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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)**

## **POSSIBLE MAJOR TRANSACTIONS RELATING TO THE PROPOSED DISPOSALS OF TWO PROPERTY HOLDING COMPANIES**

This is a voluntary announcement made by the Company under Rule 13.09(1)(a) of the Listing Rules.

The Board is pleased to inform the public of its intention to dispose of the entire issued share capitals of and the shareholder's loans extended to Apex Novel and Trade Well for the aggregate considerations within the range between HK\$120 million and HK\$150 million and between HK\$100 million and HK\$130 million respectively. Based on the preliminary assessments conducted by the Group, the disposal of either Apex Novel or Trade Well may each constitute a major transaction for the Company as the applicable percentage ratio is more than 25% but less than 75% of the Company's market capitalisation and accordingly, shall be subject to Shareholders' approval under the Listing Rules. Therefore, the Directors would like to put forward a proposal to the Shareholders to approve the Proposed Disposals at the EGM by way of poll prior to reaching any formal definitive agreement(s).

A circular containing, among other things, further details of the Proposed Disposals together with the notice of the EGM, will be submitted to the Stock Exchange for clearance and dispatched by the Company to the Shareholders as soon as practicable.

**No definitive and legally binding agreements or contracts have been signed by the Group as at the date hereof and the Group may or may not proceed with the Proposed Disposals. Investors in and holders of the shares of the Company should be aware that the Company may or may not identify investors to acquire the Disposal Companies in the near future and should therefore exercise caution when dealing in the shares of the Company.**

This is a voluntary announcement made by the Company under Rule 13.09(1)(a) of the Listing Rules. The Board is pleased to inform the public of its intention to dispose of two non wholly-owned subsidiaries of the Company, Apex Novel and Trade Well, for the aggregate considerations within the range between HK\$120 million and HK\$150 million and between HK\$100 million and HK\$130 million respectively. The Proposed Disposals are likely to consist of two separate transactions of which each transaction may constitute a major transaction for the Company as the applicable percentage ratio is more than 25% but less than 75% of the Company's market capitalisation based on the preliminary assessments conducted by the Company. Hence, the Directors would like to put forward a proposal to the Shareholders to approve the Proposed Disposals at the EGM by way of poll.

**Parties to the Proposed Disposals:**

- (1) Noble View Investments Limited, a company incorporated in the British Virgin Islands and indirectly held as to approximately 55.27% by the Company, as the vendor for the disposal of Apex Novel; or
- (2) Jumbo Star Investments Limited, a company incorporated in the British Virgin Islands and indirectly held as to approximately 55.27% by the Company, as the vendor for the disposal of Trade Well; and
- (3) Any Independent Third Parties as the potential purchasers for the Proposed Disposals.

**Assets to be disposed of:**

Subject to the terms and conditions of the formal sale and purchase agreements to be entered into between the Group and the respective potential purchasers, the Group intends to dispose of the entire issued share capital of and the shareholder's loans extended to the Disposal Companies which principal assets are the Properties.

The Properties are currently subject to the legal charges / mortgages as securities for the mortgage loans. The vendor of Apex Novel and Trade Well will make full repayment of the mortgage loans and will have the Properties released from the existing legal charges / mortgages upon Proposed Disposals.

As at the date hereof, the Company indirectly holds approximately 55.27% of the issued share capital of the Disposal Companies thus rendering each of them an indirect non wholly-owned subsidiary of the Company. Upon completion of the Proposed Disposals, the Company will have no equity interest in the Disposal

Companies and they will cease to be the non wholly-owned subsidiaries of the Company. Therefore, the Group will cease to account for the Disposal Companies as subsidiaries and the Disposal Companies will no longer be consolidated in the financial statements of the Group after completion of the Proposed Disposals.

### **Considerations**

The considerations for the disposal of the entire issued share capital of and the shareholder's loan extended to Apex Novel and Trade Well will be not less than HK\$120 million and HK\$100 million respectively and not more than HK\$150 million and HK\$130 million respectively, which will be satisfied by cash or the equivalent.

With reference to the current upward market conditions and the valuation of the Apex Novel Property carried out by an independent professional valuer as at 31 August 2010 of HK\$97 million, the Group intends to dispose of the entire issued share capital of and the shareholder's loan extended to Apex Novel at the consideration within the range between HK\$120 million and HK\$150 million.

In addition, based upon the current upward market conditions and the valuation of the Trade Well Property carried out by an independent professional valuer as at 31 August 2010 of HK\$88 million, the Group intends to dispose of the entire issued share capital of and the shareholder's loan extended to Trade Well at the consideration within the range between HK\$100 million and HK\$130 million.

### **Information on the Disposal Companies**

Apex Novel and Trade Well are property holding companies incorporated under the laws of the British Virgin Islands and as at the date hereof are indirectly held by the Company as to approximately 55.27% respectively. The principal asset of Apex Novel is a luxury residential property known as Unit 1 (also known as House No. A), Sunshine Villa, No. 48 Mount Kellett Road, Hong Kong which at present generates a monthly rental income of HK\$210,000 for the Group. The principal asset of Trade Well is a luxury residential property known as House No. 6, Somerset Path, The Royal Oaks, No. 8 Kam Tsin South Road, North, New Territories which at present generates a monthly rental income of HK\$285,000 for the Group.

Based on the audited accounts of the Disposal Companies for the year ended 31 December 2009, the audited net assets of Apex Novel and Trade Well were approximately HK\$13.7 million and HK\$3.7 million respectively.

