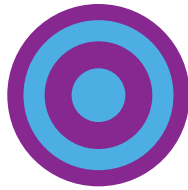

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 or other registered institution in securities, 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 enclosed form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC 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.

A copy of this circular has been delivered to the Registrar of Companies in Hong Kong for registration pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of this circular.



MASCOTTE HOLDINGS LIMITED

馬斯葛集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PROPOSED BONUS WARRANTS ISSUE AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the SGM (as defined herein) of Mascotte Holdings Limited (the “**Company**”) to be held at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Tuesday, 3 February 2015 is set out on pages 25 to 27 of this circular.

Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, but in any event, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. In such event, the instrument appointing a proxy will be deemed to be revoked.

16 January 2015

* For identification purpose only

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EXPECTED TIMETABLE

The expected timetable for the SGM and implementing the Bonus Warrants Issue is set forth below:

2015

Latest time for lodging proxy forms for the SGM.....	4:00 p.m. on Sunday, 1 February
SGM.....	4:00 p.m. on Tuesday, 3 February
Announcement of the results of the SGM	Tuesday, 3 February
Last day of dealings in Shares cum-entitlements to the Bonus Warrants Issue.....	Wednesday, 4 February
First day of dealings in Shares ex-entitlements to the Bonus Warrants Issue.....	Thursday, 5 February
Latest time for lodging forms of transfer of Shares to ensure entitlement to the Bonus Warrants Issue.....	4:30 p.m. on Friday, 6 February
Closure of register of members of the Company	Monday, 9 February to Wednesday, 11 February (both days inclusive)
Record Date	Wednesday, 11 February
Despatch of the Warrant certificates by	Tuesday, 24 February
Commencement day of dealings in the Warrants	9:00 a.m. on Wednesday, 25 February
Odd lot arrangement for the Warrants.....	Wednesday, 25 February to Tuesday, 17 March

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors
“Bonus Warrants Issue”	the proposed bonus issue of Warrants by the Company to the Shareholders (other than the Excluded Shareholders) whose names appear on the register of members of the Company on the Record Date, on the basis of one (1) Warrant for every five (5) Shares held on the Record Date
“business day(s)”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“Company”	Mascotte Holdings Limited (Stock Code: 136), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Convertible Bonds”	the 5 percent unsecured convertible bonds in the aggregate principal amount of HK\$1,450 million issued by the Company on 14 July 2011
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors are of the view that it would be necessary or expedient to exclude from the Bonus Warrants Issue under the laws of the places of his/her/ their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 January 2015, being the latest practicable date for ascertaining certain information for inclusion in this circular

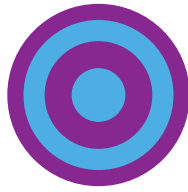
DEFINITIONS

“Listing Rules”	the Rules Governing the listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Regions of the PRC
“New Share(s)”	ordinary share(s) in the share capital of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants
“Norway”	the Kingdom of Norway
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“PRC”	The People’s Republic of China, but for the purpose of this circular, excludes Hong Kong and Macau
“Record Date”	11 February 2015, being the record date for ascertaining the entitlements of Shareholders to the Bonus Warrants Issue
“SGM”	the special general meeting of the Company to be held at 4:00 p.m. on 3 February 2015 for the Shareholders to consider and, if thought fit, approve, inter alia, the Bonus Warrants Issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme – 2003”	the share option scheme of the Company adopted on 21 August 2003 and expired on 20 August 2013
“Share Option Scheme – 2013”	the share option scheme of the Company adopted at the special general meeting held on 31 October 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.A.”	the United States of America

DEFINITIONS

“Warrant(s)”	warrant(s) proposed to be issued by the Company conferring rights on the holder(s) thereof to subscribe for New Shares at an initial subscription price of HK\$0.1 per New Share payable on exercise of the subscription rights attaching to the Warrants, subject to adjustment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



MASCOTTE HOLDINGS LIMITED

馬斯葛集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

Executive Directors:

Mr. Chung Yuk Lun (*Acting Chairman*)

Mr. Chow Chi Wah, Vincent

Non-executive Director:

Mr. Eddie Woo

Independent Non-executive Directors:

Mr. Frank H. Miu

Mr. Robert James Iaia II

Mr. Hung Cho Sing

Mr. Chung Kong Fei, Stephen

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

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

1st Floor

Po Chai Industrial Building

28 Wong Chuk Hang Road

Aberdeen

Hong Kong

16 January 2015

To the Shareholders

Dear Sir or Madam,

**PROPOSED BONUS WARRANTS ISSUE
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with further information of the proposed Bonus Warrants Issue and the notice convening the SGM.

