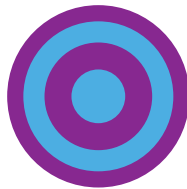

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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 to the bank, licensed securities dealer or other agent through whom the sale or transfer 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 NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to Mascotte Holdings Limited



A notice convening the special general meeting of the Company (the “**SGM**”) to be held on Wednesday, 25 April 2012 at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. or any adjournment thereof is set out on pages 14 to 16 of this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office 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 shall not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

2 April 2012

CONTENTS

	<i>Page</i>
Expected Timetable	ii
Definitions	1
Letter from the Board	4
Notice of SGM	14

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below:

Event	Year 2012
Latest time for lodging form of proxy in respect of the SGM	4:00 p.m. on Monday, 23 April
SGM	4:00 p.m. on Wednesday, 25 April
Announcement of the result of the SGM to be published	Wednesday, 25 April
Effective date of the Capital Reorganisation	Thursday, 26 April
Dealing in the New Shares commences	9:00 a.m. on Thursday, 26 April
Original counter for trading in the Shares in board lot of 4,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 26 April
Temporary counter for trading in the New Shares in board lot of 250 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 26 April
First day of free exchange of existing share certificates for the existing Shares for new share certificates for the New Shares	Thursday, 26 April
Original counter for trading in the New Shares in board lot of 4,000 New Shares (in the form of new share certificates for the New Shares) re-opens	9:00 a.m. on Friday, 11 May
Parallel trading in the New Shares in the form of new share certificates and existing share certificates commences	9:00 a.m. on Friday, 11 May
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Friday, 11 May
Parallel trading in the New Shares in the form of new share certificates and existing share certificates ends	4:00 p.m. on Thursday, 31 May

EXPECTED TIMETABLE

Temporary counter for trading in the New Shares in
board lot of 250 New Shares (in the form of
existing share certificates) closes 4:00 p.m. on Thursday, 31 May

Designated broker ceases to stand in the market
to provide matching services for odd lots
of the New Shares 4:00 p.m. on Thursday, 31 May

Last day of free exchange of existing share certificates
for the existing Shares for new share certificates
for the New Shares Monday, 4 June

All time and dates specified in this circular refer to Hong Kong local time and dates.
Dates or deadlines specified in expected timetable above are indicative only and may be
extended or varied by the Company. If there are any changes to the expected timetable, the
Company will publish an announcement to notify the Shareholders as and when appropriate.

DEFINITIONS

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

“Board”	the board of the Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through reducing the par value of each of the then issued Consolidated Shares from HK\$1.60 each to HK\$0.01 each by canceling the paid up capital of the Company to the extent of HK\$1.59 on each of the then issued Consolidated Shares
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$1.60 each in the share capital of the Company immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision
“Convertible Bonds”	the 5% unsecured convertible bonds due 2014 in principal amount of HK\$1,450,000,000 constituted and issued by the Company on 14 July 2011 pursuant to the Convertible Bonds Documents, of which HK\$1,419,000,000 in aggregate principal amount are outstanding as at the Latest Practicable Date
“Convertible Bonds Documents”	the bond certificates and bond terms and conditions constituting the Convertible Bonds
“Directors”	the directors of the Company

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	30 March 2012, 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
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“Option Deeds”	the option deeds dated 29 August 2011 entered into between the Company and each of the grantees in respect of the grant of their respective share options
“Option Shares”	the aggregate of 730,000,000 Shares to be issued to the grantees of the share options upon exercise of the share options in accordance with the Option Deeds at the exercise price of HK\$0.40 per Share (subject to adjustment in accordance with the Option Deeds), or such other number of Shares as results from adjustment to the exercise price from time to time in accordance with the Option Deeds
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reorganisation
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Share Consolidation”	the proposed consolidation of every sixteen (16) issued and unissued Shares of HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of HK\$1.60 each

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted on 21 August 2003
“Share Options”	the share options to subscribe for the Shares under the Share Option Scheme
“Share Subdivision”	the proposed subdivision of each of the then authorised but unissued Consolidated Shares of HK\$1.60 each into 160 New Shares of HK\$0.01 each
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

Executive Directors

Mr. Peter Temple Whitlam (*Chairman*)
Mr. Lo Yuen Wa Peter (*Managing Director*)
Mr. Eddie Woo
Mr. Suen Yick Lun Philip
Mr. Lau King Hang
Dr. Wu Yi-Shuen

Non-executive Director

Dr. Chuang, Henry Yueheng (*Deputy-Chairman*)

Independent Non-executive Directors

Mr. Frank H. Miu
Dr. Agustin V. Que
Mr. Robert James Iaia II
Dr. Chien, Yung Nelly

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

2 April 2012

To the Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 6 March 2012, the Company announced that the Directors propose to put forward to the Shareholders a proposal to effect the Capital Reorganisation which will involve the Share Consolidation, the Capital Reduction and the Share Subdivision.

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

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Capital Reorganisation involves the Share Consolidation, the Capital Reduction and the Share Subdivision:

(1) Share Consolidation

The Share Consolidation will be implemented to consolidate every sixteen (16) issued and unissued Shares of HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of HK\$1.60 each.

(2) Capital Reduction

The Capital Reduction will involve the reduction of the issued share capital of the Company through reducing the par value of each of the then Consolidated Shares from HK\$1.60 each to HK\$0.01 each by canceling the paid up capital of the Company to the extent of HK\$1.59 on each of the then issued Consolidated Shares.

(3) Share Subdivision

Following the Capital Reduction, each of the then authorised but unissued Consolidated Shares of HK\$1.60 each shall be subdivided into 160 New Shares of HK\$0.01 each.

Based on 4,566,778,952 Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$453.8 million will arise as a result of the Capital Reorganisation and will be credited to the contributed surplus account of the Company such that the Company may apply such surplus in any manner as they consider appropriate subject to the compliance with the Companies Act, including but not limited to setting off against the accumulated losses of the Company from time to time.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Shares of HK\$0.10 each, of which 4,566,778,952 Shares are issued and fully paid or credited as fully paid. Upon the Capital Reorganisation becoming effective and assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the effective date of the Capital Reorganisation, the Company's authorised share capital shall be HK\$2,000,000,000 divided into 200,000,000,000 New Shares of HK\$0.01 each, and its issued share capital shall be HK\$2,854,236.84 divided into 285,423,684 New Shares of par value HK\$0.01 each.

LETTER FROM THE BOARD

The effect of the Capital Reorganisation on the share capital of the Company (assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the effective date of the Capital Reorganisation) is summarised as follows:

	As at the Latest Practicable Date	Immediately after the Capital Reorganisation becoming effective
Nominal value per share	HK\$0.10 per Share	HK\$0.01 per New Share
Number of authorised shares	20,000,000,000 Shares	200,000,000,000 New Shares
Authorised share capital	HK\$2,000,000,000	HK\$2,000,000,000
Number of shares in issue	4,566,778,952 Shares	285,423,684 New Shares
Issued and fully paid-up capital	HK\$456,677,895.2	HK\$2,854,236.84

Any fractional Consolidated Shares will not be issued to the Shareholders, but will be aggregated and sold for the benefit of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of special resolution(s) by the Shareholders at the SGM to approve the Capital Reorganisation;
- (b) compliance with the relevant procedures and requirements under the Companies Act to effect the Capital Reorganisation;
- (c) the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be issued forthwith upon the Capital Reorganisation becoming effective; and
- (d) the obtaining of all necessary approvals from the regulated authorities or otherwise as may be required in respect of the Capital Reorganisation.

Assuming the conditions are fulfilled, it is expected that the Capital Reorganisation will become effective on the business day immediately following the date of passing of the relevant special resolution(s) approving the Capital Reorganisation at the SGM.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation

The Directors noted that the price of the Shares has recently been trading below their par value of HK\$0.10. As at the Latest Practicable Date, the closing price of the Shares on the Stock Exchange is HK\$0.034 per Share. The number of Shares per board lot is 4,000 Shares and based on the closing price of HK\$0.034, a board lot of 4,000 Shares is approximately HK\$136. Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaching the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. In addition, according to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange (the “**Guidance on Trading Arrangement**”), taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. Also, the Company is at all times mindful of the potential need for future fund raising activities to, among other things, fortify the Company’s capital base, especially in light of the adverse market conditions that have been persisting in the capital markets recently. Given under the laws of Bermuda, the Company is not permitted to issue any Shares at a price discount to the par value of the Share, the Directors consider that the recent trading price performance of the Company’s Shares would preclude the Company from raising new capital from the market should it need so and suitable opportunities arise. In these circumstances, with a view to preparing the Company for contemplating fund raising exercises should suitable opportunities arise and duly complying with the Listing Rules and the Guidance on Trading Arrangement at all times, the Board proposed the Capital Reorganisation. The Board considers that the Capital Reorganisation is in the interests of the Company and its shareholders given it would on the one hand, give greater flexibility to the Company to raise new funds through the issue of new New Shares in the future and allow the Company to better respond to the market situations in conducting capital raising exercises; and on the other hand, on a theoretical basis, increase the trading price of the Shares and the market value per board lot by sixteen times. Based on the closing price of the Shares of HK\$0.034 per Share and per board lot value of 4,000 Shares of HK\$136, the trading price would become HK\$0.544 per New Share and the market value per board lot of 4,000 New Shares would become HK\$2,176 upon the Capital Reorganisation becoming effective. Moreover, the Capital Reorganisation will reduce the total number of Shares currently in issue and increase the trading price per board lot, hence the number of board lot would reduce which in turn, would reduce the overall transaction and handling costs (e.g. the physical scrip deposit and withdrawal charges, registration and transfer fee which are usually charged per board lot or per transfer deed) for dealing in the New Shares. The Company may also apply the credit arising from the Capital Reduction to set off against the accumulated losses of the Company. The Company noted that the implementation of the Capital Reorganisation will inevitably create odd lots and fractional Consolidated Shares to certain Shareholders. In this regard, the Company has appointed a matching agent to stand in the market to provide matching services to the Shareholders and details of such matching service for odd lots are set out in the paragraph headed “Arrangement for matching service for odd lots” below.

Taking into account of the bases and reasons of the Capital Reorganisation as described above, the Company considers the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Notwithstanding that the Board considers that the Capital Reorganisation would facilitate any capital raising exercise when circumstances arise in the future, the Company has not contemplated any discussion or negotiation for any fund raising activities up to the Latest Practicable Date and did not have any intention to conduct any fund raising activities as at the Latest Practicable Date. The Company will comply with the requirements of the Listing Rules should such fund raising exercise be contemplated.

Effects of the Capital Reorganisation

The implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, investments, liabilities, business, operations, management, financial position or the relative interests or rights of the Shareholders, save that any fractional Consolidated Shares and/or New Shares (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the Company and that the Board believes that on the date the Capital Reorganisation is to be effected, there will be no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company.

Application for listing of the New Shares

Application has been made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the New Shares.

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

All necessary arrangements will be made for the New Shares to be admitted into the CCASS established and operated by HKSCC.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid.

LETTER FROM THE BOARD

CCASS Eligibility

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

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during business hours for a period from Thursday, 26 April 2012 to Monday, 4 June 2012 (both dates inclusive) submit their existing share certificates for the Shares (in purple colour) held by them to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26 Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in exchange for new share certificates for the New Shares (in green colour) at the expense of the Company. Thereafter, existing share 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 new share certificate issued for the New Shares or each existing share certificate for the Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, existing share certificates for the Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the New Shares at any time but are not acceptable for trading, settlement and registration purpose upon completion of the Capital Reorganisation. The new share certificates for the New Shares will be made available for the Shareholders' collection on or before the first day of parallel trading assuming the Shareholders submit their existing share certificates for the Shares for free exchange of the new share certificates for the New Shares on Thursday, 26 April 2012. It is expected that the new share certificates for the New Shares will be available for collection within 10 business days after the date of submission of the existing share certificates for the Shares to Tricor Secretaries Limited for exchange.

Board lot size

Upon the Capital Reorganisation becoming effective, the board lot size of the New Shares for trading on the Stock Exchange will remain unchanged at 4,000 New Shares per board lot, which is the same board lot size for trading of the Shares on the Stock Exchange.

