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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)**

**(1) PROPOSED CAPITAL REORGANISATION;  
(2) PROPOSED CHANGE IN BOARD LOT SIZE; AND  
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

**(1) PROPOSED CAPITAL REORGANISATION**

The Directors propose to put forward a proposal to the Shareholders at the EGM to effect the Capital Reorganisation comprising (i) the Capital Reduction (i.e. the reduction of the nominal value of the Share of HK\$0.01 each to HK\$0.001 each by cancelling HK\$0.009 of the paid up capital on each Share and applying the credit arising from such reduction to the share premium account of the Company); and (ii) the Share Consolidation (i.e. the consolidation of ten Reduced Shares of HK\$0.001 each into one Adjusted Share of HK\$0.01 each).

**(2) PROPOSED CHANGE IN BOARD LOT SIZE**

It is also proposed that upon the Capital Reorganisation becoming effective, the Adjusted Shares will be traded in board lots of 10,000 Adjusted Shares each.

**(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Directors propose to put forward a proposal to the Shareholders at the EGM to increase the authorised share capital of the Company immediately after the Capital Reorganisation becoming effective from HK\$2,000,000 divided into 200,000,000 Adjusted Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Adjusted Shares of HK\$0.01 each by the creation of an additional 1,800,000,000 Adjusted Shares of HK\$0.01 each.

An EGM will be convened for the Shareholders to consider, and if thought fit, to approve the Capital Reorganisation and Increase in Authorised Share Capital. A circular containing details of the Capital Reorganisation, Change In Board Lot Size and Increase in Authorised Share Capital and the notice of EGM will be despatched to Shareholders as soon as practicable.

## **(1) PROPOSED CAPITAL REORGANISATION**

The Directors propose to put forward a proposal to the Shareholders at the EGM to effect the Capital Reorganisation pursuant to the Companies Ordinance which will involve:

- (a) the Capital Reduction under which the authorised capital of the Company will be reduced from HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each to HK\$2,000,000 divided into 2,000,000,000 Reduced Shares of HK\$0.001 each and that such reduction be effected by cancelling HK\$0.009 of the paid up capital on each issued Share of HK\$0.01 and reducing the nominal value of each issued or unissued share in the share capital of the Company from HK\$0.01 per Share to HK\$0.001 per Reduced Share; and
- (b) the Share Consolidation under which every ten Reduced Shares of HK\$0.001 each will be consolidated into one Adjusted Share of HK\$0.01 each.

As at the date of this announcement, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares and the issued share capital of the Company was HK\$8,364,120.35 divided into 836,412,035 Shares. In order to facilitate the Share Consolidation, the Company will use its best effort to repurchase and cancel five Shares prior to the date of EGM and in compliance with Rule 10.06(2)(e) of the Listing Rules. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

Assuming five Shares will be repurchased and cancelled by the Company and no further Shares will be issued between the date of this announcement and the EGM, immediately upon the Capital Reorganisation becoming effective, based on 836,412,030 Shares then in issue, the authorised share capital of the Company will be reduced from HK\$20,000,000 to HK\$2,000,000 divided into 200,000,000 Adjusted Shares of HK\$0.01 each and the issued share capital of the Company will be reduced from HK\$8,364,120.30 to HK\$836,412.03 divided into 83,641,203 Adjusted Shares, giving rise to a total credit of HK\$7,527,708.27 which will, in its entirety, be credited to the share premium account of the Company.

As at the date of this announcement, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for the Shares.

## **Conditions of the Capital Reorganisation**

The Capital Reorganisation will be conditional upon the following:

- (a) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reorganisation;
- (b) the registration by the Registrar of Companies in Hong Kong of a copy of resolution passed by the Shareholders, a copy of a minute containing the particulars required under section 61A of the Companies Ordinance and a statement in the prescribed form signed by an officer of the Company certifying that the relevant conditions under the Companies Ordinance have been satisfied; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares to be issued and allotted upon the Capital Reorganisation becoming effective.

Assuming all the conditions are fulfilled, the Capital Reorganisation will become effective upon the registration of the minute required under section 61A of the Companies Ordinance, which is expected to take place on 21 August 2012.

The Capital Reorganisation does not require confirmation by the High Court of Hong Kong pursuant to section 58(3) of the Companies Ordinance.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares upon implementation of the Capital Reorganisation.

## **Effect of the Capital Reorganisation**

Implementation of the Capital Reorganisation would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Capital Reorganisation.

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the rights of the Shareholders. Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company.

## **(2) PROPOSED CHANGE IN BOARD LOT SIZE**

Currently, the Shares are traded on the Stock Exchange in board lots of 20,000 Shares each. The Board would arrange for changing the board lot size for trading in the Shares from 20,000 Shares to 10,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

The Shares are currently traded in board lots of 20,000 Shares each and the market value per board lot of the Shares is HK\$1,520, based on the closing price of HK\$0.076 per Share as quoted on the Stock Exchange as at the date of this announcement. Assuming the Capital Reorganisation becoming effective, the Adjusted Shares will be traded in board lots of 10,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will HK\$7,600, based on the closing price of HK\$0.076 per Share as quoted on the Stock Exchange as at the date of this announcement. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders.

### **Odd Lot Arrangements**

Fractional Adjusted Shares will be disregarded and not issued to the Shareholders, but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Adjusted Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has agreed to procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of Adjusted Shares on the best effort basis. Further details in respect of the odd lots arrangement and the new share certificates will be set out in the circular of the Company to be despatched to the Shareholders.

### **Reasons for the Capital Reorganisation and the Change In Board Lot Size**

Under Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Since it is expected that the proposed Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and reduce the total number of Shares currently in issue, the Directors propose the Share Consolidation in order to adjust the level of the trading price of the Shares to become more attractive to the general investors including the institutional investors. The Share Consolidation together with the Change in Board Lot Size, will help to reduce the overall transaction costs for dealing in the Adjusted Shares which are calculated on per board lot basis.

Without the Capital Reduction, the consolidation of ten Shares into one consolidated Shares will bring about a corresponding upward adjustment to the par value of the Shares from HK\$0.01 to HK\$0.1 each. Since the Capital Reduction together with the Share Consolidation will keep the par value of the Adjusted Shares at HK\$0.01 which is the same as the par value of the Shares before the Capital Reorganisation, the Directors believe that it will provide further flexibility to the Company to raise funds through the issue of new Shares in the future.

Accordingly, the Directors are of the view that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Exchange of Share Certificates Arrangement**

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period from 21 August, 2012 to 26 September, 2012 (both dates inclusive), submit certificates for the Shares to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for exchange, at the expense of the Company, for new certificates for the Adjusted Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. Certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders.

Further details about the arrangement for the exchange of share certificates will be set out in the circular of the Company to be despatched to the Shareholders.

### **(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Directors propose to increase the authorised share capital of the Company immediately after the Capital Reorganisation becoming effective from HK\$2,000,000 divided into 200,000,000 Adjusted Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Adjusted Shares of HK\$0.01 each by the creation of an additional 1,800,000,000 Adjusted Shares of HK\$0.01 each. The amount of the authorised share capital of the Company after the proposed Increase in Authorised Share Capital will be the same as the authorised share capital of the Company immediately before the Capital Reorganisation.

Although the Company did not have any plan for or was not in any negotiation of any fund raising activities as at the date of this announcement, the Directors are of the view that the proposed Increase in Authorised Share Capital of the Company will provide flexibility to the Company for any future increase of the capital base of the Company and is in the interests of the Company and the Shareholders as a whole. The proposed Increase in Authorised Share Capital of the Company is conditional upon the Capital Reorganisation becoming effective and the passing by the Shareholders of the relevant resolution at the EGM.

