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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

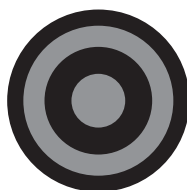
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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## **MASCOTTE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

**(1) GRANT OF ISSUE MANDATE;  
(2) REFRESHMENT OF THE SCHEME MANDATE LIMIT  
AND  
(3) NOTICE OF THE SPECIAL GENERAL MEETING**

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



### **Grand Vinco Capital Limited**

*(A wholly owned subsidiary of Vinco Financial Group Limited)*

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A letter from the Board is set out on pages 4 to 9 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 10 of this circular. A letter of advice from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this circular.

A notice convening the SGM of the Company to be held on Monday, 7 June 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 19 to 22 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should Shareholders so wish.

20 May 2010

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“Company”	Mascotte Holdings Limited (Stock code: 136), a company incorporated in the Bermuda with limited liability and the shares of which are listed on main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“SGM”	the special general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Monday, 7 June 2010 at 9:00 a.m. to consider and approve, inter alia, the Grant of Issue Mandate and the refreshment of the Scheme Mandate Limit
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 4 September 2009 to allot and issue Shares up to 20% of the issued share capital of the Company as at that date;
“Grant of Issue Mandate”	the general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Independent Board Committee”	an independent committee of the Board established by the Board to advise the Independent Shareholders in respect of the Grant of Issue Mandate
“Independent Shareholder”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, executive Directors and the chief executive of the Company and their respective associates
“Latest Practicable Date”	18 May 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overall Limit”	the meaning ascribed thereto in the Section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“Scheme Mandate Limit”	the meaning ascribed thereto in the Section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option”	options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 21 August 2003
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

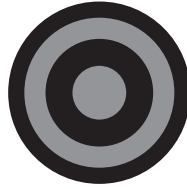
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“Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Grant of Issue Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### 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. Lam Suk Ping

Ms. Song Jiajia

Mr. Eddie Woo

*Independent Non-executive Directors:*

Mr. Frank H. Miu

Ms. Hui Wai Man, Shirley

Dr. Agustin V. Que

*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

20 May 2010

*To the Shareholders*

Dear Sir or Madam,

**(1) GRANT OF ISSUE MANDATE;  
(2) REFRESHMENT OF THE SCHEME MANDATE LIMIT  
AND  
(3) NOTICE OF THE SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information relating to: (i) the proposed Grant of Issue Mandate to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of the SGM; (ii) the proposed refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme; (iii) the recommendation from the Independent Board Committee; (iv) the recommendation from Vinco Capital to the Independent Board Committee and the Independent Shareholders regarding the Grant of Issue Mandate; and (v) to give you notice of the SGM.

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## LETTER FROM THE BOARD

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### GRANT OF ISSUE MANDATE

At the annual general meeting of the Company held on 4 September 2009, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 109,184,803 Shares, which is equivalent to 20% of the then issued share capital of the Company.

Since the annual general meeting of the Company held on 4 September 2009, the Company entered into a placing agreement on 8 March 2010, in relation to the placing of up to 109,184,800 Shares which was then completed on 28 April 2010 and 109,184,800 Shares had been successfully placed and the net proceeds from the placing amounted to approximately HK\$105,160,628 which has been applied for the general working capital of the Group and/or as initial working capital required for possible investments in the renewable energy related industry and/or other future opportunities. As a result, the General Mandate is almost fully utilized. As at the Latest Practicable Date, the issued share capital of the Company was 699,701,216 Shares.

In order to provide a flexible means for the Company to raise further funds through the issue of new Shares for its future business development if and when an opportunity arises, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

The Company has sufficient working capital for its existing operations, the Company believes that appropriate investment opportunities may arise at any time and investment decisions may have to be made within a short period of time. Therefore, the Board considers that it is important for the Company to be able to raise fund quickly in order to seize the investment opportunities that may arise. To this end, the Directors believe that the Grant of Issue Mandate will give the Company the flexibility to raise funds and to expand and develop the business of the Company and therefore, is in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, the Company has no immediate plans for any new issue of the Shares under the Grant of Issue Mandate if approved. Meanwhile, the Board would also consider other means of fund-raising such as a rights issue or open offer, or to seek for a specific mandate when a specific usage can be identified. However, as at the Latest Practicable Date, save for the possible investments in the renewable energy related industry, the Company has no other specific plan for business expansions or projects/investments.