* *For identification purpose only*

LETTER FROM THE BOARD

2. PROPOSED BONUS WARRANTS ISSUE

It was announced on 24 December 2014 (after trading hours) that the Directors proposed, subject to the satisfaction of the conditions set out in the paragraph headed “Conditions to the Bonus Warrants Issue”, to make the Bonus Warrants Issue to its Shareholders (other than Excluded Shareholders) whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

Subscription Price and Subscription Period

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for New Shares at an initial subscription price of HK\$0.1 per New Share, subject to customary antidilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, at any time during the period which is expected to commence on the date of issue of the Warrants and end on the date falling 24 months from the date of issue of the Warrants, which are expected to be from 24 February 2015 to 23 February 2017 (both days inclusive).

The initial subscription price of HK\$0.1 per New Share represents:

- (i) a discount of approximately 19.35% to the closing price of HK\$0.124 per Share as quoted on the Stock Exchange on 24 December 2014 (being the date of the announcement in relation to the Bonus Warrants Issue);
- (ii) a discount of approximately 22.48% to the average closing price of approximately HK\$0.129 per Share as quoted on the Stock Exchange for the past five trading days ended on 24 December 2014;
- (iii) a discount of approximately 21.88% to the average closing price of approximately HK\$0.128 per Share as quoted on the Stock Exchange for the past ten trading days ended on 24 December 2014; and
- (iv) a discount of approximately 30.56% to the closing price of approximately HK\$0.144 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

Shares to be issued upon exercise of the Warrants

On the basis of 26,893,205,185 Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or bought back by the Company on or before the Record Date, 5,378,641,037 Warrants would be issued pursuant to the Bonus Warrants Issue. Full exercise of the subscription rights attaching to the 5,378,641,037 Warrants at the initial subscription price of HK\$0.1 per New Share would result in the issue of 5,378,641,037 New Shares, representing approximately 20% of the aggregate number of issued ordinary shares of the Company as at the Latest Practicable Date and approximately 16.67% of the aggregate number of issued ordinary shares of the Company as enlarged by the issue of such New Shares, and the receipt by the Company of subscription monies amounting to approximately HK\$537.86 million.

Assuming further issue of Shares upon (i) conversion of all outstanding principal amount of the Convertible Bonds into 7,777,777,777 Shares at the conversion price of HK\$0.09 per Share, (ii) exercise of all the outstanding share options granted under the Share Option Scheme – 2003 in full which will lead to the issue of 78,955 Shares at the exercise price of HK\$3.134 per Share and (iii) the grant and subsequent exercise of all the existing available but unissued share options under the Share Option Scheme – 2013 of the Company which will lead to the issue of 2,223,507,839 Shares, on or before the Record Date, on the basis of the maximum 36,894,569,756 Shares then in issue, 7,378,913,951 Warrants at the initial subscription price of HK\$0.1 per New Share will be issued, the exercise of which will result in the issue of 7,378,913,951 New Shares, representing approximately 20% of the maximum number of 36,894,569,756 issued ordinary shares of the Company and approximately 16.67% of the maximum number of 44,273,483,707 issued ordinary shares of the Company as enlarged by the issue of New Shares, and the receipt by the Company of subscription monies amounting to approximately HK\$737.89 million.

Save as disclosed above, the Company has no other outstanding options, warrants or other securities convertible into or giving rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date, and it does not have any equity securities which remain to be issued on exercise of any other subscription rights as described in Rule 15.02(1) of the Listing Rules. Therefore, if the Warrants are immediately exercised, such exercise will not exceed 20% of the issued equity capital of the Company at the time such Warrants are issued.

Fractional entitlements

Fractional entitlements to the Warrants (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

LETTER FROM THE BOARD

Overseas Shareholders

In determining whether it would be necessary or expedient to exclude an Overseas Shareholder who is registered as a member of the Company on the Record Date, the Directors will make enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place in which such Overseas Shareholder is residing. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Warrants will not be granted to such Overseas Shareholder(s).

In view of the above, Warrants which would otherwise be issued to such Excluded Shareholder(s) under the Bonus Warrants Issue will be sold in the market as soon as possible if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Excluded Shareholder(s). Remittance thereof will be posted to the Excluded Shareholder(s), at his/her/its own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Based on the register of members of the Company as at the Latest Practicable Date, there were ten (10) Overseas Shareholders with registered addresses in the PRC, Macau, Norway and U.S.A.. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries as to whether there is any legal restriction under the laws of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange of the relevant jurisdictions on the issue of the Warrants to these Overseas Shareholders. The Directors, after making enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules, are of the view that (i) the issue of the Warrants will be extended to the Overseas Shareholders with registered addresses in the Macau (one Shareholder), the PRC (two Shareholders) and Norway (one Shareholder); and (ii) it would be necessary or expedient to exclude six Overseas Shareholders with registered addresses in U.S.A. from the Bonus Warrants Issue due to the additional steps that the Company and these Overseas Shareholders would need to take in order to comply with the relevant local legal or regulatory requirements imposed in U.S.A. which will involve further considerable time and resources to make inquiries of the status and personal information of the Overseas Shareholders with registered address in the U.S.A. and/or to comply with the registration requirements, etc. As such, the Overseas Shareholders with registered addresses in U.S.A. are Excluded Shareholders. The Company has therefore arranged for this circular to be sent to the Excluded Shareholders for information only.

All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Warrants Issue or whether any government or other consents are required or other formalities need to be observed.

LETTER FROM THE BOARD

Conditions to the Bonus Warrants Issue

The Bonus Warrants Issue will be conditional upon, among other things, the following conditions:

- (a) the passing by the Shareholders at the SGM of the necessary resolution(s) to approve the creation and the issue of the Warrants and the issue of any New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants and any transactions contemplated thereunder; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

3. REASONS FOR THE BONUS WARRANTS ISSUE

In recognition of the continued support of the Shareholders, the Board proposes the Bonus Warrants Issue so as to allow the Shareholders to participate in the growth of the Company. The Bonus Warrants Issue will also strengthen the capital base of the Company when the subscription rights attaching to the Warrants are exercised.

The Company intends to use the subscription monies received from the Bonus Warrants Issue to finance the interest expenses to be incurred on the outstanding convertible bonds of the Company, to capture any potential investments that may arise and as general working capital of the Group.

The Board is of the view that the listing of the Warrants on the Stock Exchange provides an option for the Shareholders. For those who want to participate in the growth of the Company, they can exercise the subscription rights attaching to the Warrants into New Shares whereas for those who do not want to participate, they can simply sell the Warrants in the market in exchange for cash.

4. FUND RAISING ACTIVITY OF THE GROUP IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (Approximately)	Proposed use of the net proceeds	Actual use of the proceeds
11 September 2014	placing of 847,015,679 placing shares at the placing price of HK\$0.09 per placing share	HK\$73.44 million	Intended to be used for the repayment of the outstanding indebtedness of approximately HK\$44.3 million and the balance in the sum of approximately HK\$29.14 million for general working capital of the Group	Used as intended

LETTER FROM THE BOARD

Save as disclosed above, the Company has not conducted any other fund raising activity in the past twelve months immediately preceding the Latest Practicable Date.

Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants. The New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the then existing issued Shares as from the date of issue of the New Shares.

No part of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought.

Application has been made to HKSCC for the admission of the Warrants into CCASS operated by HKSCC.

All necessary arrangement have been made by the Company to enable the Warrants to be admitted into CCASS. Subject to the granting of listing of, and permission to deal in, the Warrants and the New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Warrants and the New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Certificates for the Warrants and the Board Lot

Subject to the satisfaction of the conditions to the Bonus Warrants Issue, it is expected that certificates for the Warrants will be posted on or before Tuesday, 24 February 2015 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company. Dealings in the Warrants are expected to commence on the Stock Exchange on Wednesday, 25 February 2015.

The Warrants are expected to be traded on the Stock Exchange in board lots of 80,000 Warrants carrying rights to subscribe for 80,000 Shares at the initial subscription price of HK\$0.1 per New Share, subject to adjustment.

LETTER FROM THE BOARD

The Board understands that odd lot Warrant holders may arise. However, the holders can either sell their Warrants in the market for cash or buy Warrants in the market to make up a whole board lot of 80,000 Warrants. In order to alleviate the difficulties arising from the existence of odd lots of the Warrants as a result of the Bonus Warrants Issue, the Company has appointed HEC Securities Limited as an agent to provide matching services on a best effort basis to the holders of the Warrants who wish to top up or sell their holdings of odd lots of the Warrants during the period from 9:00 a.m. on Wednesday, 25 February 2015 to 4:00 p.m. on Tuesday, 17 March 2015, both days inclusive. Holders of the Warrants in odd lots represented by the Warrant certificates for the Warrants who wish to take advantage of this service either to dispose of their odd lots of the Warrants or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Ng Kwai Cho of HEC Securities Limited at 26/F, China United Centre, 28 Marble Road, North Point, Hong Kong during office hours within such period. Holders of the Warrants in odd lots should note that successful matching of the sale and purchase of odd lots of the Warrants is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above service. The Board is of the view that the arrangement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Closure of Register of Members

The register of members of the Company will be closed for registration of transfer of Shares from Monday, 9 February 2015 to Wednesday, 11 February 2015 (both days inclusive) in order to establish entitlements of the Shareholders to the Bonus Warrants Issue.

The last day for dealing in Shares cum-entitlements to the Bonus Warrants Issue will be Wednesday, 4 February 2015. In order to qualify for the Bonus Warrants Issue, all outstanding transfer of Shares should be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 6 February 2015.

Taxation

The Shareholders are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of accepting and dealing in the Warrants. It is emphasised that none of the Company, the Directors or any parties involved in the Bonus Warrants Issue accepts responsibility for any tax effects or liabilities or any other liabilities of the Warrant holders resulting from accepting and dealing in the Warrants.

LETTER FROM THE BOARD

5. ADJUSTMENTS IN RELATION TO THE CONVERTIBLE BONDS AND SHARE OPTIONS UNDER SHARE OPTION SCHEME – 2003 AND SHARE OPTION SCHEME – 2013

The Bonus Warrants Issue may lead to adjustments to (i) the conversion price and/or the number of conversion shares to be issued upon exercise of the conversion rights attached to the Convertible Bonds pursuant to the relevant terms of the instrument constituting the Convertible Bonds; and (ii) the exercises prices and/or the number of new Shares to be issued upon exercise of the share options pursuant to the relevant terms of the Share Option Scheme – 2003 and the Share Option Scheme – 2013. The adjustment in relation to the Convertible Bonds is subject to the review by the approved merchant bank or approved financial adviser appointed by the Company. The adjustments in relation to the share options under Share Option Scheme – 2003 and Share Option Scheme – 2013 are subject to the review by the independent financial adviser or auditors appointed by the Company. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

6. SPECIAL GENERAL MEETING

A notice convening the SGM is set out on pages 25 to 27 of this circular. The SGM will be convened for the purpose of considering and, if thought fit, passing the resolution(s) to approve, inter alia, the Bonus Warrants Issue.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the proposed resolution(s) at the SGM.

A form of proxy for use by the Shareholders at the SGM is enclosed. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event, not less than 48 hours before the time appointed for holding the SGM or the adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. In such event, the instrument appointing a proxy will be deemed to be revoked.

7. RECOMMENDATIONS

The Board is of the opinion that the proposed Bonus Warrants Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the SGM.

LETTER FROM THE BOARD

8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

9. DIRECTORS' 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief the information contained in this circular is accurate and complete in all material aspects and not misleading and deceptive, and there are no other matters the omission of which would made any statement herein or this circular misleading.

10. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

The Warrants will be issued subject to and with the benefit of a separate instrument by way of deed poll (the “**Instrument**”) and they will be issued in registered form and will form one class and rank pari passu in all respects with each other.

The Warrants will confer rights to subscribe up to HK\$737,891,395.10 in aggregate for New Shares, equivalent to the aggregate subscription price for a total of 7,378,913,951 New Shares on the basis of an initial subscription price of HK\$0.1 per New Share (subject to adjustment).

The Warrants will represent direct obligations of the Company to Warrantheolders as described in the Instrument. The following is a summary of the major provisions of the Instrument and the principal terms and conditions of the Warrants set out on the Warrant certificates. Warrantheolders will be entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and of the provisions of the Instrument, copies of which will be available at the principal place of business for the time being of the Company in Hong Kong.

