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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

**DISPOSAL OF CONVERTIBLE BOND
IN PRINCIPAL AMOUNT OF HK\$20 MILLION
ISSUED BY
MASCOTTE HOLDINGS LIMITED**

The Board announces that on 14 August 2009, the Vendor, a wholly-owned subsidiary of the Company disposed of the Sale Bond in the principal amount of HK\$20,000,000 to the Purchaser for the cash consideration of HK\$45,000,000. Completion was taken place upon signing of the contract notes and the transfer document by the Purchaser and the Vendor on 14 August 2009.

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

THE DISPOSAL

Date:

14 August 2009

Parties:

Vendor: Pearl Decade Limited, a wholly-owned subsidiary of the Company.

Purchaser: Dollar Group Limited, a wholly-owned subsidiary of Heritage. The principal activity of the Purchaser is securities trading. As at the date of the Disposal, Heritage Group held as to approximately 8.12% of the issued share capital of the Company and the convertible notes issued by the Company in an aggregate principal amount of HK\$180 million entitling Heritage Group to convert into 129,496,402 Shares of the Company at the initial conversion price of HK\$1.39 (subject to adjustment). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of the Disposal, the Purchaser and its associates were not connected persons of the Company within the meanings of the Listing Rules and were thus considered to be independent of the Company and the connected persons of the Company.

Assets disposed of:

On 14 August 2009, the Vendor disposed of the Sale Bond in the principal amount of HK\$20,000,000 to the Purchaser for the cash consideration of HK\$45,000,000.

Upon full exercise of the conversion right attaching to the Sale Bond at the initial conversion price of HK\$0.50 (subject to adjustment), the total number of Mascotte Conversion Shares falling to be issued to the Purchaser will be 40,000,000, representing 8.23% of the issued share capital of Mascotte as at the date of the Disposal and 7.61% of the issued share capital of Mascotte as enlarged by full conversion of the Sale Bond.

Consideration:

The Consideration of HK\$45,000,000 was determined based on the arm's length negotiations between the Vendor and the Purchaser and it was determined with reference to the closing price of HK\$1.51 per Mascotte Share traded on the Stock Exchange on 13 August 2009. The Consideration represents a premium of 125% over the principal amount of the Sale Bond of HK\$20,000,000.

Completion:

The Disposal was effected by means of contract notes and transfer document duly signed by the Purchaser and the Vendor on 14 August 2009 and the completion of the Disposal was taken place upon signing of the said instruments. The Consideration was fully settled in cash by the Purchaser upon completion.

INFORMATION OF THE SALE BOND AND MASCOTTE

The Sale Bond forms part of the Mascotte Convertible Bond which was issued by Mascotte to the Vendor on 6 July 2009 for satisfying the consideration of the acquisition of Richful Zone International Limited from the Group. The principal terms and conditions of the Mascotte Convertible Bond (or the Sale Bond) are set out in the announcement of the Company dated 13 May 2009. As at the date of this announcement, the Vendor had exercised the conversion right attaching to the Mascotte Convertible Bond to convert an aggregate principal amount of HK\$100 million into 200,000,000 Mascotte Conversion Shares. Following the Disposal, the Group currently holds the Mascotte Convertible Bond in the principal amount of HK\$10,000,000 which entitles the Group to convert into 20,000,000 Mascotte Conversion Shares at the initial conversion price of HK\$0.50 (subject to adjustment).

Mascotte is an investment holding company listed on the Stock Exchange with its subsidiaries principally engaged in the manufacturing and sale of accessories for photographic, electrical and multimedia products, property investment and investment in securities.

As stated in the 2009 Annual Report of Mascotte, the audited consolidated net asset value of Mascotte as at 31 March 2009 was approximately HK\$359.7 million. The audited consolidated net loss before and after taxation of Mascotte for the year ended 31 March 2009 were approximately HK\$343.8 million and HK\$345.3 million respectively. For the year ended 31 March 2008, the audited consolidated net loss before and after taxation of Mascotte were approximately HK\$229.3 million and HK\$232.8 million respectively.

REASONS FOR THE DISPOSAL

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

In view of the prevailing market conditions and the daily trading turnover of Mascotte Shares, the Disposal provides the Group with a good opportunity to realise the Mascotte Convertible Bond and to strengthen the cash position of the Group. Taking into account that the Consideration represents a premium of 125% over the principal amount of the Sale Bond, the Board considers that the terms of the Disposal are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

It is expected that the Group will record a gain of approximately HK\$25,000,000 arising from the Disposal, subject to the audit of the consolidated financial statements of the Group for the financial year ending 31 December 2009. The gain represents the difference between the net proceeds of HK\$45,000,000 and the book value of the Sale Bond of approximately HK\$20,000,000 as at the relevant issue date.

USE OF PROCEEDS

It is expected that the proceeds from the Disposal of HK\$45,000,000 will be used for general working capital of the Group and/or the potential investments of the Group in the future.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Willie International Holdings Limited 威利國際控股有限公司 (Stock Code: 273), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consideration”	HK\$45,000,000 in cash
“Directors”	the directors of the Company
“Disposal “	the disposal of the Sale Bond by the Vendor to the Purchaser on 14 August 2009

“Group”	the Company and its subsidiaries
“Heritage”	Heritage International Holdings Limited (Stock Code: 412), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the Stock Exchange
“Heritage Group”	Heritage and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mascotte”	Mascotte Holdings Limited (Stock Code: 136), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the Stock Exchange
“Mascotte Conversion Shares”	new Mascotte Share(s) to be allotted and issued by Mascotte upon conversion of the convertible bond in accordance with the terms of the Mascotte Convertible Bond
“Mascotte Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$130,000,000 issued by Mascotte to the Vendor on 6 July 2009, the principal terms and conditions of which are set out in the announcement of the Company dated 13 May 2009
“Mascotte Group”	Mascotte and its subsidiaries
“Mascotte Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Mascotte
“Purchaser”	Dollar Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Heritage
“Sale Bond”	the convertible bond in the principal amount of HK\$20,000,000 (forming part of the Mascotte Convertible Bond) sold by the Vendor to the Purchaser

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Pearl Decade Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

By order of the Board
Willie International Holdings Limited
Dr. Chuang Yueheng, Henry
Chairman

Hong Kong, 17 August 2009

As at the date of this announcement, the Board comprises four executive Directors, namely, Dr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and four independent non-executive Directors, namely, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond.