invited to attend an investor relationship meeting of investee companies which enabled the Company to gain first hand development information on it and assisted the Board to evaluate the Company's investments). In addition, the Directors considered that it also served the purpose of providing incentives to the grantees to better run the investee companies which might bring benefits to the Company by increasing its investment returns on them despite any guarantees that the grantees would achieve such objective. The Company did not have any other business relationships with the investee companies at the time when the options were granted. Investee companies of the Company were randomly selected when the options were granted to the directors and staff of such companies. The directors and staff of investee companies were selected on a random basis among the directors of other investee companies of the Company, and the Company has not taken into account of any other specific considerations (for example, financial performance of the investee companies) before making such grants.

The Company, as an investor in the investee companies, can expect to benefit from the growth, prosperity and success of the business of the investee companies, which in turn requires the contribution and dedication of the employees of the investee companies. The Company therefore considered it appropriate to grant share options to certain employees of the investee companies to providing incentives and reward those individuals for their continuing hard work and contribution, with the added benefit of aligning their interests with those of the Company as well as providing the opportunity for the Company to obtain additional working capital and to broaden its shareholders base when the options are exercised. The share options were granted to the investee company under the Existing Share Options Scheme as an invested entity of the Group.

As the Directors considered (1) economic returns was not the only reason for the grant of share options and (2) the grant of the share options would not be attractive to the grantees if minimum holding period for holding the options or conditions to the grant were imposed, no conditions were imposed on the share options granted in order to align the grant of share options to the Company's investment returns. When the options granted to grantees, there were no requirements to conduct any analysis of the financial performance of investee companies with and without options under the Existing Option Scheme, accordingly, no such analysis was required to be performed.

- (11) The grantee was an executive director of the investee company and generally expected to be management of the investee company at the relevant time of granting of the share options. When the options granted to grantees, there were no requirements to conduct any analysis of each executive directors of investee companies to determine whether they played important roles in the investee companies under the Existing Share Option Scheme, accordingly no such analysis was required to be performed.

Share options were granted to the grantee (including staff of investee company) in order to provide an incentive to the grantee to better run the investee company which might be beneficial to the Company by increasing its investment returns on the investee company. However, there was no guarantee that the grantee would achieve the said objective. Besides, it was unable to quantify the contributions of the grantee. However, the communication between the Company and the grantee was improved that the Company would be able to obtain the latest development and news of the investee company in a timely

manner. By fostering an amicable relationship with the executive directors of the investee companies, the Company would be advised by the investee companies of the publication of announcements. In addition, the Company would be able to gain access to investors' relationship meetings of the investee companies, all of which would enable the Company to gain first hand development information on the investee companies and assist the Board to evaluate the Company's investments in the investee companies. The Directors consider that the share options granted to the directors and staff of Willie International Holdings Limited (one of the investee companies of the Group) has served the purposes of fostering an amicable relationship with their executive directors (for example, the Company was invited to attend an investor relationship meeting of Willie International Holdings Limited which enabled the Company to gain first hand development information on it and assisted the Board to evaluate the Company's investments. In addition, the Directors considered that it also served the purpose of incentivising the grantees to better run the investee companies which might bring benefits to the Company by increasing its investment returns on them despite any guarantees that the grantees would achieve such objective. When the options granted to grantees, there were no requirements to conduct any analysis of the financial performance of investee company with and without options under the Existing Option Scheme, accordingly, no such analysis was required to be performed.

The Company, as an investor in the investee companies, can expect to benefit from the growth, prosperity and success of the business of the investee companies, which in turn requires the contribution and dedication of the employees of the investee companies. The Company therefore it considered appropriate to grant share options to certain employees of the investee companies to incentivize and reward those individuals for their continuing hard work and contribution, with the added benefit of aligning their interests with those of the Company as well as providing the opportunity for the Company to obtain additional working capital and to broaden its shareholders base when the options are exercised. The share options were granted to the investee company under the Existing Share Options Scheme as an invested entity of the Group. The Existing Share Option Scheme empowers the Company to grant options in accordance with its terms to any participants of the Existing Share Option Scheme selected by the Company at its discretion. The Company exercised its discretion to select the investee company based on the frequency of regular trading in terms of volume and number of daily transactions in the twelve-month period grantees under the Company selected or did not select any particular investee company, the Company had taken into account a variety of factors, including, amongst other things, the past performance, the improvement, prospects of the investee companies based on publicly available information on investee companies in selecting Existing Share Option Scheme.

