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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)

**MAJOR TRANSACTION —
DEEMED DISPOSAL OF CORDOBA HOMES LIMITED**

On 30 September 2009, Cordoba and the Subscriber entered into the Subscription Agreement pursuant to which Cordoba agreed to issue and the Subscriber agreed to subscribe for the Subscription Shares, representing approximately 39.43% of the enlarged issued share capital of Cordoba immediately after Completion for the Subscription Price of HK\$450 million. After Completion, the Company will hold the remaining approximately 60.57% of the issued share capital of Cordoba.

The Subscription constitutes a deemed disposal of the Group's interests in Cordoba Group and as the applicable percentage ratios are more than 25% but less than 75%, the Subscription constitutes a major transaction for the Company and is subject to, inter alia, the approval of shareholders at the EGM by way of poll.

A circular containing amongst other things further information on the Subscription Agreement will be dispatched to Shareholders as soon as possible.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 2 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 5 October 2009.

THE SUBSCRIPTION AGREEMENT

Date: 30 September 2009

Parties to the Agreement: (1) Cordoba
(2) Ristora Investments Limited as the Subscriber
(3) Ms. Lo as guarantor for the Subscriber

The Subscriber is wholly owned by Ms. Lo. The Subscriber is a special purpose vehicle set up by Ms. Lo for the Subscription. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner, Ms. Lo, are third parties independent of the Company and Connected Persons of the Company.

Assets to be disposed of

The Subscriber conditionally agreed to subscribe for 750,000,000 Subscription Shares, representing approximately 39.43% issued share capital of Cordoba as enlarged by the issue of the Subscription Shares immediately after Completion.

After Completion, the Company will hold the remaining approximately 60.57% of the issued share capital of Cordoba and Cordoba will remain as a subsidiary of the Company.

Subscription Price

The Subscription Price for the Subscription Shares is HK\$450 million (HK\$0.60 per Subscription Share), payable as to (i) HK\$100 million on Completion; and (ii) HK\$350 million in whole or in instalments of not less than HK\$50,000,000 with the full amount payable on a day falling not later than 3 months after Completion.

Cordoba intends to use the Subscription Price for working capital and future expansion of the Cordoba Group.

The Subscription Price was determined after arm's length negotiation and represents a 25% discount to the net asset value per Cordoba Share of HK\$0.80 based on the unaudited consolidated financial statements of Cordoba Group as at 30 June 2009.

Conditions precedent to the Subscription Agreement

Completion is subject to the following conditions precedent:-

- (i) the passing by the Shareholders of the Company of a resolution at an extraordinary general meeting of the Company to approve the Subscription Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (ii) all requisite consents, licence and approvals from the relevant third parties (including the regulatory authorities in Hong Kong and elsewhere) for the execution of the Subscription Agreement and completion of the transactions contemplated thereunder; and

(iii) due diligence on the Cordoba Group completed to the reasonable satisfaction of the Subscriber.

If the conditions above have not been fulfilled or waived (in respect of conditions (ii) and (iii) above) on or before 5:00 p.m. on 15 December 2009 or such other date as the parties may agree in writing, the Subscription Agreement shall terminate. On termination of the Subscription Agreement, the parties shall have no further claims against each other under the Subscription Agreement for costs, damages compensation or otherwise, save for the antecedent breaches and claims.

Completion

Completion is to take place on next business day after satisfaction or waiver (as applicable) of the Conditions (or such other date, time and place as the parties to the Subscription Agreement may agree).

INFORMATION ON CORDOBA

Cordoba Group is principally engaged in property investment, investment holding and money lending business. Cordoba Group's assets includes, amongst others, residential and commercial properties in Hong Kong, a 20 storey commercial building in the PRC, a yacht, artwork, paintings and a 10 carat diamond.