Based on the 699,701,216 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the Grant of Issue Mandate at the SGM, the Directors will be authorised to allot and issue up to 139,940,243 Shares under the refreshed mandate. As such, the Grant of Issue Mandate may result possible future dilution effect in the shareholding upon issue of new Shares under such refreshed mandate. However, having balanced the benefits of the Grant of Issue Mandate discussed above, the Company considers such potential future dilution of shareholding to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **REFRESHMENT OF THE 10% SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME**

The Share Option Scheme was adopted on 21 August 2003. Pursuant to the terms of the Share Option Scheme, among other things:

- (1) the overall limit on number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “Overall Limit”); and
- (2) the Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company (“Scheme Mandate Limit”) shall not exceed 10% of the Shares in issue on the day of approval by Shareholders.

The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders’ approval in general meeting and the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit. However, the total number of Shares which may be issued upon exercise of all Share Options granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval for refreshment of the Scheme Mandate Limit. In this connection, Share Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for purpose of calculating the Scheme Mandate Limit as “refreshed”.

Apart from the Share Option Scheme, the Company had no other share option scheme in force as at the Latest Practicable Date. Since the adoption of the Share Option Scheme on 21 August 2003, the Company had granted Share Options to the Directors and employees of the Group and those of the entities in which the Group holds any equity interest (who are eligible participants of the Share Option Scheme). Through granting Share Options to the participants of the Share Option Scheme, (i) the Company provides incentives and rewards for those persons’ contribution to the Group; and (ii) to enable the Group to retain high-calibre employees that are valueable to the Group and any invested entity of the Group. The Group expects that the granting of Share Options to the Directors and employees of the Group and those of the entities in which the Group holds any equity interest, can optimize their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain ongoing relationships with the grantees whose contributions are important to the invested entity of the Group and the growth of the Group as a whole.



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## LETTER FROM THE BOARD

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Below sets out the history of the refreshment of Scheme Mandate Limit since the adoption of the Share Option Scheme on 21 August 2003:

<b>Date of refreshment of Scheme Mandate Limit</b>	<b>Scheme Mandate Limit subsequent to the relevant refreshment</b>	<b>Grantees of the Share Options</b>	<b>Share Options granted with the relevant period</b>
At the annual general meeting held on 4 September 2009	54,592,401	Executive Directors and employees of the Company; and directors and employees of invested entities	54,592,401
At the annual general meeting held on 5 September 2008	285,924,015	Not applicable	Nil
At the special general meeting held on 6 May 2008	190,616,010	Not applicable	Nil
At the annual general meeting held on 21 August 2003	42,400,010	Executive Directors and employees of the Company; and directors and employees of invested entities	42,400,000

As announced on 3 March 2010, 54,592,401 Share Options carrying rights to subscribe for up to 54,592,401 Shares, were granted by the Company on the even date. As a result, the existing Scheme Mandate was fully utilized. As at the Latest Practicable Date, 44,592,401 Share Options were exercised to subscribe for 44,592,401 Shares and 10,000,000 Share Options remained outstanding.

If the Scheme Mandate Limit is “refreshed” at the SGM, on the basis of 699,701,216 Shares in issue as at the Latest Practicable Date and that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM, the Scheme Mandate Limit will be “refreshed” to 69,970,121 Shares and the Company will be allowed, to grant further Share Options under the Share Option Scheme carrying the rights to subscribe for a maximum of 69,970,121 Shares (the “Refreshed Limit”).

The total number of Shares issued and to be issued upon exercise of the Share Options granted to each of the Share Option Scheme participants (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued Shares.

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## LETTER FROM THE BOARD

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In order to allow the Company to make full use of the Share Option Scheme to grant Share Options to participants, including but not limited to Directors and employees of the Group, to provide incentive or rewards for their contribution to the growth of the Group as a result of the recent increase in issued share capital of the Company, a resolution will be proposed at the SGM to “refresh” the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is subject to the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of Share Options under the “Refreshed Limit” up to 10% of the issued share capital of the Company on the date of the SGM. Application will be made to the Stock Exchange for listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit.

### SGM

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

The notice of the SGM is set out on page 19 to page 22 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the branch registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

Pursuant to Rule 13.36(4) of the Listing Rules, the Grant of Issue Mandate will be subject to the Independent Shareholders’ approval at the SGM. As at the Latest Practicable Date, Mr. Lam Suk Ping, being the Executive Director, held 300,000 Shares representing approximately 0.04% of the issued share capital of the Company. Save as disclosed, none of the Executive Directors and the chief executives of the Company and their respective associates hold any Shares. Since there is no controlling Shareholder of the Company, the Executive Directors (including Mr. Lam Suk Ping) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the SGM) are required to abstain from voting in favour at the SGM in respect of the resolution relating to the Grant of Issue Mandate.