As the Directors considered (1) economic returns was not the only reason for the grant of share options and (2) the grant of the share options would not be attractive to the grantees if minimum holding period for holding the options or conditions to the grant were imposed, no conditions were imposed on the share options granted in order to align the grant of share options to the Company's investment returns.

- (12) Dr. Chuang, Henry Yueheng was appointed as a non-executive Director of the Company on 7 February 2011. On 14 November 2012, Dr. Chuang, Henry Yueheng resigned as a non-executive Director of the Company.
- (13) Share options were granted to staff of the Company in recognition of their contribution in relation to their performance in the past two years.
- (14) The grantee was mainly responsible for providing consultancy services in respect of the operations of subsidiaries and advise for the Group. Options were granted to the grantee in order to provide an incentive to enhance the grantee's efficiency and quality of work for which the Company might have benefit. However, there was no guarantee that the grantee would achieve the said objective. Besides, it was unable to quantify the contribution made by the grantee. However, the communication between the Company and the grantee was strengthened.
- (15) As adjusted after the bonus issue as set out in the announcement of the Company dated 29 July 2010.

The following is a summary of the principal terms of the New Share Option Scheme to be adopted at the Special General Meeting.

(a) Purpose

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions the Participants (as defined in paragraph (b) below) had or may have made to the Group. The New Share Option Scheme will provide the Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) to provide incentives or rewards to the Participants for their contribution to the Group; and
- (ii) to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

(b) Who may join

The Board may, at its absolute discretion, offer to grant an option, and subject to such conditions as the Board may think fit, to the following persons (collectively the “Participants”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below to:

- (i) any employee, whether full time or part time employee, including any executive directors, non-executive directors or independent non-executive directors of the Company, any of its subsidiaries or any invested entity;
- (ii) any supplier of goods or services to any member of the Group or any invested entity;
- (iii) any customer of the Group or any invested entity;
- (iv) any person or entity that provides research, development or technological support or other services to the Group or any invested entity; and
- (v) any shareholder or any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect (with retrospective effect from the date of offer) when the duplicate letter comprising acceptance of the option duly signed by the grantee, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for the time being for the purposes of trading on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted within 28 days from the date upon which it is made, it shall be deemed to have been irrevocably declined and lapsed automatically.

Subject to paragraphs (l), (m), (n) and (o), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to the Company or the Company's independent financial advisor as the case may be pursuant to paragraph (q), the Company shall allot the relevant number of Shares to the grantee (or his or her legal personal representative(s)) credited as fully paid and issue to the grantee (or his or her legal personal representative(s)) a share certificate in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in a general meeting approving any necessary increase in the authorized share capital of the Company.

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in

issue on the date of adoption of the New Share Option Scheme, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the New Share Option Scheme (or any other share option schemes of the Company). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the total number of Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Participants specifically identified by the Board before the Shareholders' approval for the increase in the limit is sought. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the specified Participants with an explanation as to how the terms of options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (q) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the total number of Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the New Share Option Scheme) if this will result in the 30% limit being exceeded.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed 1% of the total number of Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Participant, the numbers of and terms of the options to be granted (and options previously granted to such Participant) and the information as required under the Listing Rules; and

- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such Participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares.

(f) Subscription price of Shares

Subject to any adjustments made as described in paragraph (q) below, the subscription price of a Share in respect of any particular option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(g) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) and/or such other requirements prescribed under the Listing Rules from time to time. If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including

options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting except that a connected person of the Company may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in that circular. The circular issued by the Company to the Shareholders shall contain details of the number and terms (including the option period, performance targets (if any), basis of determination of exercise price and the rights attached to the Shares or the option) of the options to be granted to each such substantial shareholder or independent non-executive director of the Company, or any of their respective associates, which must be fixed before the Shareholders' meeting, the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price, a recommendation from the independent non-executive directors of the Company (excluding any independent non-executive Director who is a grantee of the options) to the independent Shareholders as to voting, and the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Shareholders' approval is also required for any change in the terms of options granted to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective Associates.

(h) Restrictions on the times of grant of options

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's

results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish results for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no option may be granted. The period during which no option may be granted will cover any period of delay in the publication of a results announcement. No options may be granted to the Directors (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Rights are personal to grantee

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of option and duration of the New Share Option Scheme

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(k) Performance target

There is no performance target that has to be achieved before the exercise of any Option except otherwise imposed by the Board in the offer of grant of an Option.

(l) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee (whether full time or part time employee, including any executive directors but not any non-executive directors) of the Company or any of its subsidiaries or any invested entity by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as of the date of cessation in whole or in part (to the extent not already exercised), which date shall be the last actual working day with the Company or the relevant subsidiary or the relevant invested entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as the Board may determine.

