

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WEALTHMARK INTERNATIONAL (HOLDINGS) LIMITED

和寶國際控股有限公司

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 39)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

The Company has entered into the Placing and Subscription Agreement pursuant to which the Placing Agent, First Shanghai Securities Limited, has agreed to procure, on a best efforts basis, independent places for up to 20,000,000 Shares of the Company at a price of HK\$0.54 per Share, as agent for and on behalf of the Vendor, Orientelite Investments Limited, a substantial shareholder of the Company, and, the Vendor has agreed, upon completion of the Placing and subject to certain other conditions, to subscribe for such number of new Shares as is equal to the number of new Shares actually placed by the Placing Agent at a price of HK\$0.54 per Share.

The Placing is unconditional, however, completion of the Subscription is subject to the satisfaction of the conditions described below. If these conditions are not fulfilled, the Subscription will not proceed.

The maximum number of 20,000,000 Placing Shares represent approximately 6.67% of the existing issued share capital of the Company of 300,000,000 Shares and 6.25% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$10,460,000 (assuming the Placing Shares are fully placed) will be used by the Company and its subsidiaries for general working capital purposes.

The Vendor has a 65% interest in the Company as at the date of this announcement which will be reduced to approximately 58.33% immediately upon completion of the Placing and will then be increased to approximately 60.94% immediately upon completion of the Subscription (assuming the Placing Shares are fully placed).

PLACING OF EXISTING SHARES UNDER THE PLACING AND SUBSCRIPTION AGREEMENT

- Vendor:** Orientelite Investments Limited, the substantial shareholder of the Company.
- Placing Agent:** First Shanghai Securities Limited, a party that is independent of and not connected with the directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates, to the best knowledge of the Company and its directors. The Placing Agent will receive a placement commission of 2% on the gross proceeds of the Placing.
- Placees:** The Placing Shares will be placed to not less than six placees who will be independent of and not connected with the directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates. It is expected that no placee will become a substantial shareholder of the Company as a result of the Placing.
- Number of Placing Shares:** Up to 20,000,000 Shares, to be placed on a best efforts basis by the Placing Agent. Assuming the Placing Shares are fully placed, this represents approximately 6.67% of the existing issued share capital of the Company of 300,000,000 Shares and 6.25% of the issued capital of the Company as enlarged by the issue of 20,000,000 new Shares under the Subscription.
- Placing price:** HK\$0.54 per Placing Share. This price was agreed after arm's length negotiations and represents:
- (i) a discount of approximately 10% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before and including the date of this announcement; and
 - (ii) a discount of approximately 7.53% to the average closing price of approximately HK\$0.584 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before and including the date of this announcement.
- Rights of the Placing Shares:** The Placing Shares will rank equally with the existing Shares.
- Termination of the Placing:** The Placing is subject to termination by the Placing Agent on the occurrence of certain events prior to completion of the Placing, including:
- (a) any material breach of the warranties given by the Vendor or the Company under the Placing and Subscription Agreement;

- (b) any of the statements contained in this announcement being or becoming incorrect or misleading, or there occurring any matter not described in this announcement that would constitute a material omission herefrom;
- (c) any material adverse change in the business, financial or trading position of any member of the Group, taken as a whole, which is material in the context of the Placing; or
- (d) any material adverse change in political, economic, fiscal, financial, regulatory or stock market conditions, change in conditions of local, national or international securities markets, any imposition of material trading restriction in securities generally on the Stock Exchange, any new law or regulation applicable to the Group or change in existing laws or regulations applicable to the Group (including in relation to taxation or exchange control) or in the interpretation or application thereof, any litigation or claim of material importance which may have a material effect on the business or financial prospects of the Group, or any force majeure event, which would, in each case, in the reasonable opinion of the Placing Agent, materially prejudice the success of the Placing.

The directors of the Company are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing:

The Placing is unconditional and completion of the Placing is expected to take place on or before 13 April 2006.

SUBSCRIPTION OF NEW SHARES UNDER THE PLACING AND SUBSCRIPTION AGREEMENT

Subscriber:

The Vendor.

Issuer:

The Company.

Number of Subscription Shares:

The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares placed by the Placing Agent pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 20,000,000 new Shares to the Vendor, representing approximately 6.67% of the existing issued share capital of the Company and 6.25% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Subscription Price:

HK\$0.54 per Subscription Share. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and the Subscription which are estimated to be approximately HK\$340,000 (assuming the Placing Shares are fully placed). Any interest earned by the Vendor on the moneys raised by the Placing, between the date of completion of the Placing and the date of completion of the Subscription, will be paid to the Company.

On the basis of estimated net proceeds to the Company of approximately HK\$10,460,000 (assuming the Placing Shares are fully placed) from the Subscription, this represents a net subscription price of HK\$0.523 per Subscription Share.

General Mandate:

The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the Company's annual general meeting held on 24 June 2005. The general mandate has not been utilised prior to entering into the Placing and Subscription Agreement.