LETTER FROM THE BOARD

Arrangement for matching service for odd lots

In order to alleviate the difficulties arising from the existence of odd lots of the New Shares as a result of the Capital Reorganisation, the Company has appointed Radland International Limited as an agent to provide matching service to Shareholders on a best effort basis. Holders of odd lots of the New Shares who wish to take advantage of this trading facility either to dispose of their odd lots or to top up their odd lots to a full board lot of New Shares should contact Mr. Au-Yeung Kam Kay of Radland International Limited located at 26/F., China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number 3198-0338 or fax number 2529-6800 during the period from Friday, 11 May 2012 to Thursday, 31 May 2012, both dates inclusive.

Holders of the New Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the New Shares will not be guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above facility.

ADJUSTMENTS IN RELATION TO THE EXERCISE PRICE OF THE OPTION DEEDS, THE SHARE OPTIONS AND THE CONVERTIBLE BONDS

As at the Latest Practicable Date, there are (i) outstanding share options granted pursuant to the Option Deeds entitling the grantees thereof to subscribe for 730,000,000 Shares at the exercise price of HK\$0.40 per Share; (ii) outstanding Share Options entitling the holders thereof to subscribe for 625,000 Shares at the exercise price of HK\$0.396 per Share; and (iii) outstanding Convertible Bonds in the aggregate principal amount of HK\$1,419,000,000 entitling the holders thereof to subscribe for Shares at the conversion price of HK\$0.50 per Share (subject to further adjustment).

Save as disclosed above, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares as at the Latest Practicable Date.

The Capital Reorganisation will cause adjustments to the exercise prices, conversion prices and/or the number of Shares exercisable or convertible under the relevant share options granted pursuant to the Option Deeds, Share Options and the Convertible Bonds. Where appropriate, the Company will instruct its auditors or an approved financial adviser to review and certify the basis of such adjustments to the Share Options in compliance with Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and in accordance with the rules of the Share Option Scheme, the Option Deeds and the Convertible Bonds in accordance with the terms and conditions thereof respectively. The Company will inform the holders of the Share Options and the Convertible Bonds and the grantees of the Option Deeds of the adjustments accordingly.

LETTER FROM THE BOARD

GENERAL

The Group is principally engaged in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment and manufacture and sale of accessories for photographic and multimedia products.

UPDATE ON THE STATUS OF THE POLYCRYSTALLINE SILICON BUSINESS

As explained in the circular of the Company dated 19 December 2011 (the “**VSA Circular**”) regarding the very substantial acquisition and connected transaction, Sun Materials Technology Co. Ltd (“**Sun Materials**”) was undergoing enhancement work in the run up to commencement of production to introduce further improvements in efficiency in the production process. It was envisaged that such enhancement would bring about significantly improved yield of silicon tetrafluoride from a key piece of intermediate production equipment with the ultimate benefit of further decreasing overall production costs of polycrystalline silicon. The Company acknowledged that, due to the complexities, sophistication and the highly technical nature of the equipment concerned, the enhancement work would require time to accomplish and would inevitably have a knock on effect on the timing of production commencement. Nevertheless, the Company believed that the potential benefits to be derived from the enhancement work vastly outweigh the disadvantages associated with the additional time required. At the time of the VSA Circular, it was expected that production would commence with the enhanced process before the end of the year 2011.

The Company wishes to provide an update to the Shareholders on the status of the aforesaid enhancement work in the first quarter of the current year. After installation of the enhanced production equipment has been completed, the research and development and operation teams of Sun Materials have been debugging and tuning various delicate components of the new equipment installed. This process has taken a longer period of time than originally anticipated and is currently ongoing and production has therefore not yet commenced at this moment in time. Despite this, positive progress on silicon tetrafluoride yield enhancement has been achieved. The Company estimates, based on the progress that has been made in the current quarter, that a yet more favorable yield is achievable through the continuous development work which is currently being carried out. The resultant improvement in silicon tetrafluoride yield will drive down overall production cost particularly through savings in the usage of feedstock, while the capacity is considered to be the same as originally planned. A milestone level of yield, which translates into a desired level of overall competitiveness of the entire production process, has been set internally. Upon reaching this milestone yield in due course, which is currently expected to be within the second quarter of 2012, Sun Materials will proceed with revenue production for its existing customers.