No Shareholder will be required to abstain from voting at the SGM in respect of the resolution relating to the refreshment of the Scheme Mandate Limit.

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 10 of this circular and the letter from Vinco Capital containing its advice and the principal factors which it has considered in arriving at its advice with regard to the Grant of Issue Mandate, as set out on pages 11 to 18 of this circular.

The Board is of the opinion that the (i) the Grant of Issue Mandate; and (ii) the refreshment of the Scheme Mandate Limit are in the best interests of the Company and Shareholders as a whole and recommends Shareholders to vote in favour of the resolutions to be proposed at the SGM.

### GENERAL

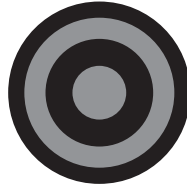
Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

By Order of the Board  
**Mascotte Holdings Limited**  
**Lo Yuen Wa Peter**  
*Acting Chief Executive Officer*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### MASCOTTE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

20 May 2010

*To the Independent Shareholders*

Dear Sir or Madam,

#### **PROPOSED GRANT OF ISSUE MANDATE**

We refer to the circular from the Company to the Shareholders dated 20 May 2010 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the Grant of Issue Mandate, details of which are set out in the “Letter from Vinco Capital” set out on pages 11 to 18 of the Circular, which contains Vinco Capital’s advice regarding the Grant of Issue Mandate.

Having taken into account the advice of Vinco Capital, we consider the Grant of Issue Mandate to be fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Grant of Issue Mandate.

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

**Mr. Frank H. Miu**  
*Independent non-executive  
Director*

**Ms. Hui Wai Man, Shirley**  
*Independent non-executive  
Director*

**Dr. Agustin V. Que**  
*Independent non-executive  
Director*

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## LETTER FROM VINCO CAPITAL

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*The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the Grant of Issue Mandate, which has been prepared for the purpose of incorporation in this circular.*



**Grand Vinco Capital Limited**  
Units 4909-4910, 49/F., The Center  
99 Queen's Road Central, Hong Kong

20 May 2010

*To the Independent Board Committee and the Independent Shareholders of  
Mascotte Holdings Limited*

Dear Sirs,

### GRANT OF ISSUE MANDATE

#### INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Grant of Issue Mandate, details of which are set out in the section headed "Letter from the Board" in the circular (the "Circular") issued by the Company to the Shareholders dated 20 May 2010 of which this letter forms part. Capitalized terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Since the annual general meeting of the Company held on 4 September 2009, the Company entered into a placing agreement on 8 March 2010, in relation to the placing of up to 109,184,800 Shares which was then completed on 28 April 2010 and 109,184,800 Shares had been successfully placed. As a result, the General Mandate is substantially utilized. In order to allow the flexibility to raise further capital through the issue of new Shares to finance its future business development if and when an opportunity arises, the Board proposes to refresh the General Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company at the date of SGM.

Pursuant to Rule 13.36(4) of the Listing Rules, the Grant of Issue Mandate will be subject to the Independent Shareholders' approval at the SGM. As at the Latest Practicable Date, Mr. Lam Suk Ping, being the executive Director, held 300,000 Shares representing approximately 0.04% of the issued share capital of the Company. Save as disclosed, none of the executive Directors and the chief executives of the Company and their respective associates hold any Shares. Since there is no controlling Shareholder of the Company, the executive Directors (including Mr. Lam Suk Ping) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the SGM) are required to abstain from voting in favour at the SGM in respect of the resolution relating to the Grant of Issue Mandate.

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## LETTER FROM VINCO CAPITAL

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The Independent Board Committee, comprising Mr. Frank H. Miu, Ms. Hui Wai Man, Shirley and Dr. Agustin V. Que, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Grant of Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether the Grant of Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

### **BASIS OF OUR OPINION AND RECOMMENDATION**

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Grant of Issue Mandate, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Grant of Issue Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without prior written consent.

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## LETTER FROM VINCO CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders regarding the Grant of Issue Mandate, we have taken into consideration the following principal factors and reasons:

#### **Background of and reasons for the Grant of Issue Mandate**

The Group is principally engaged in the (i) trading of investments; (ii) loan financing; (iii) manufacturing and sale of accessories for photographic, electrical and multimedia products; and (iv) property investment.

At the annual general meeting of the Company held on 4 September 2009, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 109,184,803 Shares, which is equivalent to 20% of the then issued share capital of the Company.

