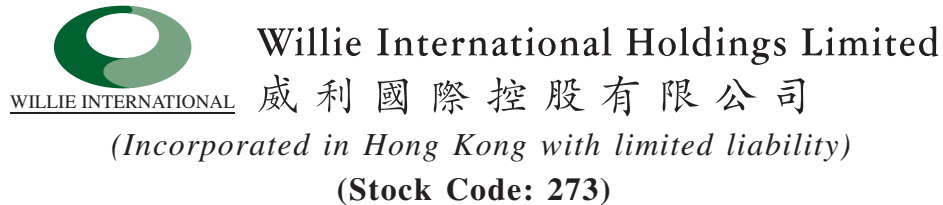


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## **DISCLOSEABLE TRANSACTION**

### **INVESTMENT IN A JOINT VENTURE COMPANY IN RESPECT OF A BHUTAN HOTEL PROJECT**

The Company is pleased to announce that on 13 December 2012 (after trading hours), Sunny Orient Investments Limited, a direct wholly-owned subsidiary of the Company, has entered into the Joint Venture Agreement in relation to a hotel development project in Bhutan.

The hotel development project in Bhutan will be financed by a combination of equity capital and debt financing. The investment in the equity capital of the Joint Venture Company to be contributed by Sunny Orient Investments Limited is US\$5 million (equivalent to approximately HK\$39 million), which will be financed by the net proceeds from the Rights Issue.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules exceeds 5% but is less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcement of Willie International Holdings Limited (the “Company”) dated 21 November 2012 (the “Announcement”) and the Prospectus dated 5 December 2012 (the “Prospectus”) in relation to the rights issue of the Company on the basis of one Rights Share for every two Shares held on the Record Date (the “Rights Issue”). The capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Prospectus, unless the context requires otherwise.

## **INTRODUCTION AND MAJOR TERMS OF THE JOINT VENTURE AGREEMENT**

As disclosed in the Announcement and the Prospectus, the Group has been in negotiation for investing in a joint venture hotel development project in the Kingdom of Bhutan, which is to be financed by the net proceeds from the Rights Issue. The Company is pleased to announce that on 13 December 2012 (after trading hours), Sunny Orient Investments Limited, a direct wholly-owned subsidiary of the Company, has entered into the Joint Venture Agreement in relation to the hotel development project in Bhutan.

Set out below are major terms of the Joint Venture Agreement.

**Date:** 13 December 2012 (after trading hours)

### **Parties:**

Party I: Dasho Sangay Wangchuk, who is a member of the Royal Family in Bhutan and also the main promoter and Chairman of Druk PNB Bank Limited and a prominent person actively promoting tourism in Bhutan;

Party II: Mr. Chalermchai Mahagitsiri, who is the son of Mr. Prayudh Mahagitsiri (one of the leading businessmen in Thailand) and the Chief Executive Officer of PM Group Company Limited in Thailand, which has engaged in various businesses including development of hotels in Thailand; and

Party III: Sunny Orient Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company.

Both Dasho Sangay Wangchuk and Mr. Chalermchai Mahagitsiri invest in the Joint Venture Company as a private individual in their respective own name. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, both Dasho Sangay Wangchuk and Mr. Chalermchai Mahagitsiri are third parties independent of the Company and its connected persons as defined in the Listing Rules.

### **Business scope of the Joint Venture Company**

The business scope of the Joint Venture Company is to carry on the business of hotel investment and other businesses in relation thereto in Bhutan.

## **Shareholding and capital structure of the Joint Venture Company**

The shareholding structure of the Joint Venture Company has been agreed as follows:

| <b>Party</b> | <b>Percentage of shareholding</b> |
|--------------|-----------------------------------|
| Party I      | 33.34%                            |
| Party II     | 33.33%                            |
| Party III    | 33.33%                            |

The issued share capital of the Joint Venture Company will be US\$15 million (equivalent to approximately HK\$117 million) to which each of the three parties to the Joint Venture Agreement will contribute the same amount of US\$5 million (equivalent to approximately HK\$39 million) in cash form. The US\$5 million to be contributed by Sunny Orient Investments Limited is payable by two instalments. The first instalment of US\$2.5 million (equivalent to approximately HK\$19.5 million) will be payable not later than 31 January 2013 and the second instalment of US\$2.5 million will be payable not later than 31 December 2013.

All the parties to the Joint Venture Agreement will not be obliged to provide additional funding in the form of equity apart from US\$5 million as mentioned above. Future increase, if any, of the share capital shall be subject to the mutual consent of all the parties to the Joint Venture Agreement.

### **Share transfer and voting rights**

The Joint Venture Company shall be a private company. Any transfer of any shares in the Joint Venture Company to a third party shall be subject to a right of first refusal by the other parties to the Joint Venture Agreement.

