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**Willie International Holdings Limited**

**威利國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 273)**

**DISCLOSEABLE TRANSACTION -  
ACQUISITION OF THE NOTES INVOLVING ISSUE OF  
CONSIDERATION SHARES UNDER GENERAL MANDATE**

The Company announces that on 8 March 2012 (after trading hours), the Company entered into the Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Notes with an aggregate principal amount of HK\$30 million at a consideration of HK\$20,483,304.44 which will be satisfied by the Company by way of allotment and issue of 108,953,747 Consideration Shares to the Vendor (or its nominees) at the Issue Price of HK\$0.188 per Share upon Completion.

The Consideration Shares will be issued under the General Mandate and will rank pari passu with the existing Shares upon Completion. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is only subject to the reporting and announcement requirements under the Listing Rules. As the Acquisition involves the issue of Shares, the Acquisition also constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

## THE ACQUISITION

Willie International Holdings Limited (“the Company”) announces that on 8 March 2012 (after trading hours), the Company entered into the Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Notes with an aggregate principal amount of HK\$30 million at a Consideration of HK\$20,483,304.44 which will be satisfied by the Company by way of allotment and issue of 108,953,747 Consideration Shares to the Vendor (or its nominees) at the Issue Price of HK\$0.188 per Share upon Completion.

Set out below are major terms of the Agreement.

**Date:** 8 March 2012 (after trading hours)

**Parties:**

*Vendor:* Quinella International Incorporated, is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined in the Listing Rules.

*Purchaser:* the Company

**Asset to be acquired:**

**The Notes**

(1) *Issuer*

Mascotte

(2) *Issue Date*

4 January 2012

(3) *Aggregate principal amount*

HK\$30 million

(4) ***Maturity Date***

The second anniversary of the issue date of the Notes (the “Scheduled Maturity Date”) or, if Mascotte elects in its discretion to extend the term of the Notes, the seventh anniversary of the issue date of the Notes (the “Maturity Date”).

(5) ***Interest***

Interest shall accrue daily on the principal amount of the outstanding Notes at 2.5% per annum in respect of the period up to and including the Scheduled Maturity Date and thereafter interest shall accrue daily on the principal amount of the outstanding Notes at 12.5% per annum. Interest is payable quarterly in arrears.

(6) ***Transferability***

The Notes will be freely transferable (in integral multiple of HK\$1,000,000 or such lesser amount representing the entire outstanding principal amount of the Notes).

(7) ***Voting rights***

The holders of Notes are not entitled to attend or vote at any meetings of Mascotte.

(8) ***Final Redemption***

Unless previously redeemed or purchased and cancelled, Mascotte shall redeem the Notes at the Redemption Price (as mentioned below) on the Maturity Date.

(9) ***Early redemption at Mascotte’s option***

Mascotte may redeem the Notes in whole or in part, at the Redemption Price (as mentioned below) at any time before the Maturity Date by giving notice in writing to the holders of the Notes (“Early Redemption Notice”). Redemption shall take place on the first Business Day falling 30 days after the date of the Early Redemption Notice.

(10) ***Early redemption at option of the holders of the Notes***

Each holder of the Notes shall be entitled, upon giving written notice to Mascotte, to require Mascotte to redeem all (but not part only) of the Notes at the Redemption Price (as mentioned below) within 30 days following (i) a change of control of Mascotte or (ii) a delisting of the shares of Mascotte from the Stock Exchange. A “change of control of Mascotte” means an offer is made for all or substantially all of the shares of Mascotte under the Hong Kong Code on Takeovers and Mergers and such offer becomes or is declared unconditional in all respects. Redemption shall take place on the 10th Business Day after the notice of such holder of the Notes.

The holders of the Notes shall not be entitled to require the early redemption of the Notes under any other circumstances.

(11) ***Redemption price***

The redemption price (the “Redemption Price”) shall be an amount in Hong Kong dollars equal to:

- (a) 100% of the principal amount of the Notes; plus
- (b) all interest accrued up to the date of redemption.

(12) ***Event of default***

Customary events of default for a transaction of this type, including cross default.

(13) ***Status***

The Notes, when issued, will constitute general, unsecured and unsubordinated obligations of Mascotte and rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of Mascotte, except for obligations accorded preference by mandatory provisions of applicable law.

(14) ***Non-listed debt securities***

No application has been or will be made by Mascotte for the listing of, or permission to deal in, the Notes on the Stock Exchange, or any other stock exchange.

(15) *Negative pledge*

So long as any of the Notes remains outstanding, save for any security interests which have been created in favour of others and remain outstanding as at the date of issue of the Notes, Mascotte will not, and will procure that none of its subsidiaries will, create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future to secure any relevant indebtedness (any future indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement). For the avoidance of doubt, relevant indebtedness shall not include any present indebtedness of Mascotte or any of its subsidiaries, any future indebtedness of Mascotte or any of its subsidiaries in the form of bank borrowings, trade debts, or other types of indebtedness incurred in the ordinary course of business of Mascotte or any of its subsidiaries (the “Relevant Indebtedness”)) or any guarantee of or indemnity in respect of any such Relevant Indebtedness, in each case without the written consent of the holders of the Notes holding 51% or more of the principal amount of Notes outstanding in Mascotte, unless, at the same time or prior thereto Mascotte’s obligations under the Notes are secured equally and rateably therewith.

Notwithstanding the foregoing, Mascotte is only required to notify holders of the Notes in writing in advance in respect of any renewal or extension of any security interest for any financial indebtedness (any indebtedness for or in respect of moneys borrowed and debit balances with financial institutions) existing as at the date of issue of the Notes and no prior consent of any of the holders of the Notes is required in such cases.

**Consideration:**

The Consideration is HK\$20,483,304.44 and will be satisfied by the Company by way of allotment and issue of 108,953,747 Consideration Shares to the Vendor (or its nominees) at the Issue Price of HK\$0.188 per Share upon Completion. The Consideration represents a discount of approximately 31.72% to the face value of the aggregate principal amount of the Notes. The Consideration was agreed between the Company and the Vendor after arm’s length negotiation.

Having considered the interest income and the aforementioned discount to the face value of the aggregate principal amount of the Notes, the Directors consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

**Consideration Shares:**

A total of 108,953,747 Consideration Shares will be issued by the Company to the Vendor (or its nominees) upon Completion pursuant to the Agreement. Assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion, the Consideration Shares represents:

- (a) approximately 14.98% of the issued share capital of the Company as at the date of this announcement; and
- (b) approximately 13.03% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares upon Completion.

The Consideration Shares will, upon issue and credited as fully paid, rank pari passu in all respect with all the existing Shares then in issue. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

**Issue Price:**

The Issue Price of the Consideration Shares at HK\$0.188 per Share was determined based on arm's length negotiation between the Company and the Vendor with reference to the prevailing market price of the Shares, and represents:

- (a) the closing price of HK\$0.188 per Share as quoted on the Hong Kong Stock Exchange on 8 March 2012, being the last trading day of the Shares prior to the date of the Agreement; and
- (b) a discount of approximately 1.57% over the average closing price of approximately HK\$0.191 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 8 March 2012, being the last trading day of the Shares prior to the date of the Agreement.

The Directors are of the view that the Consideration including the Issue Price for the Consideration Shares is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

**Conditions precedent:**

Completion of the Agreement is conditional upon the following conditions being satisfied or waived:

- (a) all necessary waivers, consents, licences and approvals, as applicable, from government or regulatory authorities and other third parties for the Company to buy the Notes have been obtained by the Vendor;
- (b) all the representations and warranties made by the Vendor in the Agreement remain true, accurate and not misleading in all material respects in this Agreement;
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (d) compliance with all the necessary requirements under the Listing Rules for issue and allotment of the Consideration Shares by the Company; and
- (e) all requisite consents, licenses and approvals from the relevant third parties (including regulatory authorities in Hong Kong and elsewhere) for the execution of the Consideration Shares and completion of transaction contemplated thereunder by the Company having been obtained.

**Completion:**

Completion shall take place not later than fifth Business Day after the Agreement has become unconditional being a date not later than the long stop date on 30 April 2012.

If the conditions as stated in above have not been satisfied or waived by the Company save that the Company cannot waive the conditions precedent referred in items (c) to (d) above, on or before the long stop date on 30 April 2012 (or such other date as the Vendor and the Company may agree in writing), then the Agreement shall lapse and have no further effect, and the parties shall be released from all obligations under it.

**Information on Mascotte:**

Mascotte is a company incorporated in Bermuda with limited liability and its issued shares are listed on the Stock Exchange. Mascotte is an investment holding company and together with its subsidiaries are principally engaged in the business of manufacturing solar grade polysilicon in Taiwan, investments and trading of securities, provision of financing, property investment and manufacturing of accessories for photographic and multimedia products.

