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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

ANNOUNCEMENT EXTENSION OF THE EXERCISE DATE OF THE OPTION

As disclosed in the announcement of the Company dated 7 August 2008, the Borrower, the Company and the Guarantor conditionally agreed, subject to the Conditions, to amend and supplement the Amended Facility Letter to further extend the repayment date of the Total Outstanding Loan from 1 August 2008 to 4 December 2008, subject to early repayment. As disclosed in the 2nd Announcement, the Borrower shall pay to the Company a total amount of HK\$192,000,000 on or before 4 December 2008 comprising: (i) HK\$160,000,000, being the Total Outstanding Loan; (ii) HK\$30,000,000, being the interest accrued or to be accrued on the Total Outstanding Loan during the period from 2 August 2008 to 4 December 2008 (both days inclusive) at a monthly interest rate of approximately 4.5%, subject to early repayment; and (iii) HK\$2,000,000, being an extension fee.

In light of the further extension of the repayment date of the Total Outstanding Loan, on 14 August 2008, the Company and Hennabun PT agreed to amend and supplement the Option Agreement by entering into a Supplemental Agreement to, among others, extend the Exercise Date from 11 August 2008 to 10 October 2008 (or such other date to be agreed between the Company and Hennabun PT) pursuant to the terms and conditions of the Supplemental Agreement.

Reference is made to the announcements of the Company dated 17 July 2008 (the “**1st Announcement**”) and 7 August 2008 (the “**2nd Announcement**”) respectively. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 1st Announcement and the 2nd Announcement.

FURTHER EXTENSION OF THE LOAN

As disclosed in the 2nd Announcement, on 1 August 2008, the Borrower paid the sum of HK\$7,266,666.67 to the Company comprising: (i) HK\$3,600,000, being the interest accrued on the Remaining First Repayment Loan during the period from 27 June 2008 to 1 August 2008 (both days inclusive); and (ii) HK\$3,666,666.67, being the interest accrued on the Second Repayment Loan during the period from 11 July 2008 to 1 August 2008 (both days inclusive) (collectively, the “**Interests**”). Accordingly, a total amount of HK\$160,000,000 representing the Total Outstanding Loan remains outstanding as of the date of the 2nd Announcement.

On 7 August 2008, the Borrower, the Company and the Guarantor conditionally agreed, subject to the conditions described below (the “**Conditions**”), to amend and supplement the Amended Facility Letter to further extend the repayment date of the Total Outstanding Loan from 1 August 2008 to 4 December 2008, subject to early repayment (the “**New Amended Facility Letter**”). As disclosed in the 2nd Announcement, the Borrower shall pay to the Company a total amount of HK\$192,000,000 on or before 4 December 2008 comprising: (i) HK\$160,000,000, being the Total Outstanding Loan; (ii) HK\$30,000,000, being the interest accrued or to be accrued on the Total Outstanding Loan during the period from 2 August 2008 to 4 December 2008 (both days inclusive) at a monthly interest rate of approximately 4.5%, subject to early repayment; and (iii) HK\$2,000,000, being an extension fee (collectively, the “**New Debt**”).

CONDITIONS FOR FURTHER EXTENSION OF THE LOAN

As disclosed in the 2nd Announcement, the Guarantor has undertaken to the Company that he will procure a third party (the “**3rd Party**”) who is in the process of negotiation with a company listed in Hong Kong (the “**Listco 1**”) for the sale of his interest which represents 60% interest in a coal mine in the PRC (the “**Coal Mine**”) with a value of approximately US\$500 million to the Listco 1 (the “**3rd Party Acquisition**”) to use the sale proceeds of the 3rd Party Acquisition to repay the Total Outstanding Loan on behalf of the Guarantor and if the 3rd Party Acquisition fails to proceed, the Guarantor will procure the 3rd Party to sell his entire interest in the Coal Mine to the Company at a consideration equivalent to the New Debt on the assumption that the valuation amount of the Coal Mine is equal to or greater than the New Debt.

