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## 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 announcements of Mascotte Holdings Limited (the “Company”) dated 17 July 2007 and 2 November 2007 (the “Announcements”) 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 Announcements and Circular. Unless the context herein otherwise requires, terms used in this announcements shall have the same meanings as in the Announcements 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 in October 2007. The Company has received 5 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 125,000,000 Shares to 5 independent places at the Conversion Price of HK\$0.40 per Conversion Share on 5 November 2007. Such Conversion Shares allotted and issued represent approximately 11.06% of the issued share capital of the Company immediately before the conversion and 9.96% 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 2 November 2007 to the date hereof are as follows:

(a) Conversion of the Convertible Notes issued:

<b>Date of Conversion Notice</b>	<b>Number of Conversion Notice</b>	<b>Number of new Shares be issued</b>	<b>Principal amount of Convertible Notes HK\$' million</b>	<b>Conversion Price HK\$</b>
5 November 2007	5	125,000,000	50.0	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) Change in the total issued share capital of the Company during the period from 2 November 2007 to the date hereof are as follows:

	<b>Issued share capital HK\$</b>	<b>Number of issued Shares</b>
As at 2 November 2007	112,976,010	1,129,760,100
Total number of new Shares issued pursuant to conversions of the Convertible Notes on 5 November 2007	<u>12,500,000</u>	<u>125,000,000</u>
As at 5 November 2007	<u><u>125,476,010</u></u>	<u><u>1,254,760,100</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, 5 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.*