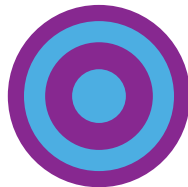


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MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

ANNOUNCEMENT FURTHER EXTENSION OF THE LOAN

As at the date of this announcement, the Extended Total Outstanding Loan is HK\$204,864,000.

The Total Outstanding Loan was originally due on 4 February 2009. The Company has undertaken certain negotiations with the Guarantor on the Acquisition and Fund Raising since December 2008. However, the Company and the New Borrower failed to reach an agreement on certain commercial terms of the Acquisition and the Fund Raising until in or around end of May 2009 when the Company was informed that part of the Shanxi Coal Mines was disposed of to a listed company in Hong Kong. The Guarantor undertook with the Company that he would procure partial repayment of the Extended Total Outstanding Loan on or about 30 June 2009 and introduce the Co-investment Arrangement to the Company. In view of the anticipated partial repayment of the Extended Total Outstanding Loan and the opportunity of the Co-investment Arrangement, the Company has agreed to standstill and further extend the repayment date of the Total Outstanding Loan to on or about 30 June 2009, subject to early repayment.

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

Reference is made to the Company's announcement dated 12 December 2008 (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

BACKGROUND AND STATUS OF THE LOAN

As disclosed in the Announcement, the Company entered into the Amendment Agreement with the New Borrower and pursuant to which the Company agreed to further extend the repayment date of the outstanding principal sum of the Loan, all interests accrued thereon and extension fee from 4 December 2008 to 4 February 2009, subject to early repayment. As at 4 February 2009, a total amount of HK\$195,840,000 remained outstanding, comprising (i) HK\$160,000,000, being the principal sum of the Loan; (ii) HK\$30,000,000, being the interest accrued on the principal sum of the Loan of HK\$160,000,000 during the period from 2 August 2008 to 4 December 2008 (both days inclusive) at a monthly interest rate of approximately 4.5%; (iii) HK\$2,000,000, being an extension fee; and (iv) HK\$3,840,000, being the interest accrued on the principal sum of the Loan of HK\$160,000,000

during the period from 5 December 2008 to 4 February 2009 (both days inclusive) at a monthly interest rate of 1% (collectively, the “**Total Outstanding Loan**”). The Total Outstanding Loan was originally due on 4 February 2009 and has been further extended to on or about 30 June 2009 due to the ongoing negotiations between the Company, New Borrower and the Guarantor regarding the Acquisition and the subsequent agreement on partial repayment on or about 30 June 2009. The total outstanding amount to be due on or about 30 June 2009 will be HK\$205,184,000 (the “**Extended Total Outstanding Loan**”), comprising: (i) the principal sum of the Loan of HK\$192,000,000; (ii) HK\$13,184,000, being the interest accrued or to be accrued on the principal sum of the Loan of HK\$192,000,000 during the period from 5 December 2009 to 30 June 2009 (both days inclusive) at a monthly interest rate of 1%, subject to early repayment.

REASONS FOR FURTHER EXTENSION OF LOAN TO 30 JUNE 2009

The Company has undertaken certain negotiations with the Guarantor on the Acquisition and Fund Raising since December 2008. However, the Company and the New Borrower failed to reach an agreement on certain commercial terms of the Acquisition and the Fund Raising, including without limitation, the proposed shareholding structures, consideration sum, and extent on equity share of the target assets. Although the Company has actively enterprising certain alternative investment proposals to the Guarantor and his potential investors, there was still little avail to make further progress during the first quarter of 2009. Being bound by the confidentiality agreement and the Guarantor promised on one hand to make a substantial repayment through the disposal of his mining assets to a PRC enterprise within a reasonable period of time and on the other hand to keep negotiating on the Acquisition, the Board then determined to abide by his repayment in due course and further negotiated with the Guarantor on the Acquisition. At the same time, the Company commenced seeking legal advice from its legal advisers to advise on the possible enforcement proceedings against the New Borrower and the Guarantor and the chance of success of recovering the Total Outstanding Loan from the New Borrower and the Guarantor at that stage. Given that both the New Borrower and the Guarantor may not have sufficient means to repay the Total Outstanding Loan at that time unless the parties are able to complete the Acquisition, the Board has decided to defer the enforcement actions against the New Borrower and the Guarantor and carry on the negotiations with the New Borrower.

In or around end of May 2009, the Company was informed by the Guarantor that he had already introduced part of the Shanxi Coal Mines to another listed company in Hong Kong, which has conditionally agreed to purchase part of the Shanxi Coal Mines at a consideration of approximately HK\$1.5 billion. The Guarantor undertook with the Company that he would procure partial repayment of the Extended Total Outstanding Loan on or around 30 June 2009 such that the Extended Total Outstanding Loan would be reduced to HK\$160 million and simultaneously introduce another natural resource project which comprises three to four gold mines in the PRC with a total reserve of approximately 47 tonnes (the “**Co-investment Arrangement**”) and are expected to have active physical and commodity trading market for its end products, to the Company. As at the date of this announcement, the Guarantor has provided certain preliminary due diligence materials in relation to the Co-investment Arrangement to the Company.

The Board is of the view that the Guarantor can still be treated as a trustworthy business counterparty on the ground that (i) the Shanxi Coal Mines that he has previously introduced to the Company has a substantial investment value although no agreement can eventually be reached between the Company and the New Borrower; (ii) his proven track record in procuring the disposal of part of the Shanxi Coal Mines to a listed company in Hong Kong; (iii) similar guarantee arrangement, where the Guarantor was required to guarantee the performance of the vendor of the transaction relating to the acquisition of part of the Shanxi Coal Mines by a listed company in Hong Kong, was also made; and (iv) having

reviewed the preliminary due diligence materials from the Guarantor, the Board believes that the Guarantor will be able to procure partial repayment such that the Extended Total Outstanding Loan be reduced to HK\$160 million and introduce the Co-investment Arrangement to the Company.

In view of the anticipated partial repayment of the Extended Total Outstanding Loan and the opportunity of the Co-investment Arrangement, the Company has agreed to standstill and not to take any legal proceedings against the New Borrower and the Guarantor so as to provide time for the parties to further explore and negotiate the terms of such Co-investment Arrangement. In the event that a co-investment agreement can be reached between the Company and the Guarantor, it is anticipated that the outstanding balance of the Extended Total Outstanding Loan of HK\$160 million will be applied to set off the consideration of the Co-investment Arrangement.

While maintaining an amicable relationship with the Guarantor with a view to continue exploring and negotiating the Co-investment Arrangement with the Guarantor, the Company will closely review the progress of the negotiation on the Co-investment Arrangement and the repayment of the Extended Total Outstanding Loan, and may consider seeking further legal advice and take appropriate action against the New Borrower and the Guarantor to avoid further delay in the repayment of the Extended Total Outstanding Loan.

Although the Loan has been granted for more than one and a half year, given that the Guarantor (i) has the ability to introduce valuable natural resources project to the Company; (ii) his proven track record in procuring the disposal of part of the Shanxi Coal Mines; (iii) his trustworthiness which has also been accepted by another listed company in Hong Kong; and (iv) the introduction of the Co-investment Arrangement to the Company for which the Company considers that as a good opportunity for the Company to further explore and if possible, to invest in, the Board considers that the continuous extension of the repayment of the Total Outstanding Loan is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

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, 25 June 2009

As at the date of this announcement, the executive directors of the Company are Mr. Peter Temple Whitelam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), Mr. Au Yeung Kai Chor, Mr. Lam Suk Ping and Ms. Song Jiajia; and the independent non-executive directors of the Company are Mr. Chan Sze Hung, Ms. Kristi L Swartz and Ms. Hui Wai Man, Shirley.