Ranking of Subscription Shares:

The Subscription Shares will rank equally with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions to the Subscription:

The Subscription is conditional upon the following conditions being satisfied by no later than 21 April 2006 (or such other date as may be agreed between the Company, the Vendor and the Placing Agent):

- (a) the Stock Exchange granting or agreeing to grant the approval of the listing of and permission to deal in the Subscription Shares; and
- (b) completion of the Placing.

Application will be made to the Stock Exchange to grant approval for the listing of and permission to deal in the Subscription Shares. The listing of the Subscription Shares may not be granted, and, if so, the Subscription will not proceed.

Completion of the Subscription:

The Subscription is expected to be completed on or before 21 April 2006, being the date falling 14 days from the date of the Placing and Subscription Agreement. In the event that the Subscription is not completed within 14 days from the date of the Placing and Subscription Agreement, the Subscription will not proceed.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholdings in the Company immediately before completion of the Placing, immediately after completion of the Placing but before completion of the Subscription, and immediately after completion of both the Placing and the Subscription are and will be as follows:

Shareholders	Immediately before the Placing and the Subscription		Immediately after the Placing but before the Subscription		Immediately after the Placing and the Subscription	
	Number of Shares	% of the existing issued Share capital	Number of Shares	% of the existing issued Share capital	Number of Shares	% of the issued Share capital as enlarged by the Subscription
Vendor	195,000,000	65%	175,000,000	58.33%	195,000,000	60.94%
Placees	0	0%	20,000,000	6.67%	20,000,000	6.25%
Public	105,000,000	35%	105,000,000	35%	105,000,000	32.81%
Total	<u>300,000,000</u>	<u>100%</u>	<u>300,000,000</u>	<u>100.00%</u>	<u>320,000,000</u>	<u>100.00%</u>

Note: The figures assume that (i) the maximum number of 20,000,000 Placing Shares will be placed during the Placing, and (ii) other than the Subscription Shares, no further Shares are issued or repurchased by the Company and other than the Placing Shares no Shares are sold or purchased by the Vendor, in each case after the date of this announcement and up to the date of completion of the Subscription.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Company is principally engaged in the manufacturing and trading of handbag products and related accessories, the manufacturing of garments, and the provision of related subcontracting services in Hong Kong, the People's Republic of China and Cambodia, and the production and sale of dairy products in the People's Republic of China. In view of the current market conditions, the directors of the Company consider that the Placing and Subscription represent a good opportunity to raise further working capital for the Company while at the same time broadening its shareholder and capital base. The net proceeds from the Subscription of approximately HK\$10,460,000 (assuming the Placing Shares are fully placed) will be used by the Group for general working capital purposes.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

In the 12 months immediately preceding this announcement, the Company raised net proceeds of approximately HK\$52,700,000 by way of a rights issue of 100,000,000 Shares, which completed on 18 August 2005. The entire amount of such proceeds has been applied to the acquisition of a 70% equity interest in the Company's subsidiary 蓓蕾(天津)乳業有限公司 (Beilei (Tianjin) Dairy Co., Ltd.), as disclosed in the Company's announcement of 13 September 2005 and its shareholder circular of 29 November 2005.

Save as disclosed above, the Company has not conducted any equity fundraising activities in the 12-month period preceding the date of this announcement.

DEFINITIONS

The following defined terms are used in this announcement:

“associate”	has the meaning ascribed to it in the Listing Rules
“Company”	Wealthmark International (Holdings) Limited, a company incorporated in the Cayman Islands
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing Agent”	First Shanghai Securities Limited, a licensed corporation for Type 1, Type 4, Type 6 and Type 9 regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).
“Placing and Subscription Agreement”	placing and subscription agreement between the Company, the Vendor and the Placing Agent dated 7 April 2006
“Placing Shares”	up to 20,000,000 Shares to be placed by the Placing Agent pursuant to the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
“Shares”	ordinary shares of HK\$0.10 in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	up to 20,000,000 Shares to be subscribed for by the Vendor pursuant to the Placing and Subscription Agreement
“Subscription”	the subscription for the Subscription Shares pursuant to the Placing and Subscription Agreement
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Vendor”	OrienteLite Investments Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company

Made by the order of Wealthmark International (Holdings) Limited, the board of directors of which individually and jointly accept responsibility for the accuracy of this statement.

As at the date hereof, the executive directors are Mr. Peter Lo and Mr. David Lee Sun; the non-executive directors are Mr. Chau Wai-Kau, Mr. Derek Emory Ting-Lap Yeung and Mr. Li Wentao, and the independent non-executive directors are Dr. Leung Kwan-Kwok, Mr. Sam Zuchowski and Dr. Loke Yu alias Loke Hoi Lam.

By Order of the Board
Wealthmark International (Holdings) Limited
David L. Sun
Executive Director

Hong Kong, 7 April 2006