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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)

**PRICE SENSITIVE INFORMATION
IN RELATION TO**

- (1) ACQUISITION OF 60% OF THE ISSUED SHARE CAPITAL
IN CHINA ENERGY WORLDWIDE INVESTMENT LIMITED;**
- (2) ACQUISITION OF A RIGHT OF FIRST REFUSAL OVER THE
REMAINING 40% OF THE ISSUED SHARE CAPITAL OF CHINA ENERGY
WORLDWIDE INVESTMENT LIMITED; AND**
- (3) PROVISION OF LOAN TO CHINA ENERGY WORLDWIDE
INVESTMENT LIMITED**
- AND**
- RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

(1) THE SHARE PURCHASE AGREEMENT

On 24 June 2011 after trading hours, Willie Resources, a direct wholly-owned subsidiary of the Company as the Purchaser and China Energy BVI as the Seller entered into a conditional share purchase agreement pursuant to which the Purchaser conditionally agreed to purchase the Sale Shares, representing 60% of the issued share capital of China Energy HK, from China Energy BVI at a consideration of HK\$1.

China Energy HK has signed various agreements with the intention of setting up two PRC Joint Ventures. New Energy Auto JV will be established to invest in an automotive factory to manufacture LNG-driven heavy-duty trucks and specialised vehicles (or convert diesel driven trucks/vehicles into LNG-driven trucks/vehicles) and LNG Refueling Station JV will be established for the construction and operation of LNG refueling stations in Huainan to service LNG-driven vehicles. After completion of the Acquisition, the Group will hold 60% equity interest in China Energy HK.

(2) RIGHT OF FIRST REFUSAL AGREEMENT

Under the Right of First Refusal Agreement, for a consideration of HK\$1, China Energy BVI has granted to Willie Resources a right of first refusal on RFR Shares in China Energy HK held by it after completion of the Acquisition.

Should any RFR Shares be offered to Willie Resources for purchase pursuant to the Right of First Refusal Agreement, the Company will comply with relevant provisions in the Listing Rules (in particular, Rule 14.75(2) of the Listing Rules) should it decide to purchase all or part of such offered RFR Shares.

(3) PROVISION OF LOAN

On 24 June 2011 after trading hours, Sun Willie Financing Limited, an indirect wholly-owned subsidiary of the Company as the Lender, has entered into the Loan Agreement with China Energy HK as the borrower, whereby the Lender has agreed to make available to China Energy HK a loan facility of up to HK\$65,000,000, which is secured by the Share Charges and guaranteed by Mr. Lee Wai Hung (the ultimate shareholder and a director of China Energy HK) and Mr. Chen Huang Hao (the other director of China Energy HK), and subject to and upon the terms and conditions therein contained. The Facility is for a period of 1 year from the date of the Loan Agreement, and may be extended by the Borrower for a one-year period, subject to a maximum of 2 extensions, i.e. 3 years in aggregate.

The Facility is for the purpose of financing the capital injection by China Energy HK into the two PRC Joint Ventures.

The Facility is only available for drawing after the completion of the Acquisition (that is, after China Energy HK has become a subsidiary of the Company), and will only remain available provided that China Energy HK remains a subsidiary of the Company. Consequently, under Rule 14.04(1)(e)(ii) of the Listing Rules, the Loan Agreement and the Facility is not subject to Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 27 June 2011 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:00 a.m. on 28 June 2011.

BACKGROUND OF THE SHARE PURCHASE AGREEMENT

On 24 June 2011 after trading hours, Willie Resources, a direct wholly-owned subsidiary of the Company, as the Purchaser and China Energy BVI, as the Seller

entered into a conditional share purchase agreement pursuant to which the Purchaser conditionally agreed to purchase the Sale Shares, representing 60% of the issued share capital of China Energy HK, from China Energy BVI at a consideration of HK\$1.

(1) THE SHARE PURCHASE AGREEMENT

Set out below are the principal terms of the Share Purchase Agreement:

Date:

24 June 2011 (after trading hours)

Parties:

(1) Seller: China Energy BVI

(2) Purchaser: Willie Resources

China Energy BVI is a company incorporated in the BVI with limited liability and is ultimately owned by Mr. Lee Wai Hung solely.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, China Energy BVI and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Share Purchase Agreement, China Energy BVI has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, being 60% of the issued share capital of China Energy HK. China Energy HK is an investment holding company incorporated in Hong Kong with limited liability. Information on China Energy HK is set out under the section headed "Information on China Energy HK".

Consideration

The consideration for the Acquisition shall be HK\$1, which shall be payable in cash (or such other method agreed to between China Energy BVI and the Purchaser) upon completion of the Acquisition.

The consideration was determined after arm's length negotiations between China Energy BVI and the Purchaser with reference to (i) unaudited consolidated net liabilities of China Energy HK of approximately HK\$95,000 as at 31 May 2011 and (ii) the historical performance and future prospects of China Energy HK.

Conditions precedent and completion

Completion of the Share Purchase Agreement shall be subject to and conditional upon:-

- (a) the Purchaser having completed financial and legal due diligence review on China Energy HK Group and its business and having notified China Energy BVI that the due diligence results are satisfactory;
- (b) the Right of First Refusal Agreement and all other documents required pursuant thereto having been duly executed by China Energy BVI; and
- (c) all consents or approvals of any relevant governmental authorities, if appropriate, regulatory bodies and/or other relevant third parties, if any, including all filings with any relevant governmental authorities, if appropriate, regulatory bodies, including the announcements required by them, which shall be required for the entering into the Share Purchase Agreement and the implementation of the Share Purchase Agreement having been received or made.

Completion of the Acquisition shall take place on the third Business Day after the satisfaction or waiver of the conditions precedent under the Share Purchase Agreement (or such other date as China Energy BVI and the Purchaser may agree).

Upon completion of the Acquisition, China Energy HK will become a non-wholly owned subsidiary of the Group and its financial information will be consolidated into the Group.

(2) THE RIGHT OF FIRST REFUSAL AGREEMENT

Set out below are the principal terms of the Right of First Refusal Agreement:

Date:

24 June 2011 (after trading hours)

Parties:

- (1) China Energy BVI
- (2) Willie Resources
- (3) China Energy HK

Principal Terms of the Right of First Refusal Agreement:

Under the Right of First Refusal Agreement, for a consideration of HK\$1, China Energy BVI has granted to Willie Resources a right of first refusal on RFR Shares in China Energy HK held by it after completion of the Acquisition.

Should China Energy BVI decide to transfer or dispose of any of such remaining RFR Shares, Willie Resources may elect to acquire all or part of RFR Shares. The purchase price for RFR Shares shall be agreed upon between China Energy BVI and Willie Resources, or in the absence of agreement, China Energy BVI and Willie Resources shall jointly appoint an auditor (or in the absence of agreement, appointed by the President of The Hong Kong Institute of Certified Public Accountants), who shall determine the fair price of RFR Shares. The fair price shall be determined on the basis of a going concern between a willing seller and a willing buyer and that each RFR Share has the same value of all the shares of that class in the share capital of China Energy HK taken as a whole, without taking into account whether holding such RFR Shares or the purchase of such RFR Shares will give rise to a majority or minority of the total issued shares of China Energy HK.

Should any RFR Shares be offered to Willie Resources for purchase pursuant to the Right of First Refusal Agreement, the Company will comply with relevant provisions in the Listing Rules (in particular, Rule 14.75(2) of the Listing Rules) should it decide to purchase all or part of such offered RFR Shares.

BACKGROUND OF THE LOAN AGREEMENT

On 24 June 2011 after trading hours, Sun Willie Financing Limited, an indirect wholly-owned subsidiary of the Company as the Lender, entered into a loan agreement with China Energy HK as the borrower, pursuant to which the Lender has agreed to make available to China Energy HK a loan facility of up to HK\$65,000,000, which is secured by the Share Charges and guaranteed by Mr. Lee Wai Hung (the ultimate shareholder and a director of China Energy HK as at the date of this announcement) and Mr. Chen Huang Hao (another director of China Energy HK as at the date of this announcement), and subject to and upon the terms and conditions therein contained.

The Facility is for the purpose of financing the capital injection by China Energy HK into the two PRC Joint Ventures.

Set out below are the principal terms of the Loan Agreement:

(3) THE LOAN AGREEMENT

Date:

24 June 2011 (after trading hours)

Parties:

- (1) Lender: Sun Willie Financing Limited
- (2) Borrower: China Energy HK
- (3) Guarantors: Mr. Lee Wai Hung (also a chargor under the respective Share Charges) and Mr. Chen Huang Hao
- (4) Other parties: Low Carbon and China Energy BVI, as chargors under their respective Share Charges

Low Carbon is an investment holding company incorporated in BVI with limited liability.

