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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% INTEREST IN A COMPANY HOLDING PROPERTIES

On 30 May 2007, the Vendor (a wholly owned subsidiary of the Company) entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to dispose of, among other things, the entire issued share capital of Hop Shing to the Purchaser at a consideration of HK\$30,000,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among others, further details of the Disposal and information required under the Listing Rules will be despatched to the Shareholders in accordance with the relevant requirements of the Listing Rules.

THE DISPOSAL

THE AGREEMENT

Date: 30 May 2007

Parties: (1) Mascotte Group Limited as the Vendor, a wholly-owned subsidiary of the Company; and
(2) Great Asia Properties Limited as the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser is an investment holding company and the Purchaser (and its ultimate beneficial owner(s)) are Independent Third Parties.

Interests to be disposed:

- (1) Sale Share: 1 share of US\$1.00 each in the capital of Hop Shing, representing 100% of the issued share capital of Hop Shing
- (2) Shareholder's Loan: All amounts of loans due from Hop Shing to the Vendor as at Completion (estimated to be approximately HK\$12.7 million as at Completion)

As at Completion, the Properties will be the only material assets held by the Hop Shing Group. Upon Completion, Hop Shing will cease to be a subsidiary of the Company.

Consideration:

HK\$30,000,000. The Consideration shall be satisfied by the Purchaser in the following manner:

- (a) upon signing of the Agreement, a sum of HK\$10,000,000, (being part payment of the Consideration) has been paid by the Purchaser to the Vendor; and
- (b) the balance of HK\$20,000,000 shall be payable in cash on Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account a valuation of an independent valuer in respect of the market value of the Properties at HK\$30,400,000 as at 31 March 2007.

Conditions:

Completion is conditional upon, among other things:

- (a) completion of the transfer of the Property B to the Hop Shing Group from another member of the Group; and
- (b) all necessary waivers, consents, permits and approval (whether governmental, regulatory or otherwise, including those of the Stock Exchange) as may be required in respect of the Agreement and the transactions contemplated thereunder with respect to the Company having been obtained by the Vendor.

The Purchaser shall be entitled to waive any of the conditions set out above (other than condition (b)) in whole or in part. If any of the conditions shall not have been satisfied (or as the case may be, waived by the Purchaser) on or before 30 June 2007 (or such other date as may be agreed by the Vendor and the Purchaser), the Agreement shall automatically terminate and none of the parties to the Agreement shall have any claim whatsoever against the other party (save for any antecedent breaches of the terms thereof) provided that the Vendor shall return to the Purchaser the amount paid by it under the Agreement forthwith.

In addition, Completion is also subject to the Group having proved a good and marketable title to the Properties in accordance with the terms of the Agreement.

Completion:

Subject to fulfilment or waiver of the conditions set out above, Completion shall take place on or before 30 June 2007 (or such other date as may be agreed by the Vendor and the Purchaser).

INFORMATION ON HOP SHING

Hop Shing is a limited liability company incorporated under the laws of the British Virgin Islands on 8 August 2005. The Hop Shing Group is principally engaged in holding of investment property and as at the date of this announcement, the principal asset of the Hop Shing Group comprises the Property A, which was acquired by the Hop Shing Group in December 2005. The Property A is situated at No. 4 Hau Wo Street, Kennedy Town, Hong Kong and comprises a 3-storey tenement building adjoining the Property B which is also a 3-storey tenement building. The area of the lot which is occupied by the Property A is approximately 77.67 square metres. The Property A is currently vacant. The unaudited carrying amount of the Property A as at 31 March 2007 was HK\$6,340,000.

Based on the audited accounts of the Hop Shing Group, the audited consolidated net assets of the Hop Shing Group as at 31 March 2006 (“Accounts Date”) amounted to approximately HK\$1,353,460 and the audited consolidated net profit before and after tax of the Hop Shing Group for the period from 8 August 2005 (being the incorporation date of Hop Shing) and ended on the Accounts Date amounted to HK\$1,353,452 and HK\$1,353,452 respectively. For the period between 8 August 2005 (being the incorporation date of Hop Shing) and the Accounts Date, the revenue of the Hop Shing Group was approximately HK\$5,000, which was derived from rental income on the Property A. The said profit of HK\$1,353,452 referred to above mainly resulted from revaluation of the Property A. The Hop Shing Group did not have any revenue for the financial year ended 31 March 2007.