The Group applied the principles of merger accounting with reference to Accounting Guideline 5 "Merger accounting for common control combinations" issued by the Hong Kong Institute of Certified Public Accountants in the preparation of unaudited consolidated financial statements of Cordoba Group for the year ended 31 December 2007 and 2008 and the six months ended 30 June 2009 as if such combination had occurred from the date when the combining entities first came under common control of the Company and Cordoba had been in existence throughout the reported periods. As a result, the profit before and after taxation of Cordoba Group as set out in the unaudited consolidated financial statements for the year ended 31 December 2007 was approximately HK\$2 million and HK\$2 million respectively. The loss before and after taxation of Cordoba Group as set out in the unaudited consolidated financial statements for the year ended 31 December 2008 was approximately HK\$87 million and HK\$98 million respectively. The profit before and after taxation of the Cordoba Group as set out in its unaudited consolidated financial statements for the six months ended 30 June 2009 was approximately HK\$23 million and HK\$20 million respectively. The net assets of the Cordoba Group was approximately HK\$919 million, as set out in its unaudited consolidated financial statements as at 30 June 2009.

Reasons for the Acquisition

The Directors are of the view that the Subscription will broaden the shareholder and capital base of Cordoba Group which, in turn, will expand the existing business scope and facilitate the future development of the business of Cordoba Group. Moreover, Cordoba Group can utilise the subscription monies for future expansion without any financial burden to the Company. In view of the uncertain market condition, given the Cordoba Group's low net cash position, the fluctuation in the prices of the property market in which the Cordoba Group holds various investment properties and the low rate of return on equity of the Cordoba Group in the first half of 2009, the Directors consider the Subscription represents an ideal opportunity and is a relatively efficient and cost-effective way for the Cordoba Group, which is itself an unlisted group, to raise a substantial amount of fund of HK\$450 million from external parties for its future development, so that the Company can focus its resources in other businesses and investment opportunities of the Group such as natural resources and energy sectors.

In view of the above reasons, the Directors (including the independent non-executive directors) are of the opinion that, notwithstanding the 25% discount to the net asset value per Cordoba Share and the deemed disposal loss of approximately HK\$90 million, the Subscription (including the Subscription Price) is on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Based upon the amount of the Subscription Price, the net assets value of approximately HK\$919 million and the Group's 60.57% interest in enlarged net assets value of Cordoba Group of approximately HK\$829 million in its unaudited consolidated financial statement as at 30 June 2009, a loss of approximately HK\$90 million is expected to accrue to the Group from this deemed disposal. However, the actual gain or loss as at the Completion Date is subject to change upon the finalization of the consolidated financial statements of Cordoba Group as at the Completion Date.

GENERAL

The Company was incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities trading, money lending, property investment and investment holding and the Group will continue to consider acquiring, exploring and developing natural resources.

The Subscription constitutes a deemed disposal of the Group's interests in Cordoba Group and as the applicable percentage ratios are more than 25% but less than 75%, the Subscription constitutes a major transaction for the Company and is subject to, inter alia, the approval of Shareholders at the EGM by way of poll.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 2 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 5 October 2009.

DEFINITIONS

The following terms are used in this announcement within the meanings set opposite them:-

“Associate(s)”	the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong;
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange;
“Completion”	completion of the Subscription under the Subscription Agreement;
“Connected Person(s)”	the meaning ascribed to it under the Listing Rules;
“Cordoba”	Cordoba Homes Limited, a company incorporated in the British Virgin Islands and at present a wholly-owned subsidiary of the Company;
“Cordoba Group”	Cordoba, its subsidiaries and a 50% interest in jointly-controlled entities;
“Cordoba Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of Cordoba;
“Directors”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Subscription Agreement and transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	a person who, to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and Connected Persons of the Company;
“Ms. Lo”	Lo Ki Yan Karen who wholly owns the Subscriber;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	holders of existing shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Ristora Investments Limited, a company incorporated in British Virgin Islands;
“Subscription”	the subscription by the Subscriber of the Subscription Shares under the Subscription Agreement;
“Subscription Agreement”	the conditional subscription agreement dated 30 September 2009 entered into by Ms. Lo, the Subscriber and Cordoba in relation to the Subscription;
“Subscription Price”	HK\$450 million being the subscription price for the Subscription Shares;
“Subscription Shares”	750,000,000 shares, representing approximately 39.43% of the enlarged issued share capital of Cordoba immediately after Completion;
“%”	per cent.

By order of the Board of
Willie International Holdings Limited
King Phillip
Managing Director

Hong Kong, 2 October 2009

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.