China Energy HK is directly wholly owned by China Energy BVI which is in turn wholly owned by Low Carbon. Low Carbon is solely owned by Mr. Lee Wai Hung.

To the best of Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, China Energy HK, the Guarantors, Low Carbon and China Energy BVI and their respective associates are third parties independent of the Company and its connected persons.

The Guarantors on a joint and several basis irrevocably and unconditionally guarantee to the Lender the punctual performance by China Energy HK of all of China Energy HK's obligations under the Loan Agreement. The Guarantors undertake with the Lender that if and when China Energy HK fails to pay any amount when due under or in connection with the Loan Agreement, the Guarantors will immediately on demand pay that amount as if it was China Energy HK.

Under the Share Charges:-

- (a) Mr. Lee Wai Hung, as the sole legal and beneficial owner of all the shares in Low Carbon registered in his name and as continuing security for the due and punctual payment and discharge of the liabilities under the Loan Agreement, charges in favour of the Lender by way of first legal mortgage, all its rights, title and interest in the above-mentioned Low Carbon shares free from all encumbrances;

- (b) Low Carbon, as legal and beneficial owner of all the shares in China Energy BVI registered in its name and as continuing security for the due and punctual payment and discharge of the liabilities under the Loan Agreement, charges in favour of the Lender by way of first legal mortgage, all its rights, title and interest in the above-mentioned China Energy BVI shares free from all encumbrances; and
- (c) China Energy BVI, as legal and beneficial owner of 40% of the shares in China Energy HK registered in its name and as continuing security for the due and punctual payment and discharge of the liabilities under the Loan Agreement, charges in favour of the Lender by way of first legal mortgage, all its rights, title and interest in the above-mentioned China Energy HK shares free from all encumbrances.

The Guarantees and the Share Charges were executed on 24 June 2011 (after trading hours).

Principal terms of the Loan Agreement set out below were determined after arm's length negotiations between the Lender and China Energy HK.

Loan amount:

The aggregate principal amount of the Facility available to China Energy HK is HK\$65,000,000. The Company intends to extend the Loan using proceeds from its placement completed in November 2010 and its recent rights issue completed in June 2011.

Interest rate:

The interest rate is agreed to be 12% per annum.

Arrangement fee:

1% of the Facility

Facility duration:

One year from the date of the Loan Agreement. China Energy HK may extend the duration for another one year, subject to a maximum of 2 extensions, i.e. 3 years in aggregate, provided that no event of default or prospective event of default has occurred, is imminent or is likely to occur in the sole opinion of the Lender, nor is there any breach by China Energy HK of any of its obligations under the Loan Agreement.

The Facility shall be available to China Energy HK during the term of the Loan Agreement provided that China Energy HK must at all times remain a subsidiary of the Company.

China Energy HK may make one or more drawings under the Loan Agreement at any time during the term of the Loan Agreement provided that, amongst others, the drawing(s) shall not exceed the remaining undrawn amount of the Facility.

Repayment:

Subject to the Loan Agreement, the Loan and other monies outstanding in connection with the Facility shall be repaid in full on the Final Repayment Date in Hong Kong dollars.

Conditions precedent:

The Lender shall not be obliged to make the Facility available to China Energy HK unless the Lender shall have been duly satisfied with the following:

- (a) the Loan Agreement duly executed by China Energy HK;
- (b) the Share Purchase Agreement duly executed by China Energy BVI and all other documents required pursuant thereto, together with the satisfaction and completion of all obligations thereunder in accordance with the terms and conditions of the Share Purchase Agreement;
- (c) the Share Charges duly executed by each of the respective chargors and all other documents required pursuant thereto, together with the satisfaction and completion of all obligations thereunder in accordance with the terms and conditions of the Share Charges;
- (d) the execution of such security documents held by China Energy HK to be provided by China Energy HK as the Lender reasonably thinks fit from time to time;
- (e) the execution of such guarantee documents by the Guarantors namely Mr. Lee Wai Hung and Mr. Chen Huang Hao under which each Guarantor jointly and severally guarantees the Facility under the Loan Agreement;

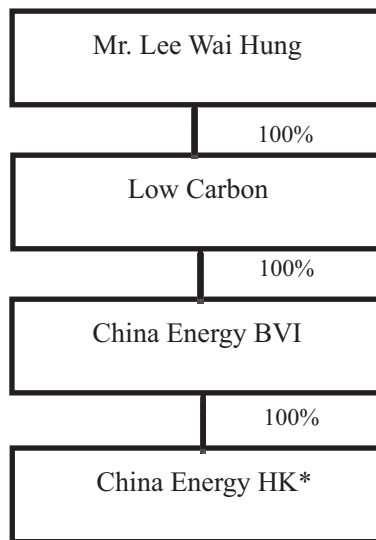
- (f) all consents or approval of any relevant governmental authorities, if appropriate, regulatory bodies and/or other relevant third parties, if any, including all filings with any relevant governmental authorities, if appropriate, regulatory bodies, including announcements required by them, which shall be required for the entering into the Loan Agreement and the implementation of the Loan Agreement having been received or made; and
- (g) China Energy HK has become and remains a subsidiary of the Company.

General

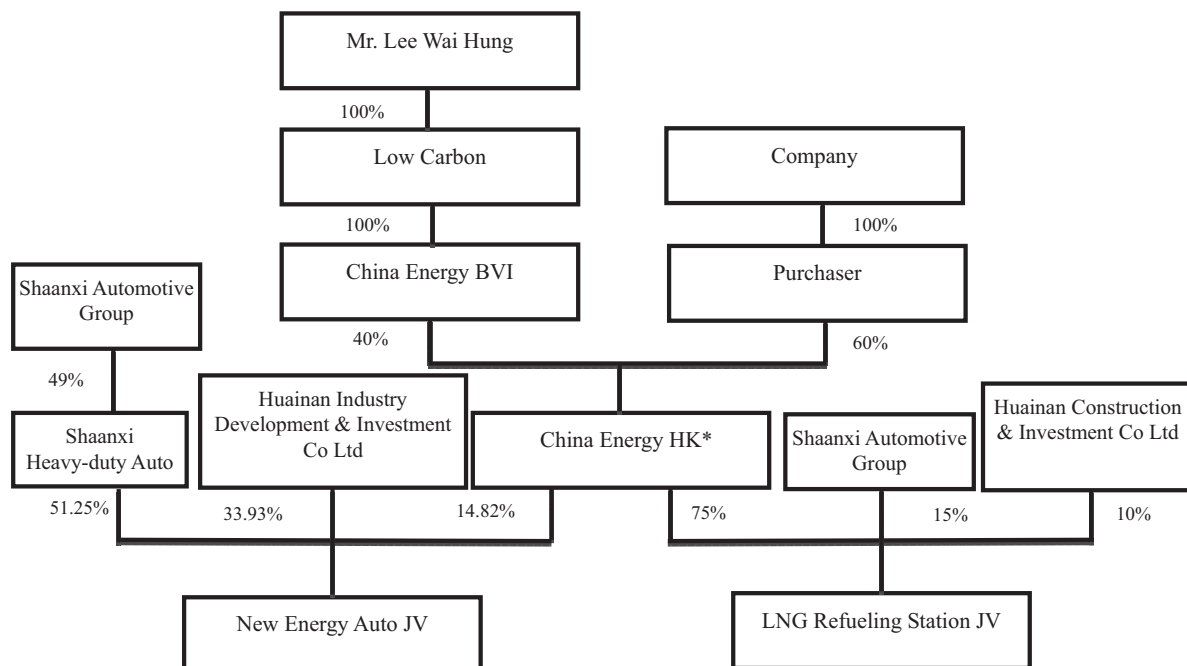
The Facility is only available for drawing after the completion of the Acquisition (that is, after China Energy HK has become a subsidiary of the Company), and will only remain available provided that China Energy HK remains a subsidiary of the Company. Consequently, under Rule 14.04(1)(e)(ii) of the Listing Rules, the Loan Agreement and the Facility is not subject to Chapter 14 of the Listing Rules.

SHAREHOLDING STRUCTURES OF CHINA ENERGY HK

Simplified shareholding structure of China Energy HK as at the date of this announcement:



Simplified shareholding structure of China Energy HK Group upon completion of the Share Purchase Agreement and the setting up of the PRC Joint Ventures:



* China Energy HK represents China Energy Worldwide Investment Limited, 60% of the issued share capital of which will be acquired by Willie Resources, and to which a loan facility up to HK\$65,000,000 will be provided by Sun Willie Financing Limited.

