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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 —
ACQUISITION OF A PROPERTY HOLDING COMPANY**

THE ACQUISITION

On 20 April 2015 (after trading hours), a subsidiary of the Company has signed the Conditional Agreement to acquire the entire issued share capital (together with the assignment of the Loan) of E-Garden, which holds 100% equity interest in East Champion which in turn solely owns the Property, for a Consideration of HK\$170 million. Details of the Acquisition are set out under the section headed “The Conditional Agreement” below.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

INTRODUCTION

On 20 April 2015 (after trading hours), Willie Resources (a wholly-owned subsidiary of the Company) as purchaser and Central Town as vendor entered into the Conditional Agreement pursuant to which Willie Resources has agreed to purchase and Central Town has agreed to sell the Sale Share together with assignment of the Loan for a Consideration of HK\$170 million.

THE CONDITIONAL AGREEMENT

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

Parties:

(1) Purchaser: Willie Resources, a wholly owned subsidiary of the Company

(2) Vendor: Central Town

The principal activity of the Vendor is investment holding. The Vendor is an indirect subsidiary of HEC Capital Limited while the Group beneficially owns approximately 10% indirect equity interest in HEC Capital Limited as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners (other than the Group as mentioned above) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Assets to be acquired

The Sale Share represents the entire issued share capital of E-Garden as at the date of this announcement. E-Garden is the registered and beneficial owner of the entire issued share capital of East Champion which in turn is the sole registered and beneficial owner of the Property. The Property is known as Basement, Stamps Gallery "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong. The gross floor area of the Property is approximately 15,748 square feet. According to a recent valuation conducted by an independent professional valuer, the market value of the Property as at 31 March 2015 was HK\$170 million.

The Loan amounted to approximately HK\$188.7 million as at 31 March 2015.

Consideration

The aggregate Consideration payable by cheque for the purchase of the Sale Share together with the assignment of the benefit of and interest in the Loan shall be HK\$170 million which shall be apportioned as to HK\$8 for the Sale Share and HK\$169,999,992 for the Loan.

HK\$17 million has been paid as initial deposit by the Purchaser upon the execution of the Conditional Agreement and the remaining balance in the sum of HK\$153 million shall be payable in full upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the agreed prevailing fair value of the Property. The Group intends to finance the payment of the Consideration by internal resources.

Conditions precedent

Completion of the Conditional Agreement shall be subject to and conditional upon the following conditions being fulfilled:-

- (i) if applicable, the compliance with the shareholders' approval requirement under the Listing Rules by the Company in relation to the Conditional Agreement and the transactions contemplated thereunder; and
- (ii) a due diligence review having been conducted by the Purchaser on all business, assets and liabilities, legal and financial matters of E-Garden Group to the satisfaction of the Purchaser in its sole discretion.

Termination

If the above-mentioned conditions precedent are not fulfilled on or before 5:00 p.m. on 29 May 2015 (or such later date as may be agreed between the Vendor and the Purchaser in writing), (i) the Conditional Agreement shall terminate and save in respect of any antecedent breaches, the parties shall have no further claims against each other under the Conditional Agreement for costs, damages compensation or otherwise, save in respect of any antecedent breaches and the costs and expenses to be borne by the Purchaser as stipulated under the Conditional Agreement; and (ii) the Vendor shall within three Business Days refund the Deposit so paid by the Purchaser to the Vendor pursuant to the Conditional Agreement to the Purchaser in full without any interest.

Completion

Completion shall take place within one month after the date on which the above mentioned conditions precedent shall have been satisfied and on a Business Day to be agreed between the Vendor and the Purchaser, or failing which, on the last Business Day of a period of one month from the date on which the said conditions precedent shall have been satisfied (or such other date as the parties hereto may agree in writing). If for any cause (other than the default of the Vendor) the Purchaser fails to complete the purchase of the Sale Share and assignment of the Loan in accordance with the terms of the Conditional Agreement after the conditions precedent have been satisfied, the Deposit so paid by the Purchaser to the Vendor shall be absolutely forfeited to the Vendor as damages without further notice and the Vendor may rescind the sale and resell the Sale Share and the Loan at such terms which it may think fit.

If for any cause (other than the default of the Purchaser) the Vendor fails to complete the sale of the Sale Share and assignment of the Loan in accordance with the terms of the Conditional Agreement after the conditions precedent have been satisfied, the Deposit shall be returned by the Vendor to the Purchaser forthwith together with a payment of an additional sum equals to the amount of the Deposit by the Vendor to the Purchaser as damages and the Purchaser shall then have no further claims including specific performance against the Vendor.

INFORMATION ON E-GARDEN GROUP AND THE PROPERTY

E-Garden is a company incorporated in the British Virgin Islands with limited liability and an investment vehicle of Central Town for holding the Property. E-Garden is the registered and beneficial owner of the entire issued share capital of East Champion and East Champion in turn is the sole registered and beneficial owner of the Property. The Property is known as Basement, Stamps Gallery, “No.28 Marble Road”, No.28 Marble Road, North Point, Hong Kong. The gross floor area of the Property is approximately 15,748 square feet.

There is a mortgage created on 16 May 2014 in favor of The Hongkong and Shanghai Banking Corporation Limited registered in the Land Registry to secure banking facilities granted to the Vendor’s immediate holding company (namely, Future Master Investments Limited). According to the Conditional Agreement, the Vendor shall procure that at or before Completion, there shall be a full release and discharge of the said mortgage.

According to a recent valuation conducted by an independent professional valuer, the market value of the Property as at 31 March 2015 was HK\$170 million.

As E-Garden is a company incorporated in the British Virgin Islands, no audited financial statements have been prepared by E-Garden as permitted under the laws of the British Virgin Islands. Based on the latest unaudited consolidated financial statements of E-Garden Group, the amount of unaudited consolidated net assets of E-Garden Group as at 31 March 2015 was approximately HK\$173.2 million (adjusted by excluding the Loan as a liability of E-Garden Group). Further financial information of E-Garden Group for the past two financial years ended 31 March 2014 and 31 March 2015, based on its latest unaudited consolidated financial statements is set out as below:

	For the year ended 31 March 2015	For the year ended 31 March 2014
	<i>(HK\$ 000)</i>	<i>(HK\$ 000)</i>
Profit (Loss) before taxation	41,366	(34,666)
Profit (Loss) after taxation	41,366	(34,666)

E-Garden and East Champion will become wholly-owned subsidiaries of the Company upon Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Board expects the Acquisition upon Completion to strengthen the Group's investment property portfolio. The Group intends to develop the Property as a quality food court with chic restaurants to cater for the consumers' demand in the vicinity of the Property. Taking into account that the Property will facilitate the Group to develop a new business in the catering industry or generate rental income in the future and the Consideration was determined with reference to the agreed prevailing fair value of the Property, the Board considers that the Acquisition and the terms of the Conditional Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

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

“Acquisition”	means the acquisition of the Sale Share and the Loan pursuant to the Conditional Agreement;
“Board”	means the board of Directors of the Company;
“Business Day”	means a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in Hong Kong;

“Central Town” or “Vendor”	means Central Town Limited, a company incorporated in the British Virgin Islands with limited liability;
“Completion”	means the completion of the sale and purchase of the Sale Share and the assignment of the Loan pursuant to the Conditional Agreement;
“Conditional Agreement”	means the conditional agreement dated 20 April 2015 entered into between Willie Resources and Central Town in relation to the Acquisition;
“Deposit”	means deposit and part payment of HK\$17 million payable by the Purchaser pursuant to the Conditional Agreement;
“Director(s)”	means the director(s) of the Company;
“East Champion”	means East Champion Limited, a company incorporated in Hong Kong with limited liability and is the sole registered and beneficial owner of the Property;
“E-Garden”	means E-Garden Properties Limited, a company incorporated in the British Virgin Islands with limited liability and is the registered and beneficial owner of the entire issued share capital of East Champion;
“E-Garden Group”	means E-Garden and East Champion;
“Group”	the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan”	means the outstanding unsecured and non-interest bearing shareholder loan advanced by Central Town to E-Garden which is repayable on demand;

“Property ”	means the commercial property known as Basement, Stamps Gallery “No.28 Marble Road”, No.28 Marble Road, North Point, Hong Kong ;
“Sale Share”	means one share of US\$1.00 in the issued share capital of E-Garden, representing the entire issued share capital of E-Garden as at the date of this announcement;
“Shareholders”	means shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“US\$”	means United States dollar, the lawful currency of the United States of America;
“Willie Resources” or “Purchaser”	means Willie Resources Incorporated, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company.

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

Hong Kong, 20 April 2015

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

Executive Directors
Dr. Chuang Yueheng, Henry
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-executive Directors
Mr. Yau Yan Ming, Raymond
Mr. Frank H. Miu
Dr. Antonio Maria Santos