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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)**

## **PLACING OF NEW SHARES UNDER ISSUE MANDATE**

### **Placing Agent**

#### **CHUNG NAM SECURITIES LIMITED**

On 3 August 2010 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, a maximum of 205,724,971 Placing Shares to not less than six independent Placees at a price of HK\$0.165 per Placing Share. The Placing Shares represent approximately 20% of the existing issued share capital of the Company of 1,028,624,859 Shares as at the date of this announcement and approximately 16.67% of its issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$20,572,497.

The Placing Price of HK\$0.165 per Placing Share represents (i) a discount of approximately 16.67% to the closing price of HK\$0.198 per Share as quoted on the Stock Exchange on 3 August 2010, being the date of the Placing Agreement; and (ii) a discount of approximately 17.91% to the average closing price of HK\$ 0.201 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 2 August 2010.

The maximum gross proceeds from the Placing will be approximately HK\$33.94 million. The Company plans to use the maximum net proceeds of approximately HK\$32.89 million from the Placing for the general working capital of the Group.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

3 August 2010 (after trading hours)

### **Issuer**

The Company

### **Placing Agent and the Placees**

Chung Nam Securities Limited, the Placing Agent, has conditionally agreed to place a maximum of 205,724,971 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2.5% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent is an indirect wholly-owned subsidiary of Hennabun Capital Group Limited which is ultimately owned as to approximately 41.12% by Mr. Eugene, Chuang Yue-chien, the brother of Dr. Chuang Yueheng, Henry a director of the Company.

The Placing Agent will place the Placing Shares to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be Connected Persons of the Company and will be independent of and not connected with the Company and its Connected Persons. It is expected that none of the Placees will become substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

### **Number of Placing Shares**

A maximum of 205,724,971 Placing Shares represent approximately 20% of the existing issued share capital of the Company of 1,028,624,859 Shares as at the date of this announcement and approximately 16.67% of its issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$20,572,497.

## **Placing Price**

The Placing Price of HK\$0.165 per Placing Share represents (i) a discount of approximately 16.67% to the closing price of HK\$0.198 per Share as quoted on the Stock Exchange on 3 August 2010, being the date of the Placing Agreement; and (ii) a discount of approximately 17.91% to the average closing price of HK\$ 0.201 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 2 August 2010.

The maximum net placing price under the Placing is approximately HK\$0.160 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Issue Mandate**

The Placing Shares will be allotted and issued under the issue mandate granted to the Directors by a resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 26 July 2010 pursuant to which the Directors are allowed to allot and issue up to 205,724,971 Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to such issue mandate.

## **Conditions of the Placing**

The Placing, which is not subject to the approval of the Shareholders, is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

The conditions must be fulfilled on or before 20 August 2010 (or such other date as agreed by the Company and the Placing Agent), failing which the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

### **Termination and force majeure events**

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by any force majeure events as follows:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in political, economic or stock market conditions; or
- (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (d) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands, the British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

### **Completion of the Placing**

Completion of the Placing shall take place not later than the second Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal business activities of the Group are investment in securities trading, money lending, property investment and investment holding.

The maximum gross proceeds from the Placing will be HK\$33.94 million. The Company plans to use the maximum net proceeds of approximately HK\$32.89 million from the Placing for the general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
28 December 2009	Placing of 200,000,000 new Shares at the placing price of HK\$0.45 each	HK\$87.25 million	(i) Approximately HK\$75 million to be applied to fund the capital injection in the Group's money lending business; and (ii) the balance of the net proceeds for payment of the Group's acquisition of a commercial premise	(i) Approximately HK\$75 million was applied to fund the capital injection in the Group's money lending business, in which the money was lent to reputable independent third parties and the loans were repaid in accordance with the terms and conditions in the loan agreements; and (ii) approximately HK\$12.25 million was applied to the Group's acquisition of a commercial premise as investment property, which was completed on 29 March 2010

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
9 June 2010	Placing of 171,437,476 new Shares at the placing price of HK\$0.255 each	HK\$42.50 million	For the general working capital of the Group	(i) Approximately HK\$8 million was applied to the investment in securities trading business; and (ii) the rest has not yet utilised and has been maintained at bank

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

## SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing is as follows:

<b>Shareholders</b>	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Placing</b>	
	<b>Number of Shares</b>	<b>Approximate %</b>	<b>Number of Shares</b>	<b>Approximate %</b>
Dr. Chuang Yueheng, Henry ( <i>Note</i> )	23,353,440	2.27	23,353,440	1.89
<b>Public Shareholders:</b>				
- Placees	—	—	205,724,971	16.67
- Others	<u>1,005,271,419</u>	<u>97.73</u>	<u>1,005,271,419</u>	<u>81.44</u>
<b>Total</b>	<u>1,028,624,859</u>	<u>100.00</u>	<u>1,234,349,830</u>	<u>100.00</u>

*Note:*

Dr. Chuang Yueheng, Henry is the chairman and executive Director of the Company.

## GENERAL

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the date of completion of the Placing Agreement. Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Placing Shares.

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Willie International Holdings Limited (Stock code: 273), a company incorporated in Hong Kong with limited liability and the shares of which are listed on main board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of a maximum of 205,724,971 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a licensed corporation within the meaning of the SFO

“Placing Agreement”	a conditional placing agreement dated 3 August 2010 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.165 per Placing Share
“Placing Share(s)”	a maximum of 205,724,971 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 3 August 2010

*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.*