Each of the parties to the Joint Venture Agreement will have shareholder's voting rights at the level of shareholders' meetings in proportion to their respective shareholding percentage as listed above.

### **Board of directors and general management**

The board of directors of the Joint Venture Company will comprise three directors. Each party of the Joint Venture Agreement is entitled to nominate one director. All directors of the Joint Venture Company will have equal voting rights. The management of the Joint Venture Company will rest with its board of directors.

The daily operations of the hotels in Bhutan contemplated under the Joint Venture Agreement will be managed by Sustainable Luxury Management (Thailand) Limited trading as "Six Senses Resorts and Spas", which is an internationally recognized luxury hotel brand renowned for its guest services in sustainable hospitality with a strong sense of environmental responsibility.

### **Preliminary project plan**

There is a preliminary project plan contemplated under the Joint Venture Agreement to develop five small luxury resort hotels on five leisure circuit locations within Bhutan contemporarily. The hotel development project in Bhutan will be financed by a combination of equity capital and debt financing to be arranged by the Joint Venture Company. None of the parties to the Joint Venture Agreement is obliged to guarantee the debt financing.

### **Distribution of dividends**

Dividends will be distributed to the parties to the Joint Venture Agreement in proportion to their respective shareholding percentage in the Joint Venture Company as listed above.

### **OTHER INFORMATION IN RELATION TO THE JOINT VENTURE AGREEMENT**

Bhutan has often been referred to as “The Last Shangri-La”, “The Last Untouched Place”, etc., and has been rated as one of the most exotic destinations in the world. The country promotes or desires high-value low-volume tourism and it is foreseen that the number of tourists will gradually increase. There are currently limited luxury hotel chains in the country; therefore, the chain of hotels contemplated under the Joint Venture Agreement are expected to have strong room rate performance in Bhutan.

The Group’s share of equity contribution to the Joint Venture Company in the sum of US\$5 million (equivalent to approximately HK\$39 million) will be financed by the net proceeds from the Rights Issue.

It is expected that development approvals will be obtained and the project debt financing will be arranged by the Joint Venture Company within 2013. Construction of the hotels will commence before the end of 2015. Target opening date of the hotels is set as no later than the end of 2018.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT**

The Company and its subsidiaries are principally engaged in the business of property investment, investment in securities trading, money lending and investment holding.

It has been the Company's business strategy to look for long-term investment projects. The Directors believe that this joint venture hotel development project aligns with the Company's business strategy after considering the following factors:

- (a) as the development of tourism in Bhutan is in early and high growth stage, it will enable a good return in the long run from investing in a hotel development project there; and
- (b) the investment in hospitality industry will be a new investment segment of the Group, which will help to diversify the Group's portfolio of businesses.

The Board considers that the terms of the Joint Venture Agreement are on normal commercial terms negotiated on an arm's length basis and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The right business partners are a key element to ensuring the Group's success in the hotel development project in Bhutan contemplated under the Joint Venture Agreement. The joint venture partners (namely, Dasho Sangay Wangchuk and Mr. Chalermchai Mahagitsiri) and the hotel operator (namely, Six Senses Resorts and Spas) have profound hotel development and tourism experience and knowledge, which will benefit the Company and the Shareholders as a whole in this exciting new business venture.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated in accordance with the Listing Rules exceeds 5% but is less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “Board”                   | the board of Directors  |
| “Bhutan”                  | the Kingdom of Bhutan   |
| “Company”                 | Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 273)                               |
| “Director(s)”             | the director(s) of the Company  |
| “Group”                   | the Company and its subsidiaries  |
| “Joint Venture Company”   | the joint venture company to be incorporated in Bhutan pursuant to the Joint Venture Agreement, the proposed name of which is “Bhutan Ventures Hospitality Pvt. Limited”  |
| “Joint Venture Agreement” | the joint venture agreement dated 13 December 2012 entered into between Dasho Sangay Wangchuk, Mr. Chalermchai Mahagitsiri and Sunny Orient Investments Limited in relation to the formation of the Joint Venture Company |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited  |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the share capital of the Company  |
| “Shareholders”            | shareholders of the Company   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |

|        |  |
|--------|--|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong                    |
| “US\$” | United States dollars, the lawful currency of United States of America |
| “%”    | per cent   |

By order of the Board  
**WILLIE INTERNATIONAL HOLDINGS LIMITED**  
**Dr. Chuang Yueheng, Henry**  
*Chairman*

Hong Kong, 13 December 2012

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

*Executive Directors*

Dr. Chuang Yueheng, Henry

Mr. Wong Ying Seung, Asiong

Mr. Tsui Hung Wai, Alfred

Mr. Fung Yue Tak, Derek

*Independent Non-executive Directors*

Mr. Cheung Wing Ping

Mr. Wen Louis

Mr. Yau Yan Ming, Raymond

Mr. Frank H. Miu

Mr. Antonio Maria Santos