Set out below is a summary of consolidated financial information of Mascotte for the two years ended 31 March 2011 and the six months ended 30 September 2011 (as extracted from the annual reports and interim report of Mascotte):

	<b>For the financial year ended 31 March</b>		<b>For the six months ended 30 September</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>
	<i>Approximately HK\$ million (audited)</i>	<i>Approximately HK\$ million (audited)</i>	<i>Approximately HK\$ million (unaudited)</i>
<b>Turnover</b>	103	242	57
<b>(Loss) Profit before taxation</b>	(241)	111	(349)
<b>(Loss) Profit after taxation</b>	(244)	109	(351)

  

	<b>As at 31 March</b>		<b>As at 30 September</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>
	<i>Approximately HK\$ million (audited)</i>	<i>Approximately HK\$ million (audited)</i>	<i>Approximately HK\$ million (unaudited)</i>
<b>Net Assets</b>	757	655	2,705

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company and its subsidiaries are principally engaged in the business of property investment, investment in securities trading, money lending and investment holding.

The Acquisition offers an interest rate of 2.5% per annum on the outstanding principal amount for the first and second anniversary of the date of issue of the Notes, payable quarterly which is higher than the saving rate offered by other commercial banks in the market. Hence, the Acquisition represents a good investment to the Company. In addition, the Acquisition provides stable interest income for the Company.

Further, in view of the recent share price level of the Company, the Directors consider that the issue price of the Consideration Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board (with Dr. Chuang Yueheng, Henry, abstaining from participating and voting in the Board meeting as he is also the Deputy Chairman and a Non-executive Director of Mascotte) considers that the terms of the Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.



## EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE

Assuming there is no change in the issued share capital of, and the shareholding in, the Company from the date of this announcement and up to the Completion pursuant to the Agreement, the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion and including issue of the Consideration Shares will be as follows:

<b>Name of Shareholders</b>	<b>As at the date of this announcement</b>		<b>Immediately after Completion (inclusive of the Consideration Shares)</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Directors</b>				
Dr. Chuang Yueheng, Henry	43,042,937	5.92	43,042,937	5.14
Mr. Wong Ying Seung, Asiong	6,332,000	0.87	6,332,000	0.76
Mr. Fung Yue Tak, Derek	20,000,000	2.75	20,000,000	2.39
<b>Others / Substantial Shareholders</b>				
Freeman Financial Corporation Limited	154,212,678	21.20	154,212,678	18.44
Vendor	—	—	108,953,747	13.03
Other public Shareholders	<u>503,870,673</u>	<u>69.26</u>	<u>503,870,673</u>	<u>60.24</u>
<b>Total</b>	<u>727,458,288</u>	<u>100.00</u>	<u>836,412,035</u>	<u>100.00</u>

## IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is only subject to the reporting and announcement requirements under the Listing Rules. As the Acquisition involves the issue of Shares, the Acquisition also constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Notes by the Company from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the note purchase agreement entered into between the Company and Vendor in relation to the Acquisition
“Business Day(s)”	day(s) (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Board”	the board of Directors
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Consideration”	the aggregate consideration of HK\$20,483,304.44 payable by the Company to the Vendor for the Acquisition
“Consideration Shares”	108,953,747 new Shares to be allotted and issued by the Company to the Vendor (or its nominees) at the Issue Price upon Completion to satisfy the Consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“General Mandate”	the issue mandate granted to the Directors to allot and issue up to 108,953,747 new Shares at the extraordinary general meeting of the Company held on 22 December 2011

“Issue Price”	HK\$0.188 per Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mascotte”	Mascotte Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange (stock code: 136)
“Notes”	2.5% unsecured notes in the aggregate principal amount of HK\$30 million issued by Mascotte, details of which are set out under the paragraph headed “The Notes”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Quinella International Incorporated, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board of  
**WILLIE INTERNATIONAL HOLDINGS LIMITED**  
**Wong Ying Seung, Asiong**  
*Vice Chairman*

Hong Kong, 8 March 2012

*As at the date of this announcement, the Board comprises:-*

*Executive Directors:*

Dr. Chuang Yueheng, Henry  
Mr. Wong Ying Seung, Asiong  
Mr. Fung Yue Tak, Derek  
Mr. Tsui Hung Wai, Alfred

*Independent Non-executive Directors:*

Mr. Cheung Wing Ping  
Mr. Wen Louis  
Mr. Yau Yan Ming, Raymond  
Mr. Frank H. Miu  
Mr. Gary Drew Douglas