



MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

CONVERSION OF CONVERTIBLE NOTES DUE IN 2010

The Company made this announcement pursuant to paragraph (b) under the heading “Dilution effect on Shareholders” of the Announcement and the Circular.

Reference is made to the announcement of Mascotte Holdings Limited (the “Company”) dated 17 July 2007 (the “Announcement”) and the Company’s circular dated 31 July 2007 (the “Circular”). The Company makes this announcement pursuant to paragraph (b) under the heading “Dilution effect on Shareholders” of the Announcement and Circular. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Announcement and the Circular.

Placing of second tranche of the Convertible Notes of an aggregate principal amount of HK\$125,000,000 was completed and issued by the Company on 31 October 2007. The Company has received 7 conversion notices for the conversion of the Convertible Notes issued and as a result of which the Company has allotted and issued a total of 187,500,000 Shares to 7 independent places at the Conversion Price of HK\$0.40 per Conversion Share on 2 November 2007. Such Conversion Shares allotted and issued represent approximately 19.90% of the issued share capital of the Company immediately before the conversion and 16.60% of the issued share capital of the Company as enlarged by the newly issued Shares upon conversion.

Details of conversion of the Convertible Notes issued during the period from 1 November 2007 to the date hereof are as follows:

- (a) Conversion of the Convertible Notes issued :

Date of Conversion Notice	No. of Conversion Notice	No. of new Shares be issued	Principal amount of Convertible Notes HK\$' million	Conversion Price HK\$
2 November 2007	7	187,500,000	75.0	0.40

- (b) Redemption of the Convertible Notes : Nil
- (c) The outstanding principal amount of the Convertible Notes after conversion(s) and redemption(s) above : HK\$50,000,000
- (d) The total number of Shares issued during the month other than as a result of the conversion of the Convertible Notes : Nil

- (e) Change in the total issued share capital of the Company during the period from 1 November 2007 to the date hereof are as follows:

	Issued share capital HK\$	Number of issued Shares
As at 1 November 2007	94,226,010	942,260,100
Total number of new Shares issued pursuant to conversions of the Convertible Notes on 2 November 2007	<u>18,750,000</u>	<u>187,500,000</u>
As at 2 November 2007	<u><u>112,976,010</u></u>	<u><u>1,129,760,100</u></u>

Note: There are HK\$250,000,000 Convertible Notes at the Conversion Price of HK\$0.40 per Conversion Share still undergone the placing by the Placing Agent pursuant to the CN Placing Agreement.

By Order of the Board of
Mascotte Holdings Limited
Ms. Chan Oi Ling, Maria Olimpia
Chairperson

Hong Kong, 2 November 2007

As at the date of this announcement, the Board comprises Ms. Chan Oi Ling, Maria Olimpia (Chairperson), Mr. Lam Yu Ho, Daniel (Managing Director), Mr. Au Yeung Kai Chor, Ms. Wong Dickie and Mr. Peter Temple Whitelam as executive Directors, Mr. Wong Yui Leung, Larry, Mr. Lui Wai Shan, Wilson, Mr. Cheung Ngai Lam and Mr. Chan Sze Hung as independent non-executive Directors.