INFORMATION ON HUAINAN

Huainan is one of 13 designated “base with 100 million tonnes of coal annual production capacity” in the PRC. According to public information obtained by the Company, Huainan has over 15 billion tonnes of proven coal reserves and over 44 billion tonnes of inferred coal resource. Coal production amounted to more than 81 million tonnes in 2010. Apart from being a major coal reserve base, other significant industries in Huainan include heavy manufacturing industry, power generation and chemical industry (including coal-related chemical industry).

LNG AND RELATED PRC GOVERNMENT POLICIES

The Directors noticed that the increasing use and reliance on LNG, as an alternative fuel has become a global trend. LNG is not only more environmentally friendly with lower carbon emission but also a safer fuel with a higher flash point as compared to diesel or gasoline. The Directors also concurred with Low Carbon and China Energy BVI that, as natural gas is currently a cheaper fuel than diesel or gasoline, there exists economic incentives for vehicle owners or operators to purchase or convert their diesel-driven vehicles into LNG-driven vehicles due to potential savings in fuel

cost. The use of LNG will also reduce China's reliance on oil and slow down the rate of depletion of oil resources. Statistics provided by Low Carbon and China Energy BVI indicated that, in 2010, natural gas only makes up approximately 5% of total energy consumption in the PRC as compared with the global average of approximately 25% and the average in Asia of approximately 9%. As a result, there is a significant growth potential for the use and application of natural gas in the PRC.

The Directors understand it is the policy of the PRC government during the 12th five-year plan to encourage the following:-

- (i) promote LNG-driven heavy/medium-duty cargo trucks and city public transportation vehicles;
- (ii) give priority consideration in urban planning to the construction of LNG refueling stations in major mining areas, ports and areas with city public transport; and
- (iii) promote the use of LNG as fuel for river transport.

As informed by Low Carbon and China Energy BVI, China National Petroleum Corporation, China National Offshore Oil Corporation, China Petrochemical Corporation and listed companies in the natural gas industry are also making significant strides in the area of LNG refueling stations.

According to Low Carbon and China Energy BVI, the lack of sufficient maintenance support and LNG refueling stations are the major obstacles in the PRC for the development of LNG-driven vehicles, and it is these two areas that the PRC Joint Ventures will focus on resolving.

INFORMATION ON CHINA ENERGY HK

China Energy HK is an investment holding company incorporated in Hong Kong.

As at 31 May 2011, the unaudited consolidated net liabilities of China Energy HK Group was approximately HK\$95,000. The table below summarizes the unaudited

financial information of China Energy HK Group for the following accounting periods:

	For the period from 15 July 2010 (date of incorporation) to 31 December 2010 (HK\$'000) (unaudited)	For the period from 1 January 2011 to 31 May 2011 (HK\$'000) (unaudited)
Turnover	—	—
Net losses before and after taxation	64	41

China Energy HK has signed various agreements with the intention of setting up the PRC Joint Ventures, namely, the New Energy Auto JV and the LNG Refueling Station JV. The PRC Joint Ventures are complementary to each other. China Energy HK is managed by Mr. Lee Wai Hung, Mr. Chen Huang Hao as well as a team of seasoned professionals all of whom have extensive experience in the natural gas industry in the PRC.

New Energy Auto JV

The joint venture partners of New Energy Auto JV will be China Energy HK (14.82%), Shaanxi Heavy-duty Auto (51.25%) and Huainan Industry Development & Investment Co Ltd (33.93%). New Energy Auto JV will have a registered capital of RMB 112 million and a total investment of RMB 373 million, and will have a duration of 30 years.

New Energy Auto JV will be established to invest in an automotive factory to manufacture heavy-duty trucks as well as specialised vehicles (such as buses and public transport vehicles) which will use LNG as its fuel. The automotive factory will also have the capability to convert existing diesel-driven heavy-duty trucks and specialised vehicles into LNG-driven vehicles. As Huainan is one of the major coal production cities in the PRC, the initial focus of New Energy Auto JV will be on manufacturing and converting LNG heavy-duty trucks used for the transportation of coal.

The business scope of New Energy Auto JV includes the research and development, production, sale and servicing of new energy heavy-duty trucks, specialised vehicles and auto parts. The target markets of New Energy Auto JV will include Anhui Province, Zhejiang Province, Jiangsu Province, Jiangxi Province and Hubei

Province. New Energy Auto JV will be managed on a daily basis by Shaanxi Heavy-duty Auto, which will also be responsible for providing New Energy Auto JV with trademark licenses and technology know-how licenses at a total consideration of RMB 22.4 million.

