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WEALTHMARK INTERNATIONAL (HOLDINGS) LIMITED

和寶國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 039)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

Sole Bookrunner and Lead Manager

CAZENOVE

Cazenove Asia Limited

The Company has entered into the Placing and Subscription Agreement pursuant to which the Sole Bookrunner and Lead Manager, Cazenove Asia Limited, has agreed to procure, on a best efforts basis, independent placees for up to 58,000,000 Shares of the Company at a price of HK\$1.62 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 Placing Shares actually placed by the Sole Bookrunner and Lead Manager at a price of HK\$1.62 per Share.

Completion of the Placing and the Subscription are subject to the satisfaction of the conditions described below. If these conditions are not fulfilled, the Placing and/or the Subscription will not proceed.

The maximum number of 58,000,000 Placing Shares represent approximately 17.46% of the existing issued share capital of the Company of 332,000,000 Shares and 14.87% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$92,000,000 (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 58.73% interest in the Company as at the date of this announcement which will be reduced to approximately 41.27% immediately upon completion of the Placing and will then be increased to approximately 50.0% 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.
Sole Bookrunner and Lead Manager:	Cazenove Asia 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. Subject to completion of the Placing, the Sole Bookrunner and Lead Manager 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 58,000,000 Shares, to be placed on a best efforts basis by the Sole Bookrunner and Lead Manager. Assuming the Placing Shares are fully placed, this represents approximately 17.46% of the existing issued share capital of the Company of 332,000,000 Shares and approximately 14.87% of the issued capital of the Company as enlarged by the issue of 58,000,000 new Shares under the Subscription.

Placing price: HK\$1.62 per Placing Share (exclusive of stamp duty, Stock Exchange trading fees and SFC transaction levies). This price was agreed after arm's length negotiations and represents:

- (i) a discount of approximately 11.48% to the closing price of HK\$1.83 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 10.00% to the average closing price of approximately HK\$1.80 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 pari passu with the existing Shares.

Force majeure: The Sole Bookrunner and Lead Manager is entitled, on the occurrence of certain events (including a material breach of any of the undertakings, representations and warranties set out in the Placing and Subscription Agreement by the Vendor or the Company, and material adverse change in the financial position of the Company), to terminate the Placing and Subscription Agreement by giving notice to the Company and the Vendor at any time prior to completion of the Placing.

Completion of the Placing: The Placing is conditional upon no relevant government, governmental, quai-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Placing. Completion of the Placing is expected to take place on or before 7 June 2007.

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 Sole Bookrunner and Lead Manager pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 58,000,000 new Shares to the Vendor, representing approximately 17.46% of the existing issued share capital of the Company and 14.87% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Subscription price: HK\$1.62 per Subscription Share (exclusive of stamp duty, Stock Exchange trading fees and SFC transaction levies). 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\$1.96 million. Any interest earned by the Vendor on the money 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\$92,000,000 (assuming the Placing Shares are fully placed) from the Subscription, this represents a net subscription price of HK\$1.59 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 23 May 2007. The general mandate has not been utilised prior to the entry into the Placing and Subscription Agreement.

Ranking of Subscription Shares: The Subscription Shares, when fully paid, will rank pari passu 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 19 June 2007 (or such other date as may be agreed between the Company, the Vendor and the Sole Bookrunner and Lead Manager):

- (a) completion of the Placing;
- (b) the Stock Exchange granting or agreeing to grant the approval of the listing of and permission to deal in the Subscription Shares;
- (c) if required by the SFC, the granting of a waiver to the Vendor and persons acting in concert with if by the SFC pursuant to Note 26 on dispensations from the obligation to make a general offer for all Shares in issue under Rule 26 of the Code; and
- (d) no relevant government, governmental, quai-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Subscription.

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in the Subscription Shares. In the event that the listing of the Subscription Shares is not granted, the Subscription will not proceed.

Completion of the Subscription: The Subscription is expected to be completed on or before 19 June 2007, 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.

Lock-up:

Pursuant to the Placing and Subscription Agreement, each of the Vendor and CEC has undertaken to the Sole Bookrunner and Lead Manager that (except for the sale of the Placing Shares) from the date hereof and on or prior to the date being six (6) months after the date of the Placing and Subscription Agreement, it will not and will procure that none of its nominees or companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Sole Bookrunner and Lead Manager): (a) offer, lend, pledge, issue, sell, contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be allotted and issued to the Vendor or its nominees under the Placing and Subscription Agreement) or any interests therein or any securities convertible or exercisable for or substantially similar to any such Shares or interests; or (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) above or in this (b) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (c) announce any intention to enter into or effect any such transaction described in (a) and (b) above.

Pursuant to the Placing and Subscription Agreement, the Company has also undertaken to the Sole Bookrunner and Lead Manager that (except for (i) the new Shares to be allotted and issued to the Vendor or its nominees under the Placing and Subscription Agreement; (ii) any Shares or other securities or rights issued or granted to shareholders by way of rights issue, bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its articles of association or on the exercise of rights existing at the date of the Placing and Subscription Agreement, (iii) any Shares issued pursuant to the employees share option scheme of the Company (if any), (iv) any Shares issued pursuant to the transactions described in the Company's announcement dated 18 May 2007) from the date hereof and on and prior to the date being six (6) months after the date of the Placing and Subscription Agreement it will not (without the prior written consent of the Sole Bookrunner and Lead Manager): (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (a) above; or (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above.

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	
	No. of Shares	% of the existing issued Share capital	No. of Shares	% of the existing issued Share capital	No. of Shares	% of the issued Share capital as enlarged by the Subscription
Vendor	195,000,000	58.73%	137,000,000	41.27%	195,000,000	50.00%
Placeses	0	0%	58,000,000	17.46%	58,000,000	14.87%
Public	137,000,000	41.27%	137,000,000	41.27%	137,000,000	35.13%
Total	332,000,000	100.00%	332,000,000	100.00%	390,000,000	100.00%

Note: The figures assume that (i) the maximum number of 58,000,000 Placing Shares will be placed pursuant to the Placing, and (ii) other than the Subscription Shares, no further Shares are issued or re-purchased 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. As announced by the Company on 21 May 2007, the Company has entered into conditional sale and purchase agreements to purchase certain ethanol businesses and to dispose of its existing businesses, however, there is no assurance that such transactions will proceed. In view of the current market conditions and the proposed transactions, the directors of the Company consider that the Placing and Subscription represents 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\$92,000,000 (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 aggregate net proceeds of approximately HK\$6,320,000 by way of a top-up placing, as announced by the Company on 29 May 2006. Such net proceeds have been fully utilised as general working capital for the Group. Save as described 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
“Code”	the Hong Kong Code on Takeovers and Mergers
“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 and Subscription Agreement”	the placing and subscription agreement between the Company, the Vendor, China Enterprise Capital Limited and the Sole Bookrunner and Lead Manager dated 5 June 2007
“Placing Shares”	up to 58,000,000 Shares to be placed by the Sole Bookrunner and Lead Manager pursuant to the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Shares”	ordinary shares of HK\$0.10 in the capital of the Company
“Sole Bookrunner and Lead Manager”	Cazenove Asia 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	up to 58,000,000 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”	Orientalite 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.

By Order of the Board
Wealthmark International (Holdings) Limited
Peter Lo
Chairman

Hong Kong, 5 June 2007

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