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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 50% INTEREST IN AMERINVEST**

On 3 September 2007, Smart Way, an indirect wholly-owned subsidiary of the Company entered into the Agreement with, among others, the Purchaser pursuant to which Smart Way agreed to sell and the Purchaser agreed to purchase the Sale Shares in Amerinvest, representing 50% of the issued share capital of Amerinvest at a Sale Price of US\$12,190,032.50. The Company will be the guarantor in respect of the obligations of Smart Way under the Agreement. The other Vendor under the Agreement, China Capital, an Independent Third Party, will also sell its 50% interest in Amerinvest to the Purchaser at the same consideration.

The Agreement constitutes a discloseable transaction for the Company under Chapter 14.06 and 14.22 of the Listing Rules. A circular containing the details of the Agreement will be despatched to the Shareholders as soon as practicable.

**THE AGREEMENT**

Date: 3 September, 2007

Parties to the  
Agreement:

1. Smart Way, as Vendor
2. China Capital, as Vendor
3. CCEC, as Purchaser
4. Sing Wang, as guarantor of China Capital
5. the Company as guarantor of Smart Way

Smart Way, being one of the Vendors, is an indirect wholly-owned subsidiary of the Company. Each of China Capital, CCEC and Sing Wang is an Independent Third Party.

#### *The Transaction*

Smart Way agreed to sell and the Purchaser agreed to purchase the Sale Shares in Amerinvest, representing 50% of the issued share capital of Amerinvest at a Sale Price of US\$12,190,032.50. The Company will be the guarantor in respect of the obligations of Smart Way under the Agreement. The other Vendor under the Agreement, China Capital, an Independent Third Party, will also sell its 50% interest in Amerinvest to the Purchaser at the same consideration. Accordingly, the Aggregate Consideration payable by the Purchaser to the Vendors under the Agreement is US\$24,380,065.

#### *Consideration*

The Aggregate Consideration of US\$24,380,065 is payable as follows:-

- (i) within two Business Days of execution of the Agreement the following amounts shall be paid to Amerinvest as agent for and on behalf of the Vendors:
  - (a) a non-refundable deposit of US\$250,000;
  - (b) a further deposit of US\$5,000,000; and
- (ii) on Completion, the remaining US\$19,130,065 shall be paid, of which US\$9,565,032.50 is to be paid to China Capital and US\$9,565,032.50 is to be paid to Smart Way.

The Sale Price was arrived at after arms length negotiations between Smart Way and the Purchaser and was based on the financial position of Amerinvest. The carrying amount of the Group's investment in Amerinvest as at 31 July 2007 was approximately HK\$98,651,000.

#### *The Deposits*

The non-refundable deposit and the further deposit will be accepted by Amerinvest and will be distributed to the Vendors after deductions of costs and expenses incurred by the Vendors in respect of the transactions contemplated under the Agreement.

In addition, if Completion does not take place by the Long Stop Date or if the Agreement is terminated (absent any fault by the Purchaser), the Purchaser has a right to elect (a) to have the further deposit of US\$5,000,000 returned to it; or (b) to convert the further deposit of US\$5,000,000 into equity interest in Amerinvest in which the Vendors are required to transfer their existing shares in Amerinvest (on a pro rata basis) or procure Amerinvest issue new shares to the extent that the Purchaser shall hold 18% of the issued share capital of Amerinvest (on a fully diluted basis). In the event of a conversion of the further deposit into equity interest in Amerinvest, the shareholdings of the Vendors in Amerinvest will be diluted equally.

### *Conditions*

Completion of the Agreement is conditional upon the following conditions being fulfilled by the Long Stop Date:

- (a) the Purchaser having passed board resolutions to approve the acquisition of the interests in Amerinvest;
- (b) the Purchaser having obtained or its ultimate holding company (if any) having provided to the Purchaser funding of not less than US\$20,000,000;
- (c) each Vendor having obtained and delivered evidence reasonably satisfactory to the Purchaser to demonstrate that: (i) all the Vendor's required regulatory approvals and all regulatory approvals (if any) have been obtained; (ii) all such approvals remaining in full force and effect as at the date of Completion; and (iii) if any such approval is subject to any condition which is required to be fulfilled prior to Completion, all such conditions having been duly fulfilled as is necessary to allow Completion;
- (d) the Purchaser having received a legal opinion from the Amerinvest's PRC legal counsel confirming certain corporate status including establishment, business licence and capital verification reports in respect of West China Coking;
- (e) the warranties of the Vendors being true and correct in all material respects, as at the date of this Agreement and at Completion;
- (f) the Vendors having performed and complied, in all material respects, with all of the obligations, undertakings and covenants required to be performed or complied with by Vendors on or prior to Completion;

- (g) from the date of this Agreement to the date of Completion, no event, circumstance or development or combination of events, circumstances or developments occurring that, individually or in the aggregate, has had or will have, in the Purchaser's reasonable opinion, a material adverse effect;
- (h) the Purchaser being given reasonable access to conduct due diligence on Amerinvest and its projects and the due diligence findings (including any PRC legal opinions, technical reports, environmental reports, accountants' reports and asset valuation reports) being, in the Purchaser's opinion, reasonably satisfactory to the Purchaser;
- (i) any and all agreements and arrangements of an ongoing or recurrent nature entered into or subsisting in respect of the operating expenses as shown on Amerinvest's management accounts shall have been terminated, extinguished or repaid (as the case may require); and
- (j) the execution of the disclosure letter between the Vendors and the Purchaser.

