



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 136)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 22 November 2007 (the “2007 Announcement”) and the circular of the Company dated 3 December 2007 (the “Circular”) in relation to the provision of the Loan in the principal amount of HK\$200,000,000 to the Borrower by the Company. Reference is also made to the announcement of the Company dated 15 May 2008 (the “2008 Announcement”) in relation to the possible acquisition of a coal mine by the Company in the PRC. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as defined in the 2007 Announcement, the Circular and the 2008 Announcement.

As refer to the 2007 Announcement and the Circular in relation to the provision of Loan in the principal amount of HK\$200,000,000 to the Borrower by the Company, the repayment of the Loan is due on 19 May 2008. As at the date of this announcement, the Company and the Borrower agreed to extend the repayment date of the Loan to on or before 28 May 2008 (the “Extended Loan”) pursuant to the supplemental facility letter agreed at the date of this announcement.

As refer to the 2008 Announcement, the Company undergoes negotiation with the Borrower and Mr. Zeng Jian (collectively the “Vendor”) to acquire a thermal coal mine in PRC (the “Proposed Acquisition”). Such thermal coal mine has annual production of not less than 300,000 tons per annum with indicative monetary value of mining reserve of US\$110,000,000 to US\$173,000,000. Besides, the Company is negotiating with the Vendor in relation to a memorandum of understanding (the “MOU”) pursuant to which the Vendor agrees to procure the acquisition of additional thermal coal mines in the PRC by the Company. The negotiation of the Proposed Acquisition and the MOU is at the final stage, hence, the Company intends to apply part of the Extended Loan as a refundable deposit for the Proposed Acquisition if the Proposed Acquisition materialises. The residual amount of the Extended Loan may be further extended subject to such terms and conditions to be agreed between the Company and the Borrower. The extension of Loan is to provide more time for the Company and the Borrower to further proceed the negotiation of the terms and conditions of the Proposed Acquisition and the MOU.

As advised by the Vendor, the Vendor is investing in several coking coal mines and thermal coal mines in the PRC and has retained a leading German investment bank in considering the possible initial public offering and fund raising exercise. The Vendor is in the advance stage of negotiation with such leading German investment bank and a private equity fund in relation to their acquisition of a minority stake in such coking coal mines in the PRC at the consideration of approximately US\$90,000,000 and US\$100,000,000, respectively.

The Company is in a final stage of negotiation with the Vendor in relation to the Proposed Acquisition and the MOU. Terms and conditions of the Proposed Acquisition and the MOU have not been finalized and no agreement or contract has been signed by the Company in relation to the Proposed Acquisition and the MOU. The Company will issue an announcement if and when such acquisition materializes, to the extent required under the Listing Rules.

The Proposed Acquisition and the MOU may or may not proceed, shareholders of the Company and the potential investors should exercise caution in dealing in the shares of the Company.

By order of the Board of
Mascotte Holdings Limited
Chung, Wilson
Deputy Chairman and Managing Director

Hong Kong, 19 May 2008

As at the date of this announcement, the Board comprises Mr. Peter Temple Whitelam (Chairman), Mr. Chung, Wilson (Deputy Chairman and Managing Director), Mr. Au Yeung Kai Chor and Mr. Lam Suk Ping as executive Directors, Mr. Chan Sze Hung, Ms. Kristi L Swartz and Ms. Hui Wai Man, Shirley as independent non-executive Directors.