Since the annual general meeting of the Company held on 4 September 2009, the Company entered into a placing agreement on 8 March 2010, in relation to the placing of up to 109,184,800 Shares (the “Placing”) which was then completed on 28 April 2010 and 109,184,800 Shares had been successfully placed and the net proceeds from the placing amounted to approximately HK\$105,160,628 which is intended to be applied for the general working capital of the Group and/or as initial working capital required for possible investments in the renewable energy related industry and/or other future opportunities. As a result, the General Mandate is substantially utilized. As at the Latest Practicable Date, the issued share capital of the Company was 699,701,216 Shares.

Given that the General Mandate granted to the Directors has been substantially utilized upon completion of the Placing, if the General Mandate is not refreshed, the Directors would not be allowed to allot and issue Shares until the next annual general meeting of the Company. In addition, in order to allow the flexibility to raise further capital through the issue of new Shares to finance its future business development if and when an opportunity arises, the Board proposes to seek approval of Independent Shareholders at the SGM to refresh the General Mandate so that the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company at the date of SGM.

As at the Latest Practicable Date, the aggregate number of issued Shares is 699,701,216 Shares. Subject to the passing of the relevant ordinary resolution for the Grant of Issue Mandate and on the assumption that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date and up to the date of the SGM (both dates inclusive), the Directors would be granted the authority to allot and issue up to a maximum of 139,940,243 Shares under the refreshed mandate, being 20% of the aggregate number of issued Shares as at the date of the SGM.

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## LETTER FROM VINCO CAPITAL

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### Fund raising activities of the Company

The following table summarizes the fund raising activities of the Company during the past 12 months immediately prior to the date of the Circular:

Date of announcement	Fund raising activities	Net proceeds		Actual use of proceeds
		raised (approximately)	Intended use of proceeds	
8 March 2010	Placing of 109,184,800 new Shares on a best efforts basis	HK\$105.16 million	As general working capital of the Group and/or as initial working capital required for possible investments in the renewable energy related industry and/or other future opportunities.	Applied as to HK\$15.16 million for purchasing of listed securities for trading purposes and as to HK\$90 million has been placed in the bank account of the Group for future investment opportunities

Save as disclosed above, the Directors confirmed that the Company has not conducted any other fund-raising activities during the past 12 months immediately prior to the date of the Circular.

As stated in the table above, we are of the view that the use of proceeds is large in line with the proposed use as stated in the announcement of the abovementioned fund raising activity.

As confirmed by the Directors, the Company has sufficient working capital for its existing operations. However, there is no guarantee that such cash resources available to the Group will be sufficient or be available for its investment and/or business development in the future. In the event that the Company identifies a suitable investment opportunity but does not have sufficient financial resources on hand, or is unable to obtain loan financing on acceptable terms, or cannot find other alternatives to finance such investment opportunity in a timely manner, the Company may lose its chances to capture an otherwise favourable investment and/or a favorable opportunity to expand its business portfolio. As set out in the interim report of the Company for the six months ended 30 September 2009, we noted that the Company will continue with its diversification strategy and to identify suitable investment opportunities to broaden the Group's long



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## LETTER FROM VINCO CAPITAL

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term sustainable income base. Notwithstanding that there is currently no concrete proposal for future investment, the Directors believe that the Grant of Issue Mandate would offer the Group the ability to capture investment opportunities which may arise at any time and require prompt investment decision by the Group.

Further to our discussion with the Directors, the Directors confirmed that they have considered the possibility of seeking a specific mandate when specific project is identified. However, the Directors considered that timely decision making is critical to grasp any opportunities arising from the prevailing market condition. As such, the Directors consider the granting of specific mandate which is subject to the approval of the Independent Shareholders may pose as a hindrance to the Group to grasp the opportunities in a timely manner. As confirmed by the Directors, the Company has no concrete plan for future fund raising.

Other than enhancing the financial resources for its investment and/or business development in the future, the Group also intends to expand its existing business operation without significantly deteriorating its existing cash position and/or gearing position.

In view of the foregoing and the next annual general meeting will not be convened until around September 2010 (which is about four months away from the Latest Practicable Date), we concur with the Directors' view that the Grant of Issue Mandate is fair and reasonable to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

### **Financial flexibility**

As confirmed by the Directors, there is no concrete proposal for any investment or any immediate fund needs for the business development of the Group as at the Latest Practicable Date.

Further to our discussion with the Directors, we concur with the Directors that the Grant of Issue Mandate will provide the Group with the necessary financial flexibility as allowed under the Listing Rules to allot and issue new Shares to raise further capital for its business development if and arises. Given the financial flexibility available to the Company, we are of the opinion that the Grant of Issue Mandate is in the interest of the Company and the Independent Shareholders as a whole.

