



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 136)

**RIGHTS ISSUE OF
953,080,050 RIGHTS SHARES
OF HK\$0.1 EACH
AT HK\$0.15 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO EXISTING SHARES
HELD BY QUALIFYING SHAREHOLDERS**

Reference is made to the announcement of the Company dated 13 June 2008 (the “Announcement”). Based on the register of members as at the date of this announcement, there are 13 Overseas Shareholders holding a total of 824,000 Shares which have registered addresses located in Norway, PRC, Germany, Macau, Canada and the states of Illinois, New Jersey and California of the US. The Directors have made enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges relevant to such Overseas Shareholders.

Reference is made to the Announcement. Capitalised terms used herein have the same meanings as ascribed to them in the Announcement.

As stated in the Announcement, the Director would base on advice provided by the relevant legal advisers consider whether exclusion of the Non-Qualifying Shareholders from the Rights Issue is necessary or expedient on account either of the legal restrictions under the laws of the place or the requirements of the relevant regulatory body or stock exchange in that place pursuant to Rule 13.36(2) of the Listing Rules.

Based on the register of members as at the date of this announcement, there are 13 Overseas Shareholders holding a total of 824,000 Shares which have registered addresses located in Norway, PRC, Germany, Macau, Canada and the states of Illinois, New Jersey and California of the US. The Directors have made enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges relevant to such Overseas Shareholders.

The Company has been advised by its legal advisers on the laws of Canada and US that either (as the case maybe) (i) the Prospectus had to be registered or filed with the relevant authorities in the relevant jurisdictions; or (ii) the Company would need to take additional steps to comply with the regulatory requirements. Having considered the circumstances, the Directors are of the view that it is inexpedient for the Rights Issue to be offered to such Overseas Shareholders whose addresses are located in Canada, and the states of Illinois, New Jersey and California in the US taking into consideration that the time and costs involved in complying with the legal requirements will outweigh the possible benefits to the relevant Overseas Shareholders and the Company. The Directors have decided not to extend the Rights Issue to the Overseas Shareholders with registered addresses in Canada and the

states of Illinois, New Jersey and California of the US, and such Overseas Shareholders are Non-Qualifying Shareholders. The Company will send the Prospectus (but not the provisional allotment letter and the form of application for excess Rights Shares), for information only, to such Non-Qualifying Shareholders.

The Company has also been advised by its legal advisers on the laws of Norway, Germany, Macau and PRC that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Prospectus Documents with, the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions since the Company would meet the relevant requirements for exemption under the relevant jurisdictions. Based on the advice of the Company's legal advisers on the laws of Norway, Germany, Macau and PRC, the Directors believe that the Prospectus Documents would not be required to be registered under the relevant laws and regulations of these four jurisdictions and may be despatched to the Overseas Shareholders with registered addresses in these four jurisdictions without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Norway, Germany, Macau and PRC and such Overseas Shareholders, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders. The Company will send the Prospectus Documents to such Qualifying Shareholders.

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to any Non-Qualifying Shareholders there may be, to be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commences, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, of more than HK\$100 will be paid to the Non-Qualifying Shareholders in Hong Kong dollars pro rata to their respective shareholding as soon as possible. The Company will retain individual amounts HK\$100 or less. Any unsold entitlement of Non-Qualifying Shareholders will be made available for excess application on forms of application for excess Rights Shares by Qualifying Shareholders.

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

Hong Kong, 2 July 2008

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