If the grantee of an option ceases to be a Participant by reason of death (provided that none of the events which would be a ground for termination of his or her employment specified in paragraph (m) below arises prior to his or her death), his personal representative(s) may exercise the option within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the option up to the entitlement of such Grantee as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised).

(m) Rights on dismissal

If the grantee of an option ceases to be an employee (whether full time or part time employee, including any executive directors but not any non-executive directors) of the Company or any of its subsidiaries or any invested entity on any one or more grounds that he has been guilty of misconduct, or has committed any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangement or has compromised with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty, or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary or the relevant invested entity, his option will lapse automatically (to the extent not already exercised) and not be exercisable.

(n) Rights on takeover

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner, is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) or to the extent specified in the grantee's notice to the Company in exercise of his option at any time before the close of such offer (or any revised offer).

(o) Rights on winding-up

In the event of a notice is given by the Company to its grantees informing that a general meeting of the members of the Company will be convened for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the relevant Participant who has been granted options (or his or her legal personal representatives) may exercise all or any of his options (to the extent which has become exercisable and not already exercised) at any time not later than 2 business days prior to the proposed general meeting of the Company by notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court be entitled

to exercise his or her option (to the extent which has become exercisable and not already exercised), but the exercise of the option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(p) Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares as from the day when the name of the grantee is registered on the register of members of the Company.

(q) Effect of alterations to capital

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, or similar reorganization of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made in:

- (i) the number and/or nominal amount of Shares subject to any options so far as unexercised; and/or
- (ii) the subscription price per Share of each outstanding option; and/or
- (iii) the method of exercise of the option; and/or
- (iv) the maximum number of Shares available for subscription by the grantees;

as the auditors of the Company or the Company's independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and/or such

other requirement prescribed under the Listing Rules from time to time. The capacity of the auditors of the Company or the Company's independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(r) Expiration of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiration of the option as may be determined by the Board;
- (ii) the expiration of any of the periods referred to in paragraphs (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (o) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an employee (whether full time or part time employee, including any executive directors but not any non-executive directors) of the Company or any of its subsidiaries or any invested entity by reason of termination of his or her employment on any one or more of the grounds that he or she has been guilty of misconduct, or has committed

any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangement or has compromised with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary or the relevant invested entity. A resolution of the Board or the board of directors of the relevant subsidiary or the board of directors of the relevant invested entity to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the grantee; or

- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are canceled in accordance with paragraph (t) below.

(s) Alteration of the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (ii) any changes to the definitions of Participant and grantee and the period during which an option may be exercised;
- (iii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme; and
- (iv) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules.

(t) Cancellation of options

Any cancellation of options granted but not exercised must be approved by the Board. Subsequent issue of options to the same grantee after a cancellation may only be made with available unissued options (excluding the cancelled options) within the limit as approved by the Shareholders as described in paragraph (d) above.

(u) Termination of the New Share Option Scheme

The Company may by resolution in general meeting or the Board may at any time terminate the New Share Option Scheme and in such event no further option shall be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any option (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(v) Administration of the Board

The New Share Option Scheme shall be subject to the administration of the Board (including the independent non-executive Directors) whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(w) Condition of the New Share Option Scheme

The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the New Share Option Scheme.

If the condition in this paragraph is not satisfied on or before 31 December 2013:

- (i) the New Share Option Scheme shall forthwith terminate; and
- (ii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any option granted thereunder.

NOTICE OF SPECIAL GENERAL MEETING



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

NOTICE IS HEREBY GIVEN that the Special General Meeting of Mascotte Holdings Limited (the “Company”) will be held at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong, on Thursday, 31 October 2013 at 4:30 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution:

1. **“THAT:**

subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the chairman hereof, the New Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to grant options to the participants under the New Share Option Scheme and to allot and issue Shares upon the exercise of any options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the New Share Option Scheme.”

By order of the Board of
MASCOTTE HOLDINGS LIMITED
Peter Temple Whitelam
Chairman

Hong Kong, 15 October 2013

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) Any member entitled to attend and vote at the Special General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be lodged at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 48 hours before the time appointed for holding the Special General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Special General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in personal or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
- (6) As at the date hereof, the executive directors of the Company are Mr. Peter Temple Whitelam (*Chairman*), Mr. Lo Yuen Wa Peter (*Managing Director*), Mr. Eddie Woo, Mr. Suen Yick Lun Philip, Mr. Lau King Hang, and the independent non-executive directors of the Company are Mr. Frank H. Miu, Dr. Agustin V. Que, Mr. Robert James Iaia II and Mr. Hung Cho Sing.