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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)

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
FURTHER INFORMATION RELATING TO
THE PROPOSED RIGHTS ISSUE
AND THE EX-ENTITLEMENT OF SHARES**

SUBSCRIPTION

After trading hours on 19 May 2011, the Company entered into a Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe 59,213,993 Subscription Shares at the Subscription Price of HK\$0.20 per Subscription Share. The Subscription Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the Company's issued share capital as enlarged by the Subscription.

The Subscription is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

Shareholders and potential investors who wish to deal in the securities of the Company should note that the Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.

**FURTHER INFORMATION RELATING TO THE PROPOSED RIGHTS
ISSUE AND THE EX-ENTITLEMENT OF SHARES**

Reference is made to the Company's announcements dated 8 April 2011 and 18 May 2011, circular dated 13 May 2011 (the "Circular") in respect of, among other things, the proposed Rights Issue and notice of extraordinary general meeting dated 13 May 2011. Terms defined in the Circular shall have the same meanings when used in in this announcement unless the content otherwise requires.

It is stated in the Circular that the number of the proposed Rights Shares is not less than 2,368,559,728 Rights Shares (assuming no issue of new Shares on or before the Record Date) and not more than 3,079,127,640 Rights Shares (assuming full utilisation of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit and no other issue of new Shares on or before the Record Date). The Issue Mandate and Scheme Mandate Limit, which were approved by Shareholders at the extraordinary general meeting of the Company held on 24 December 2010 and subsequently adjusted on 17 March 2011, authorised the Directors to issue up to 59,213,993 and 29,606,996 additional Shares respectively. Such Issue Mandate and Scheme Mandate Limit were not utilised and lapsed on 18 May 2011, but were renewed at the Company's annual general meeting held on 18 May 2011. The refreