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

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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

A notice convening the special general meeting of the Company (the “SGM”) to be held on Tuesday, 3 March 2009 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 8 to 10 of this circular. Whether or not shareholders of the Company (“Shareholders”) are able to attend the SGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road West, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM should Shareholders so wish.

6 February 2009

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EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Change in Board Lot Size is set out below:

2009

Latest time for lodging the proxy form for the SGM	9:00 a.m. on 1 March
Date and time of the SGM	9:00 a.m. on 3 March
Announcement of the results of the SGM	3 March
Effective date and time of the Capital Reorganisation	9:30 a.m. on 4 March
First day of the free exchange of existing share certificates in orange colour for new share certificates in purple colour for Adjusted Shares	4 March
Dealing in Adjusted Shares commences	9:30 a.m. on 4 March
Original counter for trading in existing shares (in board lots of 2,000 existing shares) temporarily closes	9:30 a.m. on 4 March
Temporary counter for trading in Adjusted Shares (in board lots of 200 Adjusted Shares in the form of existing share certificates in orange colour) opens	9:30 a.m. on 4 March
Original counter for trading in Adjusted Shares (in board lots of 4,000 Adjusted Shares in the form of new share certificates in purple colour) re-opens	9:30 a.m. on 18 March
Parallel trading in the Adjusted Shares (in the form of new share certificates in purple colour and existing share certificates in orange colour) commences	9:30 a.m. on 18 March
Designated broker starts to stand in the market to provide matching services	9:30 a.m. on 18 March
Temporary counter for trading in Adjusted Shares (in board lots of 200 Adjusted Shares in the form of existing share certificates in orange colour) closes	4:10 p.m. on 7 April
Parallel trading in the Adjusted Shares (in the form of new share certificates in purple colour and existing share certificates in orange colour) ends	4:10 p.m. on 7 April

EXPECTED TIMETABLE

Designated broker ceases to stand in the market
to provide matching services 4:10 p.m. on 7 April

Last day for free exchange of the share certificates
for existing share certificates in orange colour
for new share certificates in purple colour for Adjusted Shares 9 April

All times and dates in this circular refer to Hong Kong local times and dates. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as and when appropriate.

DEFINITIONS

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

“Adjusted Share(s)”	new ordinary shares of HK\$0.10 each in the capital of the Company upon the Capital Reorganisation becoming effective
“Announcement”	the announcement of the Company dated 16 January 2009 in relation to the Capital Reorganisation and Change in Board Lot Size
“Application of Credit”	the proposed application of the credit arising from the Capital Reduction to cancel the accumulated losses of the Company (if any) as of the effective date of the Capital Reduction and the transfer of the balance (if any) to the contributed surplus account of the Company
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Share from HK\$0.10 to HK\$0.01 by canceling the paid up capital to the extent of HK\$0.09 on each issued Share
“Capital Reorganisation”	the Capital Reduction, Application of Credit and the Share Consolidation
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in the board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 4,000 Adjusted Shares
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Mascotte Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	3 February 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reduced Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company immediately after the Capital Reduction but before the Share Consolidation becoming effective
“SGM”	the special general meeting of the Company to be held on Tuesday, 3 March 2009 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. for the purpose of approving the Capital Reorganisation
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company before the Capital Reorganisation becoming effective
“Share Consolidation”	the proposed consolidation of every ten issued Reduced Shares into one Adjusted Share
“Shareholder(s)”	registered holder(s) of the Share(s), Reduced Share(s) or Adjusted Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

(Acting Chief Executive Officer)

Mr. Au Yeung Kai Chor

Mr. Lam Suk Ping

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors

Mr. Chan Sze Hung

Ms. Kristi L Swartz

Ms. Hui Wai Man, Shirley

Head office and Principal place of business in Hong Kong:

1st Floor

Po Chai Industrial Building

28 Wong Chuk Hang Road

Aberdeen

Hong Kong

6 February 2009

To the Shareholders

Dear Sir/Madam,

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

INTRODUCTION

It was disclosed in the Announcement that the Directors propose to put forward a proposal to the Shareholders to effect the Capital Reorganisation and the Change in Board Lot Size.

The purpose of this circular is to give you further information on the Capital Reorganisation and to give notice of the SGM to the Shareholders at which a resolution will be proposed to consider and, if thought fit, to approve the proposed Capital Reorganisation.