The Joint Venture Contract and the Articles of Association for New Energy Auto JV have already been executed. Huainan Municipal Bureau of Commerce has also issued the Certificate of Approval for the setting up of New Energy Auto JV.

Information on Shaanxi Heavy-duty Auto

The Directors understand that Shaanxi Heavy-duty Auto is a PRC state-owned enterprise and is owned as to 49% by Shaanxi Automotive Group. Shaanxi Heavy-duty Auto is principally engaged in the manufacture and trading of heavy-duty trucks and related automotive components and has a registered capital of approximately RMB 1,706 million. In 2010, Shaanxi Heavy-duty Auto reported aggregate sales of approximately 100,000 units of heavy-duty trucks, ranking fourth in the heavy-duty trucks market in the PRC. According to Low Carbon and China Energy BVI, Shaanxi Heavy-duty Auto is a leading participant in the segment of the PRC “863 Program” or “State High-Tech Development Plan” which focuses on the research and development of natural gas-driven heavy-duty trucks. The 863 program (863計劃) or State High-Tech Development Plan (國家高技術研究發展計劃) is a program funded and administered by the PRC government intended to stimulate the development of advanced technologies in a wide range of fields. Low Carbon and China Energy BVI also informed the Company that: (i) Shaanxi Heavy-duty Auto currently has the number one market share in LNG-driven heavy-duty trucks in the PRC, and (ii) Shaanxi Heavy-duty Auto owns intellectual property rights in advanced technologies in the manufacture and conversion of LNG-driven trucks and other vehicles.

Information on Huainan Industry Development & Investment Co Ltd

According to information published by Huainan Industry Development & Investment Co Ltd, it is solely owned by Huainan SASAC and incorporated in 2009 with registered capital of RMB 500 million. It is responsible for, amongst other things, (i) industry restructuring and the investment, financing and operation of major industrial projects, and (ii) making investments into innovative enterprises as well as nurturing them for potential listing.

LNG Refueling Station JV

LNG Refueling Station JV will construct and operate LNG refueling stations in Huainan to service LNG-driven vehicles. LNG Refueling Station JV will

progressively build a network of 20 LNG refueling stations in Huainan with an initial focus on locations that will best service heavy-duty trucks that transport coal. China Energy HK believes that servicing heavy-duty trucks with large fuel consumptions will generate optimal economic return for both the company itself and the end-users.

Pursuant to LNG Refueling Station Co-operation Agreement, LNG Refueling Station JV will have a registered capital of RMB 50 million and a total investment of RMB 220 million. The joint venture partners are China Energy HK (75%), Shaanxi Automotive Group (15%) and Huainan Construction & Investment Co Ltd (10%).

Shaanxi Provincial SASAC and Huainan SASAC have each approved the respective investment by Shaanxi Automotive Group and Huainan Construction & Investment Co Ltd into LNG Refueling Station JV.

LNG Refueling Station JV will source LNG from LNG plants in Shanxi, Henan or other locations in the PRC. There are currently more than 20 LNG plants in operation in the PRC.

Even prior to the setting up of LNG Refueling Station JV, China Energy HK has already executed an Automotive Conversion and LNG Supply Agreement with a transportation company in Huainan, namely, Huainan No.2 Automotive Transportation Company Limited. Under that agreement, Huainan No.2 Automotive Transportation Company Limited has agreed to convert 800 heavy-duty trucks and long distance passenger vehicles that it owns or operates into LNG-driven vehicles, as well as to purchase only LNG-driven vehicles for all new vehicle purchases going forward. China Energy HK intends to (either itself or through the PRC Joint Ventures) execute similar agreements with other transport companies in Huainan and elsewhere.

Due to the focus on heavy-duty trucks with large fuel consumptions, Low Carbon and China Energy BVI expect the LNG refueling stations operated by LNG Refueling Station JV will become even more profitable than the current compressed national gas refueling stations.

Information on Shaanxi Automotive Group

Shaanxi Automotive Group, incorporated in 2002 (although its predecessor was established in 1968), is a PRC state-owned enterprise and a major corporation engaged in the manufacture of heavy-duty and other vehicles in the PRC. The “Shaanxi Automotive” brand is a well-known brand in the automotive industry in the PRC. According to information published by Shaanxi Automotive Group, it reported aggregate sales of approximately 120,000 vehicles in 2010. Shaanxi Automotive Group also owns and operates the only “new energy research and application laboratory for heavy-duty trucks” in the PRC.