As a condition precedent to Completion as set out in the section headed “Conditions” above, the Property B will be transferred from another wholly owned subsidiary of the Company to the Hop Shing Group prior to Completion. The Property B is situated at No. 2 Hau Wo Street, Kennedy Town, Hong Kong and comprises a 3-storey tenement building adjoining the Property A. The area of the lot which is occupied by the Property B is approximately 86.02 square metres. The Property B is currently subject to various tenancies. The unaudited carrying amount of the Property B as at 31 March 2007 was HK\$7,700,000. For each of the 2 years ended 31 March 2006 and 31 March 2007, the revenues derived from rental income on the Property B amounted to HK\$488,335 (audited) and HK\$554,864 (unaudited) respectively.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the (i) manufacture and sale of accessories for photographic, electrical and multimedia products and (ii) property investment and development.

Having regard to the recent property market in Hong Kong, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE DISPOSAL

The estimated net proceeds from the Disposal of approximately HK\$29.5 million are intended for working capital purposes.

FINANCIAL EFFECTS OF THE DISPOSAL

Hop Shing was acquired by the Group at a cost of approximately HK\$20.3 million (including the expenses of approximately HK\$0.3 million incurred for the acquisition) and the Property B will be transferred to the Hop Shing Group at a cost of approximately HK\$8 million (including the expenses of approximately HK\$0.3 million incurred for the transfer). Thus, the Disposal is expected to realize a total net gain approximately HK\$1.5 million for the Group. Upon completion of the Disposal, the Group’s assets are expected to increase by approximately HK\$1.5 million and based on the existing tenancies in respect of the Properties, the revenue of the Group are expected to decrease by approximately HK\$182,600 for the financial year ending 31 March 2008.

GENERAL

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among others, further details of the Disposal and information required under the Listing Rules will be despatched to the Shareholders in accordance with the relevant requirements of the Listing Rules.

DEFINITIONS

“Agreement”	the agreement dated 30 May 2007 entered into between the Vendor and the Purchaser relating to the Disposal;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Company”	Mascotte Holdings Limited, a company incorporated under the laws of Bermuda, the issued shares of which are listed on the Stock Exchange and the holding company of the Vendor;
“Completion”	the completion of the Disposal;
“connected person”	has the meaning attributed to it in the Listing Rules;
“Consideration”	the total amount of HK\$30,000,000, being the consideration for the Disposal;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Sale Share and the Shareholder’s Loan by the Vendor to the Purchaser;
“Group”	the Company and its subsidiaries;
“Hop Shing”	Hop Shing Trading Limited, a company incorporated under the laws of the British Virgin Islands;
“Hop Shing Group”	Hop Shing and its subsidiary;
“Independent Third Party (Parties)”	third parties independent of the Company and connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Properties”	Property A and Property B;
“Property A”	means the property known as The Remaining Portion of Section B of Subsection 1 of Section G of Inland Lot No. 1297 together with the messuages erections and buildings thereon now known as No. 4 Hau Wo Street, Hong Kong, adjoining the Property B;
“Property B”	means the property known as The Remaining Portion of Section A of Subsection 1 of Section G of Inland Lot No. 1297 together with the messuages erections and buildings thereon now known as No. 2 Hau Wo Street, Hong Kong, adjoining the Property A;
“PRC”	People’s Republic of China;
“Purchaser”	Great Asia Properties Limited, a company incorporated under the laws of British Virgin Islands, an Independent Third Party;
“Sale Share”	1 share of US\$1.00 each in the capital of Hop Shing, representing the entire issued share capital of Hop Shing;
“Shareholders”	shareholders of the Company;
“Shareholder’s Loan”	all amounts of loans due from Hop Shing to the Vendor as at Completion (estimated to be approximately HK\$12.7 million as at Completion);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Mascotte Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly owned subsidiary of the Company;

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong; and

“US\$”

United States dollars, the lawful currency of the United States of America

By order of the Board
Mr. Lam Yu Ho, Daniel
Executive Director

Hong Kong, 4 June 2007

As at the date of this announcement, the Board comprises Ms. Chan Oi Ling, Maria Olimpia (Chairperson) and Mr. Lam Yu Ho, Daniel (Managing Director) as executive Directors, Mr. Wong Yui Leung, Larry, Mr. Lui Wai Shan, Wilson and Mr. Cheung Ngai Lam as independent non-executive Directors.