



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.

The Company is pleased to announce that the placing of first tranche of the Convertible Notes of in aggregate principal amount of HK\$125,000,000 was completed and issued by the Company on 27 August 2007. The Company has received 11 conversion notices for the conversion of the Convertible Notes issued and as a result of which the Company has issued a total of 312,500,000 Shares to 11 independence places at the Conversion Price of HK\$0.40 per Conversion Share on 27 August 2007. The Conversion Shares issued represent approximately 49.6% of the issued share capital of the Company immediately before the conversion and 33.2% of the issued share capital of the Company as enlarged by the newly issued Shares upon conversion, have been allotted and issued.

Details of conversion of the Convertible Notes issued during the period from 1 August 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\$
27 August 2007	11	312,500,000	125.0	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 : Nil

(d) The total number of Shares issued during the month other than as a result of the conversion of the Convertible Notes : Nil

(e) The total issued share capital of the Company as at 1 August 2007 629,760,100

(f) The total issued share capital of the Company as at 27 August 2007 and the date hereof 942,260,100

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

Hong Kong, 27 August 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.