



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 136)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the annual results of the Group for the year ended 31 March 2008 may experience a significant decline as compared with that for the previous year, or may even be a loss.

This announcement is made by Mascotte Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the interim report of the Company dated 28 December 2007 which reported a loss attributable to equity holders of the Company of approximately HK\$32.4 million for the six months period ended 30 September 2007, as compared to a profit of approximately HK\$9.9 million for the corresponding period in 2006. One of the main contributing factors for the loss was the realized and unrealized losses of financial assets at fair value through profit or loss (the “Losses of Financial Assets”), investment in which were undertaken for the purpose of the Company’s treasury operations, amounting to approximately HK\$47.0 million for the period concerned (comprising realized loss and unrealized loss of approximately HK\$27.0 million and HK\$20.0 million respectively).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the annual results of the Group for the year ended 31 March 2008 may experience a significant decline as compared with the previous year, or may even be a loss. Such decline is primarily due to the Losses of Financial Assets arising from the aforementioned treasury activities and as a result of the adverse changes in the global financial and economic environment as well as the steep decline in the local equity market, particularly in the first quarter of 2008. Based on information currently available, the Losses of Financial Assets for the year ended 31 March 2008 is estimated to be around HK\$221.0 million (comprising realized loss and unrealized loss of approximately HK\$59.7 million and HK\$161.3 million respectively and may be subject to changes upon completion of the financial closing process and annual audit of the Company).

As the Company is still in the process of finalizing the Group’s annual results for the year ended 31 March 2008, the information contained in this announcement is only a preliminary estimate by management of the Company and is not based on any figures or information audited or reviewed by the Company’s auditors. The audited annual results will be published in due course.

In view of the above, the Company is currently conducting an in depth review of its treasury operations and policies including but not limited to: (i) defining investment objectives and setting limits to the total exposure; (ii) retaining in-house and outside investment professionals to manage the investment portfolio in accordance with the objectives and limits set by the Company; (iii) enhancing monitoring procedures as well as (iv) investing through sanctioned funds and/or through accredited fund managers.

Shareholders of the Company and potential investors should exercise caution when dealing with the shares of the Company.

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

Hong Kong, 19 June 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.