The Company believes that at the present moment it would be premature to assess whether there is any expected impairment loss relating to the technology deployed by Sun Materials in relation to its polycrystalline silicon production, as a fair and reasonable assessment can only be performed by taking into account crucial business and operating factors

LETTER FROM THE BOARD

including the outcome of the currently ongoing enhancement work and the revised production timeline as referred to above. Nevertheless, the Company considers that at present there is no indication that an impairment loss has already occurred.

The Company has been constantly monitoring the progress of the enhancement and up to the Latest Practicable Date is not aware of any events which may have a material adverse impact on the business of the Company.

WARNING

Shareholders and potential investors should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Capital Reorganisation” in this section above, and therefore may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

SGM

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of special resolution(s) on a vote taken by way of poll at the SGM. The notice of the SGM is set out on page 14 to page 16 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed. None of the Shareholders or their associates (as defined in the Listing Rules) would have any interest in the Capital Reorganisation which is different from that of other Shareholders. Accordingly, no Shareholder is required to abstain from voting at the SGM.

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 share registrar and transfer office 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.

LETTER FROM THE BOARD

RECOMMENDATION

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

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.

By order of the Board
Mascotte Holdings Limited
Lo Yuen Wa Peter
Managing Director

NOTICE OF SGM



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Mascotte Holdings Limited (the “**Company**”) will be held at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Wednesday, 25 April 2012 for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting or agreeing to grant the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below); and (ii) the compliance by the Company with the relevant legal procedures and requirements under the Companies Act 1981 of Bermuda (as amended) and the bye-laws of the Company (“**Bye-Laws**”) to effect the Capital Reorganisation (as defined below), with effect from the business day (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) immediately after the passing of this resolution by the shareholders of the Company (“**Shareholders**”):

- (a) every sixteen (16) issued and unissued shares of HK\$0.10 each in the share capital of the Company (“**Shares**”) be consolidated (“**Share Consolidation**”) into one (1) share of HK\$1.60 each (“**Consolidated Share**”);
- (b) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by canceling any fraction in the issued share capital of the Company arising from the Share Consolidation;
- (c) the par value of each of the then Consolidated Shares be reduced (together with sub-paragraph (b) above are hereinafter referred to as “**Capital Reduction**”) from HK\$1.60 each to HK\$0.01 each (the “**New Shares**”) by canceling the capital paid-up thereon to the extent of HK\$1.59 on each of the then Consolidated Shares;
- (d) each of the then authorised but unissued Consolidated Shares of HK\$1.60 each be subdivided into 160 New Shares of HK\$0.01 each (“**Share Subdivision**”, together with the Share Consolidation and the Capital Reduction, the “**Capital Reorganisation**”);

NOTICE OF SGM

- (e) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company (“**Contributed Surplus Account**”);
- (f) the directors of the Company (“**Directors**”) be and are hereby authorised to use the amount then standing to the credit of the Contributed Surplus Account in any manner as may be permitted by all applicable laws and the Bye-Laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time without further authorisation from the Shareholders; and
- (g) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Capital Reorganisation and to aggregate all fractional Consolidated Shares and/or New Shares and sell them for the benefits of the Company.”

By Order of the Board
Mascotte Holdings Limited
Lo Yuen Wa Peter
Managing Director

Hong Kong, 2 April 2012

Notes:

1. Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the 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 Shareholder.
2. 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 of members of the Company in respect of the joint holding.
3. 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 office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26/F., 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.
4. Shareholders are advised to read the Circular, which contains information concerning the resolution to be proposed in this notice.
5. The special resolution to be proposed at the meeting shall be decided by way of poll.

NOTICE OF SGM

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 (*Managing Director*)
Mr. Eddie Woo
Mr. Suen Yick Lun Philip
Mr. Lau King Hang
Dr. Wu Yi-Shuen

Non-executive Director

Dr. Chuang, Henry Yueheng (*Deputy-Chairman*)

Independent Non-executive Directors

Mr. Frank H. Miu
Dr. Agustin V. Que
Mr. Robert James Iaia II
Dr. Chien, Yung Nelly