The following table summarizes the audited results of the Disposal Companies for the following financial years:

	<b>For the financial year ended 31 December 2009 (audited)</b>		<b>For the financial year ended 31 December 2008 (audited)</b>	
	<b>Apex Novel HK\$'000</b>	<b>Trade Well HK\$'000</b>	<b>Apex Novel HK\$'000</b>	<b>Trade Well HK\$'000</b>
Turnover	2,520	3,420	840	—
Net profit (loss) before taxation and extraordinary items	1,865	4,452	(6,283)	(3,959)
Net profit (loss) after taxation and extraordinary items	1,557	3,716	(4,655)	(5,655)

Notwithstanding the aggregate considerations for the Proposed Disposals cannot be ascertained as at the date hereof, taking into considerations (i) the equity interest of approximately 55.27% in the Disposal Companies; (ii) the respective unaudited net asset value of Apex Novel and Trade Well of approximately HK\$17 million and HK\$22 million respectively as at 30 June 2010 after taking into account the property valuation of HK\$95 million and HK\$88 million as at 30 June 2010 respectively; (iii) the respective shareholder's loans (assuming that the respective mortgage loans have been fully repaid) extended to Apex Novel and Trade Well of approximately HK\$76 million and HK\$96 million as at 30 June 2010; and (iv) the proposed considerations as set out in the section headed "Considerations" in this announcement, it is expected that the Group will record a gain on disposal of Apex Novel within a range between approximately HK\$15 million and HK\$31 million and a profit or loss on disposal of Trade Well within a range between a loss of approximately HK\$10 million and a gain of approximately HK\$7 million.

### **Reasons for the Proposed Disposals**

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities trading, money lending, property investment and investment holdings.

The Board has noticed that there has been an upward trend in the real estate prices since January 2009. In light of the recent measures implemented by the Hong Kong government, the Board anticipates that the property market in the near term may be highly volatile and full of uncertainties and that the soaring of prices may not last for a long period of time. Having considered the fast pace of the real estate market in

Hong Kong, the seeking of Shareholders' approval prior to reaching any definitive agreement(s) for the Proposed Disposals will smoothen and accelerate the process of procuring potential purchasers in acquiring the Disposal Companies in a timely manner. Therefore, the Directors would like to put forward a proposal to the Shareholders to approve the Proposed Disposals at the EGM by way of poll as soon as practicable and the Proposed Disposals are hopefully expected to take place within six months from the date of EGM passing the Proposed Disposals.

The Board believes that the Proposed Disposals will strengthen the financial position of the Group and the Group may apply the proceeds from the Proposed Disposals to invest in other business sectors if and when the opportunities arise. Taking into account the current real estate market conditions, the net asset value of the Disposal Companies, the valuations of the Properties and the proposed considerations for the Proposed Disposals as set out in the section headed "Considerations" in this announcement, the Directors consider the Proposed Disposals to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Implications of the Listing Rules**

Based on the preliminary assessments conducted by the Group, the respective disposals of Apex Novel and Trade Well may each constitute a major transaction for the Company as the applicable percentage ratio is more than 25% but less than 75% of the Company's market capitalisation and accordingly, shall be subject to Shareholders' approval under the Listing Rules.

Despite the fact that the Company may or may not find interested investors to acquire the Disposal Companies in the near future, for the sake of enhancing better communications with the Shareholders and to seize every opportunity to realize the investments in the Properties in a timely manner, the Directors would like to put forward a proposal to the Shareholders to approve the Proposed Disposals at the EGM by way of poll prior to reaching any formal definitive agreement(s).

The Board will make all reasonable enquiries to ensure that the potential purchasers for the Proposed Disposals and their ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company. Should the case that the Proposed Disposals be considered as connected transaction(s) for the Company under Chapter 14A of the Listing Rules, the Board will convene a further extraordinary general meeting to seek approval from the independent Shareholders for the relevant transaction(s) prior to completion so as to comply with the requirements as set out in Chapter 14A of the Listing Rules.

## General

A circular containing, among other things, further details of the Proposed Disposals together with the notice of the EGM, will be submitted to the Stock Exchange for clearance and dispatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

**No definitive and legally binding agreements or contracts have been signed by the Group as at the date hereof and the Group may or may not proceed with the Proposed Disposals. Investors in and holders of the shares of the Company should be aware that the Company may or may not identify investors to acquire the Disposal Companies in the near future and should therefore exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Apex Novel”	Apex Novel Limited, a company incorporated in the British Virgin Islands and indirectly held as to approximately 55.27% by the Company;
“Apex Novel Property”	a luxury residential property known as Unit 1 (also known as House No. A), Sunshine Villa, No. 48 Mount Kellett Road, Hong Kong;
“Board”	the board of Directors;
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange;
“Connected Person(s)”	the meaning ascribed to it under the Listing Rules;
“Directors”	the director(s) of the Company;
“Disposal Companies”	Apex Novel and Trade Well;
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Proposed Disposals and transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a person or corporation who, to the best of the Director’s knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and Connected Persons of the Company;
“Proposed Disposals”	the disposals of the entire issued share capital of and the shareholder’s loans extended to Apex Novel and Trade Well proposed by the Board;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Properties”	Apex Novel Property and Trade Well Property;
“Shareholder(s)”	holders of existing shares of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Trade Well”	Trade Well Investments Limited, a company incorporated in the British Virgin Islands and indirectly held as to approximately 55.27% by the Company;
“Trade Well Property”	a luxury residential property known as House No. 6, Somerset Path, The Royal Oaks, No. 8 Kam Tsin South Road, North, New Territories; and
“%”	percent.

By order of the Board of  
**Willie International Holdings Limited**  
**King Phillip**  
*Managing Director*

Hong Kong, 9 September 2010

*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, Mr. Cheung Wing Ping, Mr. Liu Jian, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond.*