1. EXERCISE OF SUBSCRIPTION RIGHTS

- (a) Each Warrantheolder shall have, in respect of the Warrants of which he is the registered holder for the time being, rights (the “**Subscription Rights**”) which may be exercised in whole or in part, but not in respect of a fraction of a New Share, at any time on or after 24 February 2015 but not later than 23 February 2017 (the “**Subscription Period**”) (the date on which any of the Subscription Rights are duly exercised being called a “**Subscription Date**”) to subscribe in cash the whole or part, in integral multiples of HK\$0.1, of the amount stated on the certificate for such Warrants which a Warrantheolder is entitled to subscribe for New Shares upon the exercise of the Subscription Rights represented thereby (the “**Exercise Moneys**”), for fully-paid Shares at a price of HK\$0.1 per New Share subject to adjustment as referred to below (the “**Subscription Price**”). Any Subscription Rights which have not been exercised upon the expiry of the Subscription Period will lapse and thereupon the Warrants and the Warrant certificates shall cease to be valid for any purpose whatsoever.
- (b) Each Warrant certificate will contain a subscription form (the “**Subscription Form**”). In order to exercise his Subscription Rights, a Warrantheolder must complete and sign the Subscription Form and deliver the same and the Warrant certificate to the Registrar (as defined in the Instrument) and such delivery shall constitute an irrevocable commitment by such Warrantheolder to exercise such Subscription Rights, together with a remittance for the relevant portion of the Exercise Moneys, being the amount of the Subscription Price for the New Shares in respect of which the Warrantheolder is exercising his Subscription Rights. In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

- (c) No fraction of a New Share will be allotted but any balance representing fractions of the Exercise Moneys paid on the exercise of the Subscription Rights represented by the Warrant certificate will be paid by the Company to the Warrantholder, provided always that, if the Subscription Rights attaching to the Warrants represented by one or more Warrant certificates are exercised on the same Subscription Date by the same Warrantholder then, for the purpose of determining whether any (and if so, what) fraction of a New Share arises, such Subscription Rights shall be aggregated; and regard shall be made, where applicable, to the other provisions of the Instrument.
- (d) The Company has undertaken in the Instrument that any New Shares falling to be issued upon the exercise of any of the Subscription Rights represented by the relevant Warrant certificates will be allotted and issued not later than 28 days after the relevant Subscription Date and, taking account of any adjustment of the Subscription Price which may have been made pursuant to the provisions of the Instrument, will rank pari passu with the fully paid Shares in issue on the date that the name of the Warrantholder who has exercised the Subscription Right is entered on the register of members of the Company (the “**Registration Date**”) and will accordingly entitle the holders to participate in all dividends or other distributions declared, paid or made on the Registration Date and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Registration Date and notice of the amount and record date for which shall have been given to the Stock Exchange (as defined in the Instrument) prior to the Registration Date.
- (e) As soon as practicable after the relevant allotment and issue of New Shares (and in any event not later than 28 days after the relevant Subscription Date) there will be issued free of charge to the Warrantholder to whom such allotment has been made upon his exercise of any Subscription Rights:
- (i) a certificate for the relevant New Shares in the name(s) of such Warrantholder(s);
 - (ii) (if applicable) a balancing Warrant certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by the relevant Warrant certificate remaining unexercised; and
 - (iii) (if applicable) a cheque representing fractions of the Exercise Moneys in respect of the Warrantholder’s fractional entitlement to New Shares as mentioned in subparagraph (c) above;

The certificate for New Shares, arising on the exercise of Subscription Rights, the balancing Warrant certificate (if any) and, the cheque in respect of fractions of the Exercise Moneys in respect of the Warrantholder's fractional entitlement to New Shares (if any) will be sent by post at the risk of the said Warrantholder to the address of such Warrantholder (or, in the case of a joint holding, to that one of the joint Warrantholders whose name stands first in the register of Warrantholders). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrar in Hong Kong for the time being of the Company to await collection by the relevant Warrantholder.

2. ADJUSTMENTS OF SUBSCRIPTION PRICE

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- (a) The Subscription Price shall (except as mentioned in sub-paragraphs (b) and (c) below) be adjusted as provided in the Instrument in each of the following cases (but shall however not be adjusted below the nominal value of Shares until the Subscription Right Reserve (as defined in the Instrument which means a reserve the amount of which for the time being would be capitalised and applied in paying up in full the nominal amount of the additional Shares required to be issued, allotted and credited as fully paid upon the exercise of all or any of the Subscription Rights) is maintained pursuant to provisions of the Instrument):
 - (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
 - (ii) an issue (other than pursuant to a scrip dividend scheme in lieu of a cash dividend) by the Company of Shares credited as fully-paid by way of capitalisation of profits or reserves (including any share premium account);
 - (iii) a capital distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of Shares (in their capacity as such);
 - (iv) a grant by the Company to holders of Shares (in their capacity as such) of rights to acquire for cash assets of the Company or any of its Subsidiaries (as defined in the Instrument);
 - (v) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price (calculated as provided in the Instrument) being made by the Company to holders of Shares (in their capacity as such);

