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## IMPORTANT

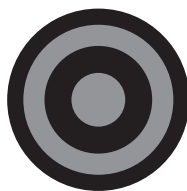
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**If you are in any doubt** about the circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Mascotte Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank manager, stockbroker 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 BONUS ISSUE OF SHARES

AND

### NOTICE OF SPECIAL GENERAL MEETING

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A notice convening the SGM to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 29 July 2010 at 9:00 a.m. is set out on pages 9 to 11 of this circular. A form of proxy for use at the SGM is enclosed. If you do not intend to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy 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 in accordance with the instructions printed thereon as soon as possible and 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.

13 July 2010

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## DEFINITIONS

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

“Board”	the board of Director(s);
“Bonus Issue”	the proposed issue of Bonus Shares to the Qualifying Shareholders on the basis of three (3) Bonus Shares for every two (2) existing Shares;
“Bonus Share(s)”	the new Share(s) proposed to be allotted and issued pursuant to the Bonus Issue;
“Business Day”	any day on which the Stock Exchange is open for the transaction of business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time;
“Company”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Excluded Shareholders”	those Shareholders whose addresses as shown on the Register of Members as at 4:00 p.m. on the Record Date are outside Hong Kong and whom the Board, after making enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“Latest Practicable Date”	12 July 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option(s)”	the share option(s) granted under the share option scheme of the Company adopted by the Shareholders on 31 August 2003;
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong;
“Qualifying Shareholders”	holders of Shares, excluding the Excluded Shareholders who are entitled to the Bonus Issue;
“Record Date”	29 July 2010, being the record date for determination of entitlements to the Bonus Issue;
“Register of Members”	the register of members of the Company;
“SGM”	the special general meeting of the Company to be held which ordinary resolution will be proposed to consider and, if thought fit, approve the proposed Bonus Issue;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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## EXPECTED TIMETABLE

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The expected timetable for the Bonus Issue is set out below:

2010

Last day of dealings in the Shares on a cum-entitlement basis . . . . . Tuesday, 20 July

First day of dealings in the Shares on an ex-entitlement basis . . . . . Wednesday, 21 July

Latest time for lodging the Option exercise form  
together with a remittance in cash for the amount of  
the exercise price for the respective Shares in order  
to be qualified for the Bonus Issue . . . . . 4:00 p.m., Thursday, 22 July

Latest time for lodging transfers of the Shares  
for registration in order to qualify for the Bonus Issue . . . . 4:30 p.m., Thursday, 22 July

Closure of Register of Members . . . . . Friday, 23 July to Thursday, 29 July  
(both days inclusive)

Latest date and time to return form of proxy for  
the SGM . . . . . 9:00 a.m., Tuesday, 27 July

Date and time of the SGM . . . . . 9:00 a.m., Thursday, 29 July

Record Date . . . . . Thursday, 29 July

Register of Members re-opens . . . . . Friday, 30 July

Certificates for the Bonus Shares expected to be despatched . . . . . Friday, 6 August

Dealings in Bonus Shares commence . . . . . Tuesday, 10 August

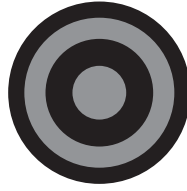
*Note:* All times refer to Hong Kong local time in this circular.

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

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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

Dr. Agustin V. Que

Mr. Robert James Iaia

*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

13 July 2010

*To the Shareholders, and, for information only,  
holders of the Options*

Dear Sir or Madam,

### **PROPOSED BONUS ISSUE OF SHARES**

### **AND**

### **NOTICE OF SPECIAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the Bonus Issue and to give you the notice of the SGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED BONUS ISSUE

#### (a) Basis of Bonus Issue

Reference is made to the Company's announcement dated 7 July 2010. Subject to the conditions as set out under the heading "Conditions of the Bonus Issue" below, the Bonus Issue is proposed to be made on the basis of three (3) Bonus Shares for every two (2) existing Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par.

On the basis of 699,701,216 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, 1,049,551,824 Bonus Shares will be issued under the Bonus Issue and an amount of approximately HK\$104,955,182.40 standing to the credit of the Company's share premium account will be capitalized and will then be applied in paying up in full at par for the 1,049,551,824 Bonus Shares, resulting in a total of 1,749,253,040 Shares to be in issue upon the Bonus Issue becoming effective.

#### (b) Record Date and closure of Register of Members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excluded Shareholders are further elaborated below under the heading "Overseas Shareholders".

The Register of Members will be closed from Friday, 23 July 2010 to Thursday, 29 July 2010 (both days inclusive) during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue. Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 July 2010.

In order for the holders of the Options to be qualified for the Bonus Issue, they must lodge the Option exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares no later than 4:00 p.m. on Thursday, 22 July 2010.

On the basis of (i) no further Shares being issued or purchased before the Record Date, a total of 1,049,551,824 Bonus Shares will be issued pursuant to the Bonus Issue; and (ii) assuming all the Options are exercised before the latest lodging time, a total of 1,064,551,824 Bonus Shares will be issued pursuant to the Bonus Issue. Accordingly, the Bonus Shares to be issued pursuant to the Bonus Issue will therefore be not more than 1,064,551,824 Bonus Shares.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date. The Company will make an announcement when the number of Bonus Shares to be issued is determined.

