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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)**

**PLACING OF NEW SHARES  
UNDER ISSUE MANDATE**

**Placing Agent**



**KINGSTON SECURITIES LTD**

**THE PLACING**

On 29 October 2010 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 246,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are Independent Third Parties, at a price of HK\$ 0.18 per Placing Share.

A maximum of 246,000,000 Placing Shares under the Placing, which will be allotted and issued under the Issue Mandate, represent approximately 19.93% of the existing issued share capital of the Company of 1,234,349,830 Shares as at the date of this announcement and approximately 16.62% of the then issued share capital of 1,480,349,830 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$24,600,000.

The Placing Price of HK\$0.18 represents (i) a discount of approximately 15.89% to the closing price of HK\$0.214 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 16.28% to the average closing price of HK\$0.215 per Share as quoted on the Stock Exchange in the last five consecutive trading days prior to the date of this announcement.

The maximum gross proceeds from the Placing will be HK\$44.28 million. The maximum net proceeds from the Placing will amount to approximately HK\$42.93 million which is intended to be used as future potential investments of the Group. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.175 per Share.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

29 October 2010 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

The Placing Agent, Kingston Securities Limited, has conditionally agreed to place a maximum of 246,000,000 Placing Shares on a best effort basis. The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Placing Agent and its Associates do hold 31 Shares and do not hold any securities convertible or exchangeable into Shares.

## **Placees**

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are not Connected Persons (as defined in the Listing Rules) of the Company and are Independent Third Parties. It is expected that none of the Placees will become a Substantial Shareholder immediately after the Placing.

## **Number of Placing Shares**

A maximum of 246,000,000 Placing Shares represent approximately 19.93% of the existing issued share capital of the Company of 1,234,349,830 Shares as at the date of this announcement and approximately 16.62% of the then issued share capital of 1,480,349,830 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$24,600,000.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.18 represents (i) a discount of approximately 15.89% to the closing price of HK\$0.214 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 16.28% to the average closing price of HK\$0.215 per Share as quoted on the Stock Exchange in the last five consecutive trading days prior to the date of this announcement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Issue Mandate**

The Placing Shares will be allotted and issued under the Issue Mandate granted to the Directors by a resolution of the Shareholders passed at the EGM pursuant to which the Directors are allowed to allot and issue up to 246,869,966 Shares, being 20% of the then issued share capital of the Company as at the date of the EGM of 1,234,349,830 Shares. As at the date of this announcement, no Share has been allotted and issued under the Issue Mandate.

## Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events.

Completion of the Placing shall take place within four (4) Business Days after the above conditions are fulfilled or waived (as applicable) but in any event not later than 31 December 2010 or such later date to be agreed between the Company and the Placing Agent (the “**Long Stop Date**”). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent prior to 10:00 a.m. on the Long Stop Date, the Placing will be terminated and will not proceed, and all obligations and liabilities of the Company and the Placing Agent under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches under the Placing Agreement).

## Termination and force majeure events

- (i) **Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent’s appointment shall terminate upon the earlier of (a) the completion of the Placing, (b) the Long Stop Date if the conditions set out above have not been satisfied (or waived, as the case may be) and (c) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.**
- (ii) **The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 10:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any *force majeure events* (as defined below).**

For this purpose, a “*force majeure event*” refers to

- (a) **the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not *sui generis* with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or**
  - (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**
- (iii) If, at or prior to 10:00 a.m. on the date of completion of the Placing:**
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or**
  - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or circulars relating to the Placing; or**
  - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.**

**The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.**

**Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.**

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

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

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

The maximum gross proceeds from the Placing will be HK\$44.28 million. The maximum net proceeds from the Placing will amount to approximately HK\$42.93 million which is intended to be used as future potential investments of the Group. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.175 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company. In the meantime, the Company can take this opportunity to broaden the capital base of the Company.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising exercises in the past 12 months before the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Approximate net proceeds raised</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of the net proceeds as at the date of this announcement</b>
3 August 2010	Placing of 205,724,971 new Shares at the placing price of HK\$0.165 per placing share	HK\$32.89 million	For the general working capital of the Group	(i) Approximately HK\$2 million was applied to operating expenses; (ii) approximately HK\$3.5 million was applied to the repayment of mortgage loans; and (iii) approximately HK\$27.39 million was applied to the investment in securities trading business
9 June 2010	Placing of 171,437,476 new Shares at the placing price of HK\$0.255 per placing share	HK\$42.50 million	For the general working capital of the Group	(i) Approximately HK\$38 million was applied to the investment in securities trading business; and (ii) approximately HK\$4.5 million was applied to the repayment of mortgage loans

<b>Date of announcement</b>	<b>Event</b>	<b>Approximate net proceeds raised</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of the net proceeds as at the date of this announcement</b>
28 December 2009	Placing of 200,000,000 new Shares at the placing price of HK\$0.45 per placing share	HK\$87.25 million	(i) Approximately HK\$75 million to be applied to fund the capital injection in the Group's money lending business; and (ii) the balance of the net proceeds for payment of the Group's acquisition of a commercial premise	(i) Approximately HK\$75 million was applied to fund the capital injection in the Group's money lending business, in which the money was lent to reputable independent third parties and the loans were repaid in accordance with the terms and conditions in the loan agreements; and (ii) approximately HK\$12.25 million was applied to the Group's acquisition of a commercial premise as investment property, which was completed on 29 March 2010



## EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

	<b>As at the date of this announcement</b>		<b>Immediately after completion of Placing</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Director and Substantial Shareholder</b>				
Dr. Chuang Yueheng, Henry ( <i>Note 1</i> )	23,353,440	1.89	23,353,440	1.58
Unity Investments Holdings Limited ( <i>Note 2</i> )	138,929,400	11.26	138,929,400	9.38
<b>Public</b>				
Placees	—	—	246,000,000	16.62
Other public Shareholders	<u>1,072,066,990</u>	<u>86.85</u>	<u>1,072,066,990</u>	<u>72.42</u>
<b>Total</b>	<u>1,234,349,830</u>	<u>100.00</u>	<u>1,480,349,830</u>	<u>100.00</u>

*Notes:*

1. Dr. Chuang Yueheng, Henry is the chairman and an executive Director of the Company.
2. These Shares are held by Great Panorama International Limited, which is wholly-owned by Gufalore Investments Limited which in turn is wholly-owned by Unity Investments Holdings Limited.

## GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 21 September 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its Connected Persons
“Issue Mandate”	the mandate granted to the Directors by the Shareholders at the EGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 246,000,000 new Shares, on a best effort basis, pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 29 October 2010 in relation to the Placing
“Placing Price”	HK\$0.18 per Placing Share
“Placing Share(s)”	a maximum of 246,000,000 new Share(s) to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percent.

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

Hong Kong, 29 October 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.*