PROPOSED CAPITAL REORGANISATION

The proposed Capital Reorganisation involves:

- (a) a Capital Reduction under which the par value of each issued Share will be reduced from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 of the paid up capital on each issued Share of HK\$0.10;

LETTER FROM THE BOARD

- (b) the application of the credit arising from the Capital Reduction to cancel the accumulated losses of the Company (if any) as of the effective date of the Capital Reduction and for the balance (if any) to be transferred to the contributed surplus account of the Company; and
- (c) the Share Consolidation under which every ten issued Reduced Shares of HK\$0.01 each will be consolidated into one Adjusted Share of HK\$0.10.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares and the issued share capital of the Company was HK\$285,924,015 divided into 2,859,240,150 Shares.

Assuming no further Shares will be issued between the Latest Practicable Date and the SGM, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company will remain as HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each and the issued share capital of the Company will be reduced from HK\$285,924,015 to HK\$28,592,401.5 divided into 285,924,015 Adjusted Shares, giving rise to a total credit of approximately HK\$257,331,613.5 which will be applied to set off the accumulated losses of the Company as of the effective date of the Capital Reduction and the balance, if any, to be transferred to the contributed surplus account of the Company. Based on the latest available management accounts of the Company, the accumulated losses amounted to approximately HK\$515 million as at 31 December 2008. It is expected that the total credit arising from the Capital Reduction in an amount of approximately HK\$257 million will be in its entirety applied to set off against the accumulated losses of the Company.

As at the Latest Practicable Date, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for the Shares.

Conditions of the Capital Reorganisation

The Capital Reorganisation (which will be effected in accordance with the Bye-Laws of the Company and the Companies Act) is conditional upon:

- (a) passing by the Shareholders of the relevant resolution(s) at the SGM approving the Capital Reorganisation;
- (b) publication of a notice of capital reduction in Bermuda in accordance with section 46(2)(a) of the Companies Act;
- (c) on the date on which the Capital Reduction is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they fall due; and
- (d) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Adjusted Shares to be issued following completion of the Capital Reorganisation.

LETTER FROM THE BOARD

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares to be issued and allotted upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the securities on the Stock Exchange, the securities 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 Adjusted Shares 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Effect of the Capital Reorganisation

The expected market price per Adjusted Share is HK\$0.86 based on the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on the Latest Practicable Date, adjusted for the effect of the Share Consolidation.

Implementation of the Capital Reorganisation would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses.

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the rights of the Shareholders. However, fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company.

Trading Arrangement

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period from 4 March 2009 to 9 April 2009 (both dates inclusive), submit their existing certificates in orange colour for the Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for exchange, at the expense of the Company, for new certificates in purple colour for the Adjusted Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. The new share certificates in purple colour will be made available for Shareholder's collection on or before the first day of parallel trading assuming the Shareholders submit their existing certificates in orange colour for free exchange of the new certificates in purple colour on 4 March 2009. It is expected that the new certificates in purple colour will be available for collection within 10 business days after the submission of the existing certificates in orange colour to Tricor Secretaries Limited for exchange. Certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders.

LETTER FROM THE BOARD

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has appointed Chung Nam Securities Limited to stand in the market to provide matching services for odd lots of Adjusted Shares on a best effort basis during the period from 18 March 2009 to 7 April 2009 (both dates inclusive). Holders of odd lots of the Adjusted Shares who wish to take advantage of this facility may contact Mr. Cecil Chan of Chung Nam Securities Limited at telephone number (852) 3198 0838 during this period. Shareholders should note that the above matching service is on a best effort basis only and successful matching of the sale and purchase of odd lots of Adjusted Shares is not guaranteed. Shareholders who are in any doubt about such matching service are recommended to consult their own professional advisers.

Reasons

Since 6 January 2009, Shares have been trading at prices below their nominal value of HK\$0.10 each. The closing price of the Share on the Stock Exchange on the day of the Announcement and the Latest Practicable Date were HK\$0.093 and HK\$0.086 per Share respectively. Under the laws of Bermuda, it is not permissible for a company to issue shares at a discount to the nominal value of its share. With a view to facilitating any capital raising exercise when circumstances arise in the future, the Board proposes the Capital Reorganisation, which has the effect of consolidating ten issued Reduced Shares of HK\$0.01 each to one Adjusted Share of HK\$0.10 by way of the Capital Reorganisation. In addition, the Company may apply the credit arising from the Capital Reduction to set off against the accumulated losses of the Company. Therefore, the Directors consider that the Capital Reorganisation to be in the interests of the Company and the Shareholders.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 2,000 Shares each. Upon the Capital Reorganisation becoming effective, the Company proposes the Change in Board Lot Size (i.e. the change of the board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 4,000 Adjusted Shares) with effect from 18 March 2009, based on the expected timetable.

