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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

On 17 May 2010, the Vendor, the Purchaser and Freeman 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 Sunny Soar and (ii) Shareholder's Loan for the Consideration of HK\$52 million satisfied by cash.

As the Percentage Ratios for the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

THE AGREEMENT

Date: 17 May 2010

Parties to the Agreement: (1) The Purchaser
 (2) The Vendor
 (3) Freeman, as guarantor

The Vendor, an investment holding company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of Freeman.

Freeman is a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (Stock Code: 279). Freeman is an investment company and through its subsidiaries is principally engaged in trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business and investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both the Vendor and Freeman are third party independent of the Company and its Connected Persons.

Assets to be acquired

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

Consideration

The Consideration for the Sale Share and the Shareholder's Loan in aggregate is HK\$52 million in cash and has been paid by the Purchaser to the Vendor upon the signing of the Agreement.

The Consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the net assets of the Target Group of approximately HK\$9 million (after taking into account of the Shareholder's Loan) and the carrying value of the Shareholder's Loan of approximately HK\$44.3 million as set out in the unaudited pro-forma consolidated management accounts of the Target Group as at 31 March 2010 and the valuation of the Property appraised by an independent professional valuer of HK\$52 million as at 14 May 2010.

Guarantee

Freeman has irrevocably and unconditionally guaranteed to the Purchaser as principal obligor the due and punctual performance by the Vendor of all its obligations under the Agreement.

Conditions precedent to the Agreement

Completion is subject to the following conditions precedent:-

- (i) the due diligence investigation on the Target Group to be carried out pursuant to the Agreement having been completed to the satisfaction of the Purchaser in its sole discretion;
- (ii) the Vendor shall procure Wise Sky to be transferred to Sunny Soar free from all Encumbrances together with all rights now or hereinafter attaching to it;
- (iii) in relation to the transaction(s) contemplated in the Agreement, all relevant regulatory requirements having been complied with and satisfied;

(iv) all other consents or approvals of the shareholders or fellow shareholders of the parties for the Agreement and the transactions contemplated thereunder, if required; and

(v) all necessary consents or approvals being granted by third parties for the Agreement and the transactions contemplated thereunder, if required.

Each party shall use its reasonable endeavours and co-operate to ensure the fulfilment of the conditions by the date specified in below. The Vendor shall pay for the costs and expenses in connection with the fulfilment of the conditions.

If the conditions above have not been fulfilled (or waived by the Purchaser save that the Purchaser cannot waive the above conditions (ii), (iii), (iv) & (v)) on or before 5:00 p.m. on the date of the final day of the 6th month from signing of the Agreement (or such other date as the Vendor and the Purchaser may agree in writing) and the Purchaser gives notice to terminate the Agreement, the Agreement shall thereupon terminate. On termination of the Agreement, (i) the Vendor shall return to the Purchaser the Consideration so paid by the Purchaser and (ii) the parties shall have no further claims against each other under the Agreement for costs, damages compensation or otherwise, save in respect of antecedent breaches and claims.

Completion

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

INFORMATION ON SUNNY SOAR AND WISE SKY

Sunny Soar

Sunny Soar is wholly owned by the Vendor and incorporated in the British Virgin Islands with limited liability on 9 April 2010. It is an investment holding company set up for the sole purpose of acquiring the Wise Sky before the Completion. As Sunny Soar was incorporated on 9 April 2010, no audited accounts have been prepared since its incorporation.

Wise Sky

Wise Sky is wholly owned by the Vendor and incorporated in the British Virgin Islands with limited liability.

Wise Sky holds the Property which generated an annual rental income of approximately HK\$0.9 million for the year ended 31 March 2010.

A summary of the unaudited pro-forma consolidated management accounts for two years ended 31 March 2010 and 2009 of the Target Group prepared in accordance with general accepted accounting principles of Hong Kong is as follows:

	Year ended 31 March 2010 (unaudited) HK\$'000	Year ended 31 March 2009 (unaudited) HK\$'000
Turnover	880	1,318
Profit (loss) before taxation	9,450	(5,866)
Profit (loss) after taxation	8,868	(5,051)

The unaudited net assets of the Target Group as at 31 March 2010 amounted to approximately HK\$9 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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 Group has targeted to build up its investment properties business and seize the opportunity to further expand its property portfolio in quality commercial premises. Taking into account that the Acquisition would enhance a stable source of rental income and intensify the property portfolio of the Group, the Board considers that the terms of the Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

GENERAL

As the Percentage Ratios for the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the Agreement;
“Agreement”	the conditional agreement dated 17 May 2010 entered into by the Purchaser, the Vendor and Freeman in relation to the Acquisition;
“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 Acquisition under the Agreement;
“Connected Persons”	the meaning ascribed to it under the Listing Rules;
“Consideration”	HK\$52 million being the aggregate consideration for the acquisition of the Sale Share and the Shareholder’s Loan;
“Directors”	the director(s) of the Company;
“Freeman”	Freeman Corporation Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (Stock Code: 279);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“Property”	the entire 21st floor of China United Centre, 28 Marble Road, North Point, Hong Kong with total gross floor area of approximately 10,736 square feet;

“Purchaser”	Apply Worth Limited, a company incorporated in the British Virgin Islands and indirectly held as to approximately 55.27% by the Company;
“Percentage Ratios”	The percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules;
“Sale Share”	1 share, representing the entire issued share capital of Sunny Soar;
“Shareholder’s Loan”	an interest free loan which is repayable on demand due by the Target Group to the Vendor which amounted to approximately HK\$44.3 million as at 31 March 2010;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sunny Soar”	Sunny Soar Investments Limited, a company incorporated in British Virgin Islands and wholly owned by the Vendor;
“Target Group”	Sunny Soar, Wise Sky and its subsidiaries;
“Vendor”	Future Master Investments Limited, a company incorporated in British Virgin Islands and wholly-owned by Freeman;
“Wise Sky”	Wise Sky Ltd., a company incorporated in British Virgin Islands and wholly owned by the Vendor, which is the registered owner of the Property; and
“%”	per cent.

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

Hong Kong, 17 May 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.