- (vi) an issue wholly for cash being made by the Company or any of its subsidiaries of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per new Share is less than 80% of the market price (calculated as provided in the Instrument), or the conversion, exchange or subscription rights of any such issue are altered so that the said total Effective Consideration is less than 80% of such market price;
 - (vii) an issue of Shares being made wholly for cash at a price less than 80% of the market price (calculated as provided in the Instrument); and
 - (viii) the purchase by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any other stock exchange recognised for this purpose by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.
- (b) Except as mentioned in paragraph (c) below, no such adjustment as is referred to in sub-paragraph (ii) to (vii) of paragraph (a) above shall be made in respect of:
- (i) an issue of fully-paid Shares upon the exercise of any conversion, exchange or subscription rights attaching to securities wholly or partly convertible into Shares or exchangeable for Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - (ii) an issue by the Company of Shares or by the Company or any of its subsidiaries of securities convertible into or exchangeable for or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iii) an issue of fully-paid Shares by way of capitalisation of all or part of the Subscription Right Reserve (as defined in the Instrument) to be established in certain circumstances pursuant to the terms and conditions contained in the Instrument (or other profits or reserves or any similar reserve which has been or may be established pursuant to the terms of any other securities wholly or partly convertible into or exchangeable for or carrying rights to acquire Shares);
 - (iv) an issue of Shares pursuant to a scrip dividend scheme in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Instrument) of such Shares is not more than 120% of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash;

- (v) an issue by the Company of Shares or by the Company or any of its subsidiaries of securities convertible into or exchangeable for or carrying rights of subscription for Shares pursuant to a Share Option Scheme (as defined in the Instrument); or
 - (vi) the issue of the Existing Convertible Bonds and an issue of fully paid Shares upon the exercise of any subscription rights attached to the Existing Convertible Bonds.
- (c) Notwithstanding the provisions referred to in paragraphs (a) and (b) above, in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint either an approved merchant bank, an approved financial adviser or the Auditors (as defined in the Instrument) to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank, approved financial adviser or the Auditors (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner (including, without limitation, making an adjustment calculated on a different basis) and/or such adjustment shall take effect from such other date and/or time as shall be certified by such approved merchant bank, approved financial adviser or the Auditors (as the case may be) to be in its opinion appropriate.
- (d) Any adjustment to the Subscription Price shall be made to the nearest one cent (HK\$0.005 being rounded up) and in no event shall any adjustment be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. In no event shall an adjustment be made (otherwise than upon the consolidation of Shares into shares of a larger nominal amount each or upon a repurchase of Shares) which would increase the Subscription Price.
- (e) Every adjustment to the Subscription Price shall be certified by the Auditors, an approved financial adviser or an approved merchant bank and notice of each such adjustment (giving the relevant particulars) shall be given to the Warrantheholders. In giving any certificate or making any adjustment hereunder, the Auditors, the approved financial adviser or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company and the Warrantheholders and all persons claiming through or under them respectively. Any such certificates of the Auditors, the approved financial adviser and/or the approved merchant bank will be available for inspection by Warrantheholder, at the principal place of business of the Company in Hong Kong, where copies may be obtained.

3. REGISTERED WARRANTS

The Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

4. TRANSFER, TRANSMISSION AND REGISTRATION

The Subscription Rights conferred by the Warrants shall be transferable in integral multiples of HK\$0.1 by instrument of transfer in any usual or common form or such other form as may be approved by the Directors or, where the transferor and/or the transferee is HKSCC Nominees Limited or its successor thereto (or such other company, as may be approved by the Board for this purpose), by an instrument of transfer executed under hand by authorised person(s) or by machine imprinted signature(s). The Company shall maintain a register of Warranholders in the territory where the Stock Exchange for the time being is situate (or in such other place as the Directors consider appropriate, having regard to applicable rules governing the listing of Warrants). The Instrument contains provisions relating to the transfer, transmission and registration of the Warrants. Transfer of Warrants must be executed by both the transferor and the transferee. Notwithstanding the above, in no event should any transfer of Warrants to connected persons (as defined in the Listing Rules) of the Company be allowed without prior written consent of the Company.

Warranholders should note that additional costs and expenses may be incurred in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Subscription Rights, in particular during the period commencing 10 business days prior to and including the last day of the Subscription Period.

Since the Warrants will be admitted to the Central Clearing and Settlement System (“CCASS”), so far as applicable laws or regulations of relevant government authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three trading days before the last day of the Subscription Period.

5. CLOSURE OF REGISTER OF WARRANTHOLDERS

The registration of transfers of Warrants may be suspended and the register of Warrantholders may be closed for such period as the Directors may from time to time direct, provided that the same shall not be closed, or registration may not be suspended, for a period, or for periods together, of more than 60 days in any one year. Any transfer, or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholder who has so exercised the Subscription Rights attached to his Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Warrantholders.