### **EXPECTED TIMEABLE**

The expected timetable for the proposed Capital Reorganisation, Change in Board Lot Size and Increase in Authorised Share Capital is set out below:-

**2012**

(Hong Kong time)

Despatch of circular and proxy form for the EGM .....Wednesday, 25 July

Latest time for lodging the proxy form for the EGM

(not less than 48 hours prior to time of the EGM) .....4:00 p.m., Saturday,  
18 August

Expected date and time of the EGM .....4:00 p.m., Monday, 20 August

Effective date of the Capital Reorganisation .....Tuesday, 21 August

Effective date of the Increase in Authorised Share Capital .....Tuesday, 21 August

Dealings in the Adjusted Shares commences .....9:00 a.m., Tuesday, 21 August

Original counter for trading in Shares

(in board lots of 20,000 Shares) closes .....9:00 a.m., Tuesday, 21 August

Temporary counter for trading in the Adjusted Shares

in board lots of 2,000 Adjusted Shares

(in form of existing share certificates in

brown colour) opens .....9:00 a.m., Tuesday, 21 August

**2012**  
(Hong Kong time)

Free exchange of existing share certificates  
for new share certificates  
for the Adjusted Shares commences.....Tuesday, 21 August

Original counter for trading in the Adjusted Shares  
(in board lots of 10,000 Adjusted Shares) re-opens .....9:00 a.m., Tuesday,  
4 September

Parallel trading in the Adjusted Shares  
(in form of new share certificates in blue colour and  
existing share certificates in brown colour) begins .....9:00 a.m., Tuesday,  
4 September

Designated broker starts to stand in the market to  
provide matching services for the sale and  
purchase of odd lots of the Adjusted Shares .....9:00 a.m., Tuesday,  
4 September

Temporary counter for trading in the Adjusted Shares  
in board lots of 2,000 Adjusted Shares  
(in form of existing share certificates in  
brown colour) closes .....4:00 p.m., Monday, 24 September

Parallel trading in the Adjusted Shares  
(in form of new share certificates in blue colour  
and existing share certificates in  
brown colour) ends .....4:00 p.m., Monday, 24 September

Designated broker ceases to stand in the market to  
provide matching services for the sale and  
purchase of odd lots of the Adjusted Shares ...4:00 p.m., Monday, 24 September

Free exchange of existing share certificates  
for new share certificates in blue colour ends.....Wednesday, 26 September

## GENERAL INFORMATION

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities, money lending, property investment and investment holding.

An EGM will be convened for the Shareholders to consider, and if thought fit, to approve the Capital Reorganisation and Increase in Authorised Share Capital. A circular containing details of the Capital Reorganisation, Change in Board Lot Size and Increase in Authorised Share Capital and the notice of EGM will be despatched to Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:-

“Adjusted Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the share capital of the Company including the cancellation of the paid up capital to the extent of HK\$0.009 of each Share in issue from HK\$0.01 to HK\$0.001 and the reduction of the nominal value of all the issued and unissued Shares from HK\$0.01 per Share to HK\$0.001 per Reduced Share
“Capital Reorganisation”	the Capital Reduction and the Share Consolidation
“Change in Board Lot Size”	proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Shares to 10,000 Adjusted Shares upon the Capital Reorganisation becoming effective
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)



“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Capital Reorganisation and Increase in Authorised Share Capital
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Increase in Authorised Share Capital”	The proposed increase in the authorised share capital of the Company, conditional upon the Capital Reorganisation becoming effective, from HK\$2,000,000 divided into 200,000,000 Adjusted Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Adjusted Shares of HK\$0.01 each by the creation of an additional 1,800,000,000 Adjusted Shares of HK\$0.01 each
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reduced Share(s)”	ordinary shares of HK\$0.001 each in the capital of the Company immediately after the Capital Reduction but before the Share Consolidation becoming effective
“Share Consolidation”	the proposed consolidation of every ten Reduced Shares of HK\$0.001 each into one Adjusted Share of HK\$0.01 each
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Capital Reorganisation becoming effective

“Shareholder(s)”	registered holder(s) of the Share(s), Reduced Shares(s) or Adjusted Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Willie International Holdings Limited**  
**Wong Ying Seung, Asiong**  
*Vice Chairman*

Hong Kong, 29 June 2012

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

*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. Gary Drew Douglas