Information on Huainan Construction & Investment Co Ltd

Huainan Construction & Investment Co Ltd is a PRC state-owned enterprise incorporated in 2002 with registered capital of approximately RMB 100 million. It reports directly to Huainan City Government, and is responsible for making investments in and implementing urban construction and other public projects and facilities on behalf of the government. It is also engaged in the investment and implementation of land and real estate development relating to urban projects.

OTHER POTENTIAL AREAS OF CO-OPERATION WITH LOW CARBON AND CHINA ENERGY BVI

Low Carbon and China Energy BVI are already in close discussions in or have signed strategic co-operation agreements with certain other cities in the PRC (including cities in the major coal production provinces of Anhui, Shandong, Henan, Shanxi, Shaanxi, Guizhou, etc) for the setting up of similar joint ventures to manufacture/convert LNG-driven vehicles and build LNG refueling stations. Low Carbon and China Energy BVI also have the intention of expanding into the LNG refueling business for river transportation through the building of LNG refueling stations to service LNG-driven river vessels. In addition, Low Carbon and China Energy BVI are also actively considering potential vertical integration through constructing their own natural gas or coal-bed methane liquefaction plants as well as acquiring natural gas or coal-bed methane directly from its source to secure the supply of LNG.

It is the intention of the Company to continue its discussions with Low Carbon and China Energy BVI, and to participate or co-operate in the above-mentioned horizontal and/or vertical integration upon terms and conditions that are satisfactory to the Company. The Company will comply with the requirements under the Listing Rules should such co-operation or investment opportunities eventuate.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The Directors are positive on the outlook of the application of LNG in the PRC, and in particular, its application in road transportation. The Directors believe that the Transaction and its terms have the following advantages that will benefit the Company:-

- (i) positive government policies and China Energy HK's experienced management team;
- (ii) the PRC Joint Ventures' strong joint venture partners;
- (iii) Huainan being a major coal production city with significant levels of demand for the transportation of coal;
- (iv) the scalability of the LNG refueling stations business;
- (v) the use of LNG in relation to road transportation is a relatively new application in the PRC, and the Transaction will allow the Company to establish a stronghold in this new market;
- (vi) the Right of First Refusal gives the Company an option to potentially further consolidate its interest in China Energy HK (and hence the PRC Joint Ventures) should China Energy BVI decide to sell;
- (vii) the potential of future co-operation with Low Carbon and China Energy BVI as mentioned under the section headed "Information on China Energy HK — other potential areas of co-operation with Low Carbon and China Energy BVI";
- (viii) structuring the investment in the form of a loan (i.e., the Facility) is a safer form of investment (as compared to a pure equity investment). It allows the Group to enjoy a preferential return in the form of interests on the Facility, whilst the Group will also be entitled to receive 60% of all dividends declared and distributed by China Energy HK; and
- (ix) the Directors are of the view that the interest rate and terms of the Loan are on normal or better commercial terms to the Lender by reference to the prevailing market borrowings rate quoted by commercial banks in Hong Kong. The provision of the Loan can intensify the Group's money lending portfolio business and can generate additional stable source of interest income.

Furthermore, the Transaction is in line with the business focus of the Group. As mentioned in the Company's prospectus dated 31 May 2011, the Group is actively seeking new investment opportunities with good returns in the natural resources and energy-related sectors.

On the basis of the above, the Board considers the terms of the Transaction are negotiated on an arm's length basis, on normal commercial terms, and are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

RESUMPTION OF TRADING

Trading in the Shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 27 June 2011 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:00 a.m. on 28 June 2011.