6. PURCHASE AND CANCELLATION

The Company or any of its subsidiaries may at any time purchase the Warrants:

- (a) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (b) by private treaty at a price, exclusive of expenses, not exceeding 120% of the closing price of the Warrants on the Stock Exchange on the date immediately prior to the date of purchase thereof,

but not otherwise. All Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or re-sold.

7. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- (a) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by Special Resolution (as defined in the Instrument) of the provisions of the Instrument and/or of the terms and conditions endorsed on the Warrant certificates. A Special Resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (b) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including, but without prejudice to that generality, by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the terms and conditions endorsed on the Warrant certificates and/or the Instrument) with the prior sanction of a Special Resolution and may be effected only by deed poll executed by the Company and expressed to be supplemental to the Instrument.

- (c) Where the Warrantholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warrantholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of warrants in respect of which such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder of the Company.

8. QUORUM

The quorum of a meeting of Warrantholders shall be two or more Warrantholders, present in person or by proxy, representing in aggregate not less than 2% in value of the Subscription Rights for the time being outstanding and exercisable (except for the purpose of passing a Special Resolution (as defined in the Instrument)) and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

The quorum of a meeting of Warrantholders for the passing of a Special Resolution shall be two or more persons holding Warrants and/or being proxies and being or representing in the aggregate holders of not less than 5% in value of the Subscription Rights for the time being outstanding and exercisable.

9. REPLACEMENT OF WARRANT CERTIFICATES

If a Warrant certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Registrar (unless the Directors otherwise determine) on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such other amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant certificates must be surrendered before replacements will be issued.

In the case of lost Warrant certificates, sections 162 to 169 of the Companies Ordinance (Cap 622 of the Laws of Hong Kong) shall apply as if "Shares" referred therein included Warrants.

10. PROTECTION OF SUBSCRIPTION RIGHTS

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

11. CALL

If at any time the aggregate of the Warrants which have not been exercised carry rights to subscribe less than 20% in value of all Subscription Rights, the Company may, on giving not less than 3 months' notice, require Warranholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to Warranholders.

12. ISSUE OF FURTHER WARRANTS

The Company shall be at liberty to issue further shares or securities convertible into equity securities of the Company, including option or warrants to purchase or subscribe equity securities and other forms of convertible equity securities, in such manner and on such terms as it sees fit. The Instrument does not confer on the Warranholders any right, to participate in any distribution and/or offers of further securities made by the Company.

13. UNDERTAKINGS BY THE COMPANY

The Company has undertaken in the Instrument, inter alia, that:

- (a) it will send to each Warranholder (or in the case of joint Warranholders, to the Warranholder whose name stands first in the register of Warranholders in respect of the Warrant held by such joint Warranholders), at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of the Shares generally;
- (b) it will pay all Hong Kong stamp duties, registration fees or similar charges (if any) payable in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of New Shares upon exercise of the Subscription Rights. If any Warranholder shall take any action or proceedings in any jurisdiction to enforce the obligations of the Company in respect of the Warrants or the Instrument, and for the purposes of such action or proceedings the Instrument or any Warrant is taken into such jurisdiction and any stamp duties or similar duties or taxes become payable thereon or in respect thereof in connection with or as a result of such action or proceedings, the Company shall not be under any obligation to pay (or reimburse any person making payment of) any such duties or taxes (including, if applicable, any penalties); and
- (c) it will keep available for issue sufficient Ordinary Capital (as defined in the Instrument) to satisfy in full all rights for the time being outstanding of subscription for and conversion into New Shares.

14. LISTING

The Company shall use its best endeavours to procure that:

- (a) at all times during the Subscription Period, the Warrants may be dealt in on the Stock Exchange (save that such obligation will lapse in the event that the listing of the Warrants on the Stock Exchange is withdrawn following an offer for all or any of the Warrants); and
- (b) all New Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that such obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the Warrants).

15. OVERSEAS WARRANTHOLDERS

If a Warrantholder has a registered address in any territory (other than Hong Kong) where, in the opinion of the Directors, the allotment of New Shares to such Warrantholder upon exercise of any Subscription Rights would or might, in the absence of compliance with registration or any other special formalities in such territory, be unlawful or impracticable under the laws of such territory, then the Company shall as soon as practicable after exercise by such Warrantholder of any Subscription Rights either:–

- (a) allot the New Shares which would otherwise have been allotted to such Warrantholder to one or more third parties selected by the Company; or
- (b) allot such New Shares to such Warrantholder and then, on his behalf, sell them to one or more third parties selected by the Company,

in each case for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following any such allotment or (as the case may be) allotment and sale, the Company shall pay to the relative Warrantholder an amount equal to the consideration received by the Company therefor.