The further extension of the repayment of the Total Outstanding Loan as described hereto are subject to the due diligence review of the following items to the satisfaction of the Company:

- i. interviews with the representatives of the 3rd Party and the relevant professional advisors involved in the 3rd Party Acquisition;
- ii. the existence and the conditions of the Coal Mine; and
- iii. the valuation report of the Coal Mine prepared by an independent valuer in such form and substance to the satisfaction of the Company.

EXTENSION OF THE EXERCISE DATE OF THE OPTION

In light of the further extension of the repayment date of the Total Outstanding Loan, on 14 August 2008, Hennabun PT and the Company agreed to amend and supplement the Option Agreement by entering into a supplemental agreement (the “**Supplemental Agreement**”) to, among others, extend the Exercise Date from 11 August 2008 to 10 October 2008 (or such other date to be agreed between the Company and Hennabun PT) and amend the scope of the Option in order to reflect that the Amended Facility Letter has been amended by the New Amended Facility Letter as disclosed in the 2nd Announcement, the payment of the Option Fee and the total outstanding amount under the Amended Facility Letter has been adjusted as a result of the repayment of the Interests, and the payment of the extension fee and additional interests in connection with the conditional extension of the repayment date. Details of the amendments are as follows:

- i. the definition of “Option” in the Option Agreement, i.e. “an irrevocable option to the Company requiring Hennabun PT to acquire all or part of the Debt at its face value together with all other rights of the Company under the Amended Facility letter and the Guarantee” is amended and replaced with “an irrevocable option to the Company requiring Hennabun PT to acquire all of the New Debt which remains outstanding at its face value together with all other rights of the Company under the New Amended Facility Letter and the Guarantee” in the Supplemental Agreement so that if the Borrower repays part of the New Debt before the extended repayment date, Hennabun PT will be required to acquire the entire New Debt which remains outstanding if the Option is exercised by the Company (subject to Consent);
- ii. the definition of “Relevant Sum” in the Option Agreement, i.e. “the Debt which remains outstanding as at the Exercise Date” is amended and replaced with “the New Debt which remains outstanding as at the Exercise Date and (if any) other amount which remains outstanding under the New Amended Facility Letter (as supplemented and amended from time to time) as at the Exercise Date” in the Supplemental Agreement; and

- iii. in the event that the Company being unable to conclude that the Conditions have been or can reasonably be expected to be fulfilled in due course before the extended Exercise Date and the Borrower fails to repay all or part of the Relevant Sum on the extended Exercise Date, the Company shall have the right but is not obliged to exercise the Option, subject to Consent.

Save as disclosed above, terms of the Option Agreement remain substantially unchanged.

Pursuant to the Option Agreement, the Company paid the Option Fee to Hennabun PT on 11 August 2008. The Company is not liable to pay Hennabun PT any additional fees, costs or charges of whatever nature for entering into the Supplemental Agreement.

REASONS FOR THE EXTENSION OF THE EXERCISE DATE

The Board considered that by entering into the Supplemental Agreement, the Company will have additional time to conduct due diligence review in order to satisfy itself as to whether the Conditions can be fulfilled and the Company expects that it will be in a position to conclude whether the Conditions have been or can reasonably be expected to be fulfilled in due course before the extended Exercise Date.

In addition, the Company is desirous to continue the exploration of any possible cooperation opportunities with the Borrower and/or the Guarantor in connection with their investments in the PRC. In light of the above, the Directors are of the view that it is in the interest of the Company to enter into the Supplemental Agreement which enables the Company to continue the aforesaid exploration while retaining the protection of the Option at the same time.

The Company will make further announcement regarding the above matter as and when required under the Listing Rules.

By order of the Board of
Mascotte Holdings Limited
Lo Yuen Wa Peter
Acting Chief Executive Officer

Hong Kong, 14 August 2008

As at the date of this announcement, the Board comprises Mr. Peter Temple Whitelam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), 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.