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## LETTER FROM VINCO CAPITAL

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### **Other financing alternatives**

As confirmed by the Directors, they would exercise due and careful consideration when choosing the best financing alternative available to the Group. Further to our discussion with the Directors, the Directors advised that the Group would normally consider both debt financing and equity financing for funding its future investments and/or business development. However, having taken into consideration that debt financing (i) may incur interest burden on the Group; and (ii) may subject to, including but not limited to lengthy due diligence and negotiations with the banks with regards to the Group's financial position, capital structure and the then prevailing stock market condition, the Directors consider that debt financing is rather uncertain and time-consuming as compared to equity financing for the Group to raise additional capital for its future investments and/or business development.

With respect to the other forms of pro rata equity financing method such as rights issue and open offer, the Directors consider that such pro rata equity financing would incur substantial costs in form of placing commission or underwriting commission. Although both rights issue and open offer may allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, such fund raising alternatives would be relatively time consuming as compared to the equity financing through issue of new Shares under the general mandate and there would be no certainty that the Company would be able to procure favourable terms in such commercial underwriting.

In light of the above, we consider the Grant of Issue Mandate provides the Company an additional financing alternative for the Company to raise further capital for its business development if and when an opportunity arises and it is reasonable for the Company to maintain its flexibility in deciding the best financing alternative for its future investments and/or business development. Accordingly, we concur with the Directors that the Grant of Issue Mandate is a feasible fund raising alternative currently available to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

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## LETTER FROM VINCO CAPITAL

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### Potential dilution to shareholdings of the public Shareholders

The table below illustrates the shareholding structure of the Company as at the Latest Practicable Date; and, for illustrative purpose, the potential dilution effect on the shareholdings of Company immediately after full utilisation of the refreshed mandate (assuming there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM):

	As at the Latest Practicable Date		Immediately after full utilisation of the refreshed mandate	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Executive Directors:</b>				
Mr. Lam Suk Ping ( <i>Note</i> )	300,000	0.04	300,000	0.04
<b>Public Shareholders:</b>				
Shares that may be issued under the refreshed mandate	–	–	139,940,243	16.66
Other public Shareholders	<u>699,401,216</u>	<u>99.96</u>	<u>699,401,216</u>	<u>83.30</u>
Total	<u><u>699,701,216</u></u>	<u><u>100.00</u></u>	<u><u>839,641,459</u></u>	<u><u>100.00</u></u>

*Note:* Mr. Lam Suk Ping is an executive Director of the Company.

As illustrates in the table above, the aggregate shareholdings of the existing public Shareholders would decrease from approximately 99.96% as at the Latest Practicable Date to approximately 83.30% immediately after full utilisation of the refreshed mandate, indicating a potential maximum dilution of approximately 16.66%. Taking into account the potential benefits of the Grant of Issue Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionally to their respective shareholdings, we consider such potential dilution of shareholding of the Shareholders to be acceptable.

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## LETTER FROM VINCO CAPITAL

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### CONCLUSION

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

Yours faithfully,  
For and on behalf of  
**Grand Vinco Capital Limited**  
**Alister Chung**  
*Managing Director*

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## NOTICE OF SPECIAL GENERAL MEETING

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### MASCOTTE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

**NOTICE IS HEREBY GIVEN** that an special general meeting of Mascotte Holdings Limited (the “Company”) will be held at 9:00 a.m. on Monday, 7 June 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

**1. “THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs 2(a) and (b), otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF SPECIAL GENERAL MEETING

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(d) for the purposes of this resolution:

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

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

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

2. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company to be issued upon the exercise of options under the share option scheme adopted by the Company on 21 August 2003 (the “Share Option Scheme”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the

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## NOTICE OF SPECIAL GENERAL MEETING

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Directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

By Order of the Board  
**Mascotte Holdings Limited**  
**Lo Yuen Wa Peter**  
*Acting Chief Executive Officer*

Hong Kong, 20 May 2010

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

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## NOTICE OF SPECIAL GENERAL MEETING

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*As at the date of this notice, the Board comprises the following Directors:*

*Executive Directors:*

Mr. Peter Temple Whitelam (*Chairman*)

Mr. Lo Yuen Wa Peter

(*Acting Chief Executive Officer*)

Mr. Lam Suk Ping

Ms. Song Jiajia

Mr. Eddie Woo

*Independent Non-executive Directors:*

Mr. Frank H. Miu

Ms. Hui Wai Man, Shirley

Dr. Agustin V. Que