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## LETTER FROM THE BOARD

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### **(c) Overseas Shareholders**

The Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in pursuance to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Excluded Shareholders. In such circumstances, arrangement will be made for the Bonus Shares which would otherwise have been issued to the Excluded Shareholders to be sold in the market as soon as practicable after dealings commences. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more, will be distributed in Hong Kong dollars to the relevant Excluded Shareholders, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

As at the latest Practicable Date, there were certain Shareholders whose addresses as shown on the Register of Members are outside Hong Kong. The Company had sought the opinion of legal advisors that it is lawful or practicable to offer the Bonus Shares in such places.

### **(d) Status of the Bonus Shares and fractional entitlements**

The Bonus Shares, upon issue, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Fractional entitlements to the Bonus Shares will not be allotted to the Shareholders and will be aggregated and sold for the benefit of the Company.

### **(e) Conditions of the Bonus Issue**

The completion of the Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.



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## LETTER FROM THE BOARD

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### **(f) Listing, dealings and certificates for Bonus Shares**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

It is expected that certificates for the Bonus Shares will be posted on or before 6 August 2010 after all the conditions of the Bonus Issue have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the Register of Members on the Record Date. In the case of a joint holding, the certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the Register of Members on the Record Date.

Subject to the granting of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares 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 Bonus 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.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on Tuesday, 10 August 2010.

### **(g) Adjustments to the Options**

Implementation of the Bonus Issue will lead to adjustments to the number of Shares to be issued upon exercise of the Options. The Company will notify the respective holders of the Options regarding the adjustments to be made pursuant to the respective terms and conditions of the Options and notify the Shareholders by way of announcements. Such adjustments will be certified by an independent financial adviser or the auditor of the Company.

Save for the Options, the Company has no other outstanding options, warrants or convertible securities to subscribe for any Share.

### **(h) Reasons for the proposed Bonus Issue**

The Board proposes the Bonus Issue in recognition of the continual support of the Shareholders. In addition, the Board believes that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby strengthening the capital base of the Company.

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## LETTER FROM THE BOARD

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### 3. THE SGM

The notice of the SGM is set out on pages 9 to 11 of this circular. At the SGM, an ordinary resolution will be proposed to approve and the Bonus Issue.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.

According to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolution put to the vote at the SGM will be taken by way of poll. No Shareholders are required to abstain from voting at the SGM. Further announcement on the results of the poll vote will be made by the Company after the SGM.

### 4. 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 and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 5. RECOMMENDATION

The Directors consider that the Bonus Issue is in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolution as set out in the notice of the SGM on pages 9 to 11.

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

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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 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 on Thursday, 29 July 2010 at 9:00 a.m. to consider, and if thought fit, pass the following ordinary resolution:

#### **ORDINARY RESOLUTION**

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as hereinafter defined):

- (a) upon the recommendation of the directors of the Company, a sum of not more than HK\$106,455,182.40 being part of the amount standing to the credit of the share premium account of the Company, or such larger sum as may be necessary to give effect to the bonus issue of shares pursuant to this resolution (the “**Required Amount**”), be capitalized and accordingly the directors of the Company be and are hereby authorized and directed to apply the Required Amount in paying up in full at par not less than 1,049,551,824 unissued shares (“**Bonus Shares**”) of HK\$0.10 each in the capital of the Company, and that such Bonus Shares shall be issued, allotted and distributed, credited as fully paid up at par, to and amongst those shareholders whose names appear on the register of members of the Company (the “**Register of Members**”) on 29 July 2010 (the “**Record Date**”) on the basis of three (3) Bonus Shares for every two (2) existing issued shares of HK\$0.10 each in the capital of the Company held by them respectively on the Record Date;
- (b) in case where the address of any holder of Shares as shown on the Register of Members at the close of business on the Record Date is outside Hong Kong (the “**Overseas Shareholders**”) and upon making relevant enquiries, the Directors consider the exclusion of such Overseas Shareholders is necessary or expedient, the Bonus Shares shall not be issued to such Overseas Shareholders (the “**Excluded Shareholders**”) but shall be aggregated and sold in the market as soon as practicable after dealings in the Bonus Shares commences. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more, will be distributed in Hong Kong dollars to the relevant Excluded Shareholders, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company;

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## NOTICE OF SPECIAL GENERAL MEETING

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- (c) no fractional Bonus Shares shall be issued, allotted and distributed and all Bonus Shares representing fractions shall be aggregated and sold for the benefit of the Company;
- (d) the Bonus Shares to be issued and allotted pursuant to this resolution shall be subject to the memorandum and bye-laws of the Company and shall rank *pari passu* in all respects with the shares of HK\$0.10 each in the capital of the Company in issue on the Record Date, except that they will not rank for the bonus issue of shares mentioned in this resolution; and
- (e) the directors of the Company be authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalized out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

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

Hong Kong, 13 July 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. A proxy need not be a member of the Company. A member may appoint one or more proxies to attend and vote in his stead at the SGM.
- (3) Where there are joint holders of any share, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, provided that if more than one of such joint holders be present at the SGM personally or by proxy, the person whose name stands first in the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
- (4) 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.

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## NOTICE OF SPECIAL GENERAL MEETING

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- (5) 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.
- (6) The Register of Members will be closed from Friday, 23 July 2010 to Thursday, 29 July 2010, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the Bonus Shares and attending the SGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 9:00 a.m. on Tuesday, 27 July 2010.