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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 —
DECISION TO FULLY SUBSCRIBE FOR FREEMAN RIGHTS SHARES**

The Board announces that the Group will by itself fully subscribe for 420,686,114 Freeman Rights Shares if the Freeman Subscription is completed on or before the Freeman Record Date or 43,590,000 Freeman Rights Shares if the Freeman Subscription is not completed on or before the Freeman Record Date.

Reference is made to the announcement of Willie International Holdings Limited (the “Company”) dated 26 January 2012 (the “Announcement”) in relation to the irrevocable undertaking provided by the Company to subscribe for Freeman Rights Shares and two back-to-back irrevocable undertakings received by the Company. Capitalised terms defined in the Announcement shall have the same meanings when used in this announcement unless the context otherwise requires.

DECISION TO FULLY SUBSCRIBE FOR FREEMAN RIGHTS SHARES

Earlier today, the Board (with Dr. Chuang Yueheng, Henry abstaining from participating and voting in the Board meeting) has decided that the Group will by itself fully subscribe for 420,686,114 Freeman Rights Shares if the Freeman Subscription is completed on or before the Freeman Record Date or 43,590,000 Freeman Rights Shares if the Freeman Subscription is not completed on or before the Freeman Record Date. Accordingly, none of the Group’s entitlement of Freeman Rights Shares will be transferred to Dr. Chuang Yueheng, Henry and/or Mr. Kitchell Osman Bin under the two back-to-back irrevocable undertakings.

Consideration for the proposed full subscription for Freeman Rights Shares

As at the date of this announcement, the Group holds 108,975,000 Freeman Shares (equivalent to 21,795,000 Freeman Adjusted Shares), representing approximately 2.31% of the existing issued share capital of Freeman. Pursuant to the Share Subscription Agreement dated 30 September 2011 entered into between the Company and Freeman, the Company has agreed to subscribe for and Freeman has agreed, among other things, to issue and allot 188,548,057 Freeman Subscription Shares upon fulfillment of the Freeman Conditions.

If the Freeman Subscription is completed on or before the Freeman Record Date, the Group will have, on pro-rata basis, an entitlement to an aggregate of 420,686,114 Freeman Rights Shares (on the basis of its existing shareholding in Freeman and the Freeman Subscription Shares to be allotted under the Share Subscription Agreement) and is entitled to subscribe for up to 420,686,114 Freeman Rights Shares at the aggregate subscription price of HK\$42,068,611.40. If the Freeman Subscription is not completed on or before the Freeman Record Date, the Group's entitlement on pro-rata basis will be of an aggregate of 43,590,000 Freeman Rights Shares (on the basis of its existing shareholding in Freeman) and is entitled to subscribe for up to 43,590,000 Freeman Rights Shares at the aggregate subscription price of HK\$4,359,000.

Funding for the proposed full subscription for Freeman Rights Shares

The required funding for the proposed full subscription for Freeman Rights Shares under the Group's pro-rata entitlement as mentioned above will be satisfied by internal resources of the Group.

Reasons for and benefits of the proposed full subscription for Freeman Rights Shares

The Group is principally engaged in the business of investment in securities trading, money lending, property investment and investment holding.

The Board (with Dr. Chuang Yueheng, Henry abstaining from participating and voting in the Board meeting) has considered the recent stock market conditions, the recent performance of Freeman's share price and the obligations under the Listing Rules when making up the decision to subscribe for all of the Freeman Rights Shares by the Group itself. These three factors have been considered by the Board as follows:

- (a) Stock market conditions — the local stock market has recently turned to be more optimistic with Hang Seng Index rising by about 15% from the level around 18,000 points in mid-December 2011 to the current level about 20,700 points.

- (b) Performance of Freeman's share price — Freeman's share price trend has significantly outperformed the Hang Seng Index with Freeman's closing share price soaring from HK\$0.031 per share on 19 January 2012 (the date of Freeman's announcement in relation to the Freeman Rights Issue) to HK\$0.053 per share on the last trading day preceding the date of this announcement, representing a rise of about 71%.
- (c) Obligations under the Listing Rules — the proposed full subscription for Freeman Rights Shares is a discloseable transaction of the Company under the Listing Rules and the related compliance costs thereto (mainly professional fees) will not be material.

Participation in the Freeman Rights Issue will allow the Group to maintain its pro-rata shareholding in Freeman and to provide the Company's support to Freeman when developing strategic alliance with Freeman as described in the Company's circular dated 30 November 2011. Taking into account the three factors mentioned above, the Board (with Dr. Chuang Yueheng, Henry abstaining from participating and voting in the Board meeting) consider that the proposed full subscription of Freeman Rights Shares by the Group itself is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Information on Freeman

Freeman is incorporated in the Cayman Islands with limited liability and principally engaged in the trading of securities, provision of finance and securities brokerage services as well as investment holding.

As at the date of this announcement, the Group holds about 2.31% of the existing issued share capital of Freeman. According to information published by Freeman up to the date of this announcement, Freeman Group holds about 21.20% of the existing issued share capital of the Company. Apart from the shareholdings disclosed above, the Company and Freeman do not have any business relationship as at the date of this announcement. Immediately after the Freeman Capital Reorganisation and completion of the Freeman Subscription, Freeman will be owned as to approximately 18.59% by the Company.

According to the latest audited consolidated financial statements of Freeman as at 31 March 2011, Freeman has an audited consolidated net asset value of approximately HK\$2,502 million. Further financial information of Freeman for the past two financial years ended 31 March 2011 and 31 March 2010 based on its audited consolidated financial statements is set out as below:

	For the year ended 31 March 2011 <i>(HK\$ million)</i>	For the year ended 31 March 2010 <i>(HK\$ million)</i>
Turnover	89.6	169.6
(Loss) Profit before taxation	(168.8)	308.0
(Loss) Profit after taxation	(171.5)	303.9

REQUIREMENTS UNDER THE LISTING RULES

As the highest applicable percentage ratio as defined under Chapter 14 of the Listing Rules in respect of the proposed full subscription up to 420,686,114 Freeman Rights Shares if the Freeman Subscription is completed on or before the Freeman Record Date at the aggregate subscription price of HK\$42,068,611.40 exceeds 5% but less than 25%, the proposed full subscription up to 420,686,114 Freeman Rights Shares constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements thereunder.

By order of the Board
Willie International Holdings Limited
Tsui Hung Wai, Alfred
Executive Director

Hong Kong, 6 February 2012

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

Executive Directors:

Dr. Chuang Yueheng, Henry
 Mr. Wong Ying Seung, Asiong
 Mr. Fung Yue Tak, Derek
 Mr. Tsui Hung Wai, Alfred

Independent non-executive Directors:

Mr. Cheung Wing Ping
 Mr. Wen Louis
 Mr. Yau Yan Ming, Raymond
 Mr. Frank H. Miu
 Mr. Gary Drew Douglas