Assuming the Capital Reorganisation and the Change in Board Lot Size becomes effective, the Adjusted Shares will be traded in board lots of 4,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$3,440, based on the closing price of HK\$0.86 per Adjusted Share (based on the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation). The Change in Board Lot Size is conditional on the Capital Reorganisation becoming effective.

The Change in Board Lot Size is expected to bring about a corresponding upward adjustment in the trading price of the Adjusted Shares on the Stock Exchange, which will reduce the overall transaction costs for dealings in the Adjusted Shares.

LETTER FROM THE BOARD

SGM

The notice of the SGM is set out on page 8 to page 10 on this circular. A form of proxy for use at the SGM is enclosed. At the SGM, resolution will be proposed for Shareholders to consider and, if thought fit, to approve the Capital Reorganisation. No Shareholder is required to abstain from voting at the SGM.

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

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the SGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Group is principally engaged in the business of (i) manufacturing and sale of accessories for photographic, electrical and multimedia products; (ii) property investment and (iii) investment in securities.

The Directors believe that the proposal for the Capital Reorganisation is in the interests of the Company and Shareholders as a whole and recommend Shareholders to vote in favour of the resolution proposed at the SGM to approve the Capital Reorganisation.

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

NOTICE OF SPECIAL GENERAL MEETING



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

NOTICE IS HEREBY GIVEN that a special general meeting of Mascotte Holdings Limited (the “Company”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. on Tuesday, 3 March 2009 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) publication of a notice of capital reduction in Bermuda in accordance with section 46(2)(a) of the Companies Act; and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in, shares of HK\$0.10 each in the issued share capital of the Company, with effect from 9:30 a.m. on the business day (not being a Saturday) next following the day on which this resolution is passed (the “Effective Date”):

- (A) the issued share capital of the Company be reduced by cancelling paid up capital to the extent of HK\$0.09 on each of the shares in issue as of the Effective Date (the “Capital Reduction”) so that each issued share of HK\$0.10 in the capital of the Company shall be treated as one fully paid up share of HK\$0.01 in the capital of the Company (“Reduced Share”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital hereby cancelled be made available for issue of the Adjusted Shares (as defined below) so that the authorised share capital of the Company of HK\$1,000,000,000 remains unchanged on the Effective Date;
- (B) every ten issued Reduced Shares of HK\$0.01 each be consolidated into one consolidated share of HK\$0.10 (“Adjusted Share”) and any fraction of Adjusted Shares arising from the share consolidation shall not be allocated to the holders of the Reduced Shares otherwise entitled thereto but such fractions shall be aggregated and be sold for the benefit of the Company (“Share Consolidation”);
- (C) the credit arising from the Capital Reduction be applied towards cancelling the accumulated deficit of the Company (if any) ascertainable as of the Effective Date with the balance (if any) to be transferred to the contributed surplus account of the Company where it may be applied in accordance with the bye-laws of the Company;

NOTICE OF SPECIAL GENERAL MEETING

(D) all of the Adjusted Shares resulting from the Capital Reduction and Share Consolidation shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions contained in the Company's bye-laws; and

the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, Share Consolidation and application of credit arising from the Capital Reduction (together with "Capital Reorganisation")."

By Order of the Board
Mascotte Holdings Limited
Peter Temple Whitelam
Chairman

Dated 6 February 2009

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

Notes:

1. A form of proxy to be used for the meeting is enclosed.
2. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

NOTICE OF SPECIAL GENERAL MEETING

5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting 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, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
7. As at the date of this notice, the Executive Directors of the Company are Mr. Peter Temple Whitlam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), Mr. Au Yeung Kai Chor and Mr. Lam Suk Ping; and the Independent Non-executive Directors of the Company are Mr. Chan Sze Hung, Ms. Kristi L Swartz and Ms. Hui Wai Man, Shirley.