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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 DISPOSAL OF PERFECT TIME INVESTMENTS LIMITED

On 24 March 2010, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase (i) the Sale Share, representing the entire issued share capital of Perfect Time and (ii) Shareholder's Loan for the Consideration of HK\$100 million.

The Disposal constitutes a major transaction for the Company and as the applicable percentage ratios are more than 25% but less than 75% 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 Agreement will be dispatched to Shareholders as soon as possible.

THE AGREEMENT

Date: 24 March 2010

Parties to the Agreement: (1) The Vendor
(2) The Purchaser

The Purchaser is a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (Stock Code: 885). The Purchaser is an investment holding company, and through its subsidiaries and associated companies, is principally engaged in the business of selling and distribution of Nissan motor vehicles, operating of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenance services in PRC; provision of logistic services in Hong Kong and the PRC, manufacturing of carbon fiber in the PRC, properties investments, securities trading and money lending business. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed of

The Purchaser conditionally agreed to purchase (i) Sale Share, representing the entire issued share capital of Perfect Time and (ii) the Shareholder's Loan.

As at the date hereof, the Company indirectly holds approximately 55.27% of the issued share capital of the Vendor so Perfect Time is an indirect non-wholly owned subsidiary of the Company. After Completion, the Company will have no shareholding interest in Perfect Time and it will cease to be a non-wholly subsidiary of the Company. After the Disposal, the Group will cease to account for Perfect Time Group as subsidiaries and the Perfect Time Group will no longer be consolidated in the financial statements of the Group.

Consideration

The Consideration for the Sale Share and the Shareholder's Loan is HK\$100 million in aggregate which is to be satisfied by the issue of the Consideration Shares by the Purchaser to the Vendor or as it may direct, credited as fully paid at HK\$0.25 per Consideration Share.

The Consideration was determined after arm's length negotiation with reference to the carrying value of the Shareholder's Loan as at 31 December 2009 of approximately HK\$103.5 million, the unaudited net assets value of Perfect Time Group as at 31 December 2009 as set out in the unaudited consolidated management accounts of Perfect Time Group as at 31 December 2009 and the valuation of the Property carried by an independent professional valuer as at 28 February 2010 of RMB103 million. The issue price of the Consideration Shares is determined with reference to the recent market performance of Forefront Shares.

Conditions precedent to the Agreement

Completion is subject to the following conditions precedent:-

- (i) the due diligence investigation on the Perfect Time Group, the Property and the leases in respect of the Property to be carried out pursuant to the Agreement having been completed to the reasonable satisfaction of the Purchaser;
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (iii) the passing by the shareholders of the Purchaser of resolutions to approve the Agreement and the transactions contemplated thereunder including the issue of the Consideration Shares in accordance with the Listing Rules;

- (iv) the passing by shareholders of the Company of resolutions to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, if required; and
- (v) all other consents or approvals (if required) of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required for the entry into and the implementation of this Agreement having been obtained, all filings with any relevant governmental authorities or other relevant third parties in Hong Kong or elsewhere which are required for the entering into and the implementation of the Agreement having been made.

If the conditions above have not been fulfilled (or waived by the Purchaser except for conditions (ii) to (iv) above) on or before 5:00 p.m. on 15 June 2010 or such other date as the parties may agree in writing and the Purchaser gives notice to terminate the Agreement, the Agreement shall terminate. On termination of the Agreement, the parties shall have no further claims against each other under the Agreement for costs, damages compensation or otherwise, save for the antecedent breaches and claims.

Completion

Completion is to take place on fifth Business Day after satisfaction or waiver (as applicable) of the conditions above (or such other date and time as the parties to the Agreement may agree).

INFORMATION ON PERFECT TIME

Perfect Time is an investment holding company and as at the date hereof indirectly held by the Company as to approximately 55.27%. Perfect Time Group holds the land use rights to the Property.

Based on the unaudited consolidated management accounts of Perfect Time Group for the year ended 31 December 2009, the net assets of Perfect Time Group was approximately HK\$6.3 million and the profit before and after taxation and extraordinary items of Perfect Time Group was approximately HK\$8.9 million and HK\$8.3 million respectively.

Based on the unaudited consolidated management accounts of Perfect Time Group for the year ended 31 December 2008, the loss before and after taxation and extraordinary items of Perfect Time Group was approximately HK\$1.1 million and HK\$1.2 million respectively.

Taking into account of the equity interest of approximately 55.27% in Perfect Time Group, the unaudited consolidated management accounts of Perfect Time Group as at

31 December 2009 which recorded net assets of approximately HK\$6.3 million, the Shareholder's Loan of approximately HK\$103.5 million, the property valuation as at 28 February 2010 of RMB103 million and the Consideration, the Group will accrue a loss on Disposal of approximately HK\$5.4 million, subject to the audit of the financial statements of the Group for the year ending 31 December 2010.

