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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)

TERMINATION OF ACQUISITION OF A PROPERTY HOLDING COMPANY

Reference is made to the announcement of Willie International Holdings Limited (the “Company”) dated 20 April 2015 in relation to the entering into a conditional agreement to acquire a property holding company and two announcements of the Company dated 17 March 2015 and 28 April 2015 in relation to the Company’s proposed issue of shares to Mission Capital under the existing general mandate (collectively the “Announcements”). Unless the context requires otherwise, capitalized terms used herein shall bear the same meaning as defined in the Announcements.

As mentioned in the announcement dated 20 April 2015, the consideration for acquiring E-Garden (the property holding company) has been agreed as HK\$170 million. Having paid the Deposit for HK\$17 million upon signing of the Conditional Agreement, the remaining balance of HK\$153 million shall be payable in full upon Completion by the Group and to be financed by internal resources. However, the Group’s cash inflow has been handicapped by the delay in raising equity capital by way of issuing Willie Subscription Shares to Mission Capital under the existing general mandate for a total consideration of HK\$150 million due to the Stock Exchange’s delay in the listing of and permission to deal in the Willie Subscription Shares, as mentioned in the announcement dated 28 April 2015. The Company is doubtful whether the said equity capital can be raised on a timely basis for the Group to honour completion of the proposed acquisition of the property holding company.

In view of the above factor, the Group has decided not to proceed with the acquisition of the property holding company. After having negotiated with the Vendor of the Conditional Agreement on arm’s length basis, the Purchaser and the Vendor entered into a termination deed (the “Termination Deed”) on 5 May 2015 to terminate the Conditional Agreement with immediate effect.

According to the terms of the Termination Deed, (i) the Conditional Agreement shall be terminated with effect from 5 May 2015 and no party thereto shall have any further rights or claims against, or obligations to, the other party in respect of the Conditional Agreement thereafter; (ii) the Purchaser shall pay the Vendor a termination fee of HK\$8.5 million (the “Termination Fee”) representing 50% of the Deposit, upon entering into the Termination Deed, and (iii) the Vendor shall immediately refund the Deposit so paid by the Purchaser to the Vendor pursuant to the Conditional Agreement to the Purchaser without any interest.

As at the date of this announcement, the Purchaser received from the Vendor a net sum of HK\$8.5 million by cheque, being refund of the Deposit of HK\$17 million after setting off the payment of the Termination Fee of HK\$8.5 million.

The Board considers that the termination of the Conditional Agreement will have no material adverse effect on the existing business operation of the Group. Moreover, the management team of the Company consisting of four executive directors has voluntarily and unilaterally agreed to pay a sum of HK\$8.5 million to the Company within one month from the date of this announcement to offset the Group’s loss from the Termination Fee so as to show their responsibility for safeguarding the interests of the Company and its Shareholders as a whole.

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

Hong Kong, 5 May 2015

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

Executive Directors:

Dr. Chuang Yueheng, Henry
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-executive Directors:

Mr. Yau Yan Ming, Raymond
Mr. Frank H. Miu
Dr. Antonio Maria Santos