### *Completion*

Completion shall take place on the second Business Day following notification of the fulfillment or waiver of the conditions set out in the Agreement, or at such other date as may be agreed between the Vendors and Purchaser.

### **AMERINVEST/THE PURCHASER**

As at the date of this announcement, Amerinvest is held 50% by Smart Way and 50% by China Capital. Amerinvest was incorporated on 2 January, 2003. Amerinvest is an investment holding vehicle set up for the purpose of exploring and investing in coking and chemical projects in the PRC. Amerinvest holds 25% of the registered capital of West China Coking.

Based on the information provided by CCEC, the ultimate beneficial owners of CCEC are high net worth individuals, investment holding vehicles (controlled by high net worth individuals) or institutional investors and CCEC is principally engaged in seeking investment opportunities in businesses that are engaged in the full life-cycle of exploration, extraction and sale of thermal coal and coking coal and in addition the operation of coke and chemical works in the PRC.

Based on the information provided by China Capital, China Capital is wholly owned by Mr. Wang Sing and is an investment company.

Based on the unaudited management accounts of Amerinvest as at 31 July 2007, the unaudited total assets and liabilities of Amerinvest was approximately HK\$57,394,000 and HK\$26,519,000 respectively.

Since the Smart Way acquired Amerinvest in January 2006 and in March 2006, the unaudited net loss before and after taxation of Amerinvest for the year ended 31 December 2006 was approximately HK\$5,206,000 and HK\$5,206,000 respectively. The unaudited total assets and liabilities of Amerinvest as at 31 December 2006 was approximately HK\$45,882,000 and HK\$16,075,000 respectively. The carrying amount of the Group's investment in Amerinvest as at 31 December 2006 was approximately HK\$98,117,000. The unaudited net loss of Amerinvest for the year ended 31 December 2005 was approximately HK\$1,095,425.

After Completion of the Agreement, Amerinvest will no longer be treated as an associate in the accounts of the Company.

## **REASONS FOR THE TRANSACTION**

The Board has decided to dispose of its 50% interest in Amerinvest as it is a non-core asset of the Group and the disposal provides funds to the Group for further investments. The disposal enables the Group to early realize the value of its interest in Amerinvest and to strengthen the financial base of the Group. Through the disposal, the Board expects to re-allocate its resources to the Group's existing business and other suitable investments in order to improve the profits of the Group. The Board is of the view that the terms of the Agreement are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

## **FINANCE EFFECTS OF THE DISPOSAL**

Subject to the confirmation of the Company's auditors, based on the carrying amount of the Group's investment in Amerinvest as at 31 July 2007 (approximately HK\$98,651,000), the Company estimates that the expected net loss from the disposal (before deducting the related transaction costs) will be HK\$3,569,000. The Directors consider that the disposal does not have any significant adverse effect on the financial position of the Group. The sales proceeds of approximately HK\$95,082,000 generated by the disposal will provide additional working capital for the Group and/or the suitable investments in the future. As at the date of this announcement, the Company has not identified any suitable investment opportunities and is not in discussion for any investment projects. The Company will make announcement in compliance with the requirements of the Listing Rules as and when appropriate.

## **GENERAL**

The Group is principally engaged in the business of property investment, investment in securities trading, money lending, investing in energy related businesses and acquiring, exploring and developing natural resources. Smart Way is an investment holding subsidiary of the Company.

A circular containing details of the Agreement will be despatched to Shareholders as soon as practicable.

## **DEFINITIONS**

The following terms are used in this announcement within the meanings set opposite them:-

“Aggregate Consideration”	the aggregate consideration for the sale by the Vendors of the entire issued share capital of Amerinvest;
“Agreement”	the sale and purchase agreement dated 3 September 2007 between the Vendors, the Purchaser and the Guarantors in relation to the sale and purchase of 100% interest in Amerinvest;
“Amerinvest”	Amerinvest Coal Industry Holding Company Limited, a company incorporated in the British Virgin Islands;
“Board”	the board of directors of the Company;
“Business Day”	a day which is not a Saturday, a Sunday or a public holiday in Hong Kong;
“CCEC”	CCEC Ltd, a company incorporated in the British Virgin Islands;
“China Capital”	China Capital Advisors Corporation, a company incorporated in the Cayman Islands, being one of the Vendors in the Agreement;
“Completion”	the completion of, among other things, the sale and purchase of the Sale Shares pursuant to the terms of the Agreement;
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange;

“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guarantors”	(1) Sing Wang being the guarantor of China Capital and (2) the Company being to guarantor of Smart Way pursuant to the terms of the Agreement;
“Independent Third Parties”	a party who, together with its ultimate beneficial owners, to the best of the knowledge, information and belief of directors of the Company having made all reasonable enquiry are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 December, 2007;
“PRC”	the People’s Republic of China;
“Purchaser”	CCEC Ltd, being an Independent Third Party;
“Sale Price”	US\$12,190,032.50, being the consideration to be paid to Smart Way for the Sale Shares;
“Sale Shares”	5,000 shares in Amerinvest, representing the 50% interest in Amerinvest owned by Smart Way;
“Shareholder(s)”	holder of (a) share(s) of the Company;
“Smart Way”	Smart Way Resources Limited, a company incorporated in the British Virgin Islands;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vendors”	China Capital and Smart Way; and

“West China Coking”

曲靖大為焦化制供氣有限公司 West China Coking & Gas Company Limited, a company incorporated in the People’s Republic of China.

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

Hong Kong, 5 September 2007

*As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Lo Kan Sun, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and five independent non-executive Directors, namely, Mr. Nakajima Toshiharu, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.*