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Share Purchase Agreement
“Articles of Association”	the articles of association in respect of New Energy Auto JV entered into on 7 April 2011
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	a day (other than Saturday or Sunday or public holiday) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China
“China Energy BVI” or “Seller”	China Energy Worldwide Investment (BVI) Limited, a limited liability company incorporated in the BVI and wholly-owned by Low Carbon
“China Energy HK”	China Energy Worldwide Investment Limited, a limited liability company incorporated in Hong Kong on 15 July 2010, which is wholly owned by China Energy BVI
“China Energy HK Group”	China Energy HK and its subsidiaries
“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 such term in the Listing Rules

“Director(s)”	the director(s) of the Company
“Facility”	the loan facility of up to HK\$65,000,000 to be made available to China Energy HK by the Lender subject to and upon the terms and conditions of the Loan Agreement
“Final Repayment Date”	one year from the date of the Loan Agreement, with an option for China Energy HK to extend the Facility for one year, subject to a maximum of 2 extensions, i.e. 3 years in aggregate
“Group”	the Company and its subsidiaries
“Guarantees”	the personal guarantees dated 24 June 2011 executed by each of Mr. Lee Wai Hung and Mr. Chen Huang Hao in favour of the Lender
“Guarantors”	Mr. Lee Wai Hung and Mr. Chen Huang Hao
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huainan”	the city of Huainan in Anhui province of China
“Huainan Construction & Investment Co Ltd”	Huai Nan Urban Construction Investment Co., Ltd (淮南市城市建設投資有限責任公司)
“Huainan Industry Development & Investment Co Ltd”	Huainan Industry Development & Investment Co Ltd (淮南市產業發展投資有限公司)
“Huainan SASAC”	Huainan State-owned Assets Supervision and Administration Commission
“Joint Venture Contract”	the contract dated 6 April 2011 and entered into amongst China Energy HK, Shaanxi Heavy-duty Auto and Huainan Industry Development & Investment Co Ltd in respect of New Energy Auto JV
“Lender”	Sun Willie Financing Limited, a limited liability company incorporated in Hong Kong, which is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“LNG”	liquefied natural gas
“LNG Refueling Station Co-operation Agreement”	淮南天然氣加液站網絡項目合作協議, the co-operation agreement in respect of LNG Refueling Station JV entered into on 23 May 2011 amongst China Energy HK, Shaanxi Automotive Group and Huainan Construction & Investment Co Ltd
“LNG Refueling Station JV”	the PRC joint venture company to be set up for the construction and operation of LNG refueling stations in Huainan by China Energy HK, Shaanxi Automotive Group and Huainan Construction & Investment Co Ltd
“Loan”	the maximum aggregate principal loan amount of HK\$65,000,000 under the Loan Agreement
“Loan Agreement”	the loan agreement dated 24 June 2011 between the Lender and China Energy HK in relation to the provision of the Loan to China Energy HK
“Low Carbon”	Low Carbon Worldwide Investment (BVI) Limited, a limited liability company incorporated in the BVI and wholly-owned by Mr. Lee Wai Hung
“New Energy Auto JV”	陝汽淮南新能源專用汽車有限公司, the PRC joint venture company to be set up between China Energy HK, Shaanxi Heavy-duty Auto and Huainan Industry Development & Investment Co Ltd
“PRC Joint Ventures”	New Energy Auto JV and LNG Refueling Station JV
“Purchaser” or “Willie Resources”	Willie Resources Incorporated, a limited liability company incorporated in the Cayman Islands, which is a direct wholly-owned subsidiary of the Company
“RFR Shares”	all or any portion of the Seller’s remaining 4,000 shares in China Energy HK that may be offered to Willie Resources for purchase pursuant to the Right of First Refusal Agreement
“Right of First Refusal Agreement”	the Right of First Refusal Agreement dated 24 June 2011 executed amongst Willie Resources, China Energy BVI and China Energy HK
“RMB”	Renminbi, the lawful currency of China

“Sale Shares”	6,000 ordinary shares of HK\$1 each in the share capital of China Energy HK representing 60% of the issued share capital of China Energy HK
“Shaanxi Automotive Group”	“Shaanxi Automotive Group Co., Ltd., (陝西汽車集團有限責任公司)”
“Shaanxi Heavy-duty Auto”	Shaanxi Heavy Duty Automotive Co., Ltd. (陝西重型汽車有限公司)
“Shaanxi Provincial SASAC”	Shaanxi Provincial State-owned Assets Supervision and Administration Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Charges”	the Share Charges dated 24 June 2011 executed by each of Mr. Lee Wai Hung, Low Carbon and China Energy BVI in favour of the Lender
“Share Purchase Agreement”	the conditional share purchase agreement between Willie Resources and China Energy BVI dated 24 June 2011 in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Share Purchase Agreement, the Right of First Refusal Agreement, the Loan Agreement, the Guarantees and the Share Charges
“%”	per cent.

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

Hong Kong, 27 June 2011

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

Executive Directors:

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

Independent non-executive Directors:

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