16. RIGHTS OF WARRANTHOLDERS ON WINDING-UP

The Instrument contains provisions relating to the winding-up of the Company.

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

- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Special Resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all Warrantholders; and
- (b) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to each Warrantholder and thereupon, every Warrantholder shall be entitled by irrevocable surrender of his Warrant certificate(s) to the Company (such surrender to occur not later than two business days prior to the proposed shareholders' meeting referred to above) with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys or the relative portion thereof, to exercise the Subscription Rights represented by such Warrant and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' meeting allot such number of Shares to the Warrantholder which fall to be issued pursuant to the exercise of the Subscription Rights represented by such Warrant. The Company shall give notice to the Warrantholders of the passing of such resolution within 7 days after the passing thereof.

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and Warrant certificates shall cease to be valid for any purpose.

17. NOTICES

The Instrument contains provisions relating to notices to be given to Warrantholders.

Every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices to be given to such Warrantholder are to be sent.

18. GOVERNING LAW

The Instrument and the Warrants are governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF SPECIAL GENERAL MEETING



MASCOTTE HOLDINGS LIMITED

馬斯葛集團有限公司*

(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 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Tuesday, 3 February 2015 for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Warrants (as defined below) and any new shares of the Company (the “**New Shares**”) which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants:
 - (a) the directors of the Company (“**Directors**”) be and are hereby authorised to create and issue up to a maximum of 7,378,913,951 warrants (“**Warrants**”), which shall be in registered form, carrying rights to subscribe for New Shares at the initial exercise price of HK\$0.1 per New Share (subject to adjustment) and shall be exercisable at any time from the date of the issue of the Warrants up to the date falling 24 months from the date of issue of the Warrants (both days inclusive) on the terms and conditions set out in the warrant instrument (the “**Warrant Instrument**”) (a copy of a draft of which marked “A” is produced to this meeting and signed for the purpose of identification by the Chairman of this meeting) and to issue the same by way of bonus to and among the persons who are registered as shareholders of the Company as at the close of business on the date to be determined by the directors as the record date for the determination of entitlements to the bonus issue of the Warrants (the “**Record Date**”) in the proportion of one (1) Warrant for every five (5) shares of the Company (“**Shares**”) then held on the Record Date, provided that:

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

- (i) in the case of persons having registered addresses outside Hong Kong and the Directors are of the view that their exclusion from the issue of Warrants is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the relevant Warrants shall not be issued to such persons but shall be aggregated and sold in the market and the net proceeds of sale, after deduction of expenses, distributed in Hong Kong dollars pro rata to such persons unless such amount falling to be distributed to any such person is less than HK\$100 in which case such amount will be retained for the benefit of the Company; and
 - (ii) fractional entitlements to the Warrants will not be issued, but will be aggregated and sold for the benefit of the Company. The net proceeds of the sale will be retained for the benefit of the Company. The Directors shall do all such acts and things as they consider necessary or expedient to give effect to the foregoing arrangements;
- (b) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue up to a maximum of 7,378,913,951 New Shares upon exercise of the subscription rights attaching to the Warrants or any of them, such New Shares (upon issue) shall rank *pari passu* in all respects with the then existing issued Shares;
 - (c) the execution, delivery and performance of the said Warrant Instrument, certificates for the Warrants and all other documents, deeds and instruments under hand or, where necessary, under seal of the Company in accordance with the bye-laws of the Company as the Directors consider necessary or expedient to give effect to the Warrant Instrument and other transactions contemplated in this resolution, be and are hereby approved, ratified and confirmed; and
 - (d) any Director be and is hereby authorised, to sign and execute all such documents, deeds and instruments/and to do all such acts and things as the Directors consider necessary or expedient to give effect to the transactions contemplated under this resolution or the Warrant Instrument or in connection thereto.”

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

Hong Kong, 16 January 2015

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a Shareholder of the Company from attending and voting in person at the Meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) As at the date hereof, the executive directors of the Company are Mr. Chung Yuk Lun and Mr. Chow Chi Wah, Vincent. The non-executive director is Mr. Eddie Woo and the independent non-executive directors of the Company are Mr. Frank H. Miu, Mr. Robert James Iaia II, Mr. Hung Cho Sing and Mr. Chung Kong Fei, Stephen.