Reasons for the Disposal

The Property held by Perfect Time Group was acquired by the Group in 2008 and recently generated a monthly income of approximately RMB291,000 with an occupancy rate of about 75% . Having considered the recent policies of the Chinese government to cool down the property markets, the need to put in additional funds to improve and renovate the Property and the decrease in occupancy rate since its acquisition, the Directors are of the opinion that the return from the Property is no longer attractive and the Group should take this opportunity to dispose of its interest in the PRC property market.

Furthermore, upon Completion, the Group will become interested in 400,000,000 Consideration Shares representing approximately 16.99% of the issued share capital of the Purchaser as enlarged by the issue of the Consideration Shares. The Group intends to hold the Consideration Shares as an investment for trading. As at the date of this announcement, the Company holds 80,711,000 Forefront Shares. Assuming there is no purchase and sale of Forefront Shares by the Company before Completion, the Company will hold 480,711,000 Forefront Shares, representing approximately 20.41% of the issued share capital of the Purchaser as enlarged by the issue of the Consideration Shares upon completion of the Agreement. In addition, Dr. Chuang Yueheng Henry (a Director) holds 16,224,188 Forefront Shares (representing approximately 0.83% of its existing issued share capital of 1,954,940,401 shares).

As reflected in the latest unaudited interim consolidated accounts of the Purchaser as at 30 June 2009, its gearing ratio as computed on the basis of net borrowings to total equity was zero and its net assets value was approximately HK\$502 million. With reference to the number of issued shares of the Purchaser as at 30 June 2009 of 1,689,943,609, the net assets per share of the Purchaser was approximately HK\$0.30. Based on the closing price of the Purchaser's Shares on 23 March 2010 of HK\$0.242, being the last trading day of the Purchaser's Shares before the date of this announcement, Forefront Shares are trading at a discount of approximately 19.33% as compared to its net assets per share as at 30 June 2009. The Directors are of the view that there is a potential price appreciation in Forefront Shares in medium to long run and opportunities for the Company to capture and realise such gains.

In view of the above reasons, the Directors (including the independent non-executive directors) are of the opinion that the Agreement is on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

The Company is 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.

The Agreement constitutes a major transaction for the Company and as the applicable percentage ratios are more than 25% but less than 75% 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 Agreement will be dispatched to Shareholders as soon as possible.

So far as the Directors are aware and having all reasonable enquiries, as at the date of this announcement, the Purchaser holds 42,810,532 ordinary shares in the Company representing approximately 4.99% of the issued share capital of the Company. The Purchaser or its Associates (to the extent they hold any ordinary shares of the Company at the time of the EGM) are required to abstain from voting on the Agreement at the EGM.

DEFINITIONS

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

“Agreement”	the conditional agreement dated 24 March 2010 entered into by the Vendor and the Purchaser in relation to the Disposal;
“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 Disposal under the Agreement;

“Connected Person(s)”	the meaning ascribed to it under the Listing Rules;
“Consideration”	HK\$100 million being the aggregate consideration for the disposal of the Sale Share and the Shareholder’s Loan;
“Consideration Share(s)”	400,000,000 new ordinary share(s) of HK\$0.10 each in the capital of the Purchaser to be issued to the Vendor or as it may direct under the Agreement;
“Directors”	the director(s) of the Company;
“Disposal”	the disposal by the Vendor of the Sale Share and Shareholder’s Loan to the Purchaser under the Agreement;
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Agreement and transactions contemplated thereunder;
“Forefront Shares”	existing ordinary shares of HK\$0.10 each in the share capital of the Purchaser;
“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;
“PRC”	the People’s Republic of China;
“Perfect Time”	Perfect Time Investments Limited, a company incorporated in the British Virgin Islands and at present indirectly held as to approximately 55.27% by the Company;
“Perfect Time Group”	Perfect Time and its subsidiary;

“Property”	a 20-storey composite building known as Jifu Plaza with a gross floor area of 10,521.32 square meters situated at No. 103 Shibapu Road, Liwan District, Guangzhou City, Guangdong Province, the PRC;
“Purchaser”	Forefront Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock Code: 885);
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Share”	1 share, representing the entire issued share capital of Perfect Time;
“Shareholder(s)”	holders of existing shares of the Company;
“Shareholder’s Loan”	an interest free loan which is repayable on demand due from Perfect Time to the Vendor which amounted to approximately HK\$103.5 million as at 31 December 2009;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Grace Shine Investments Limited, a company incorporated in British Virgin Islands and indirectly held as to approximately 55.27% by the Company; and
“%”	per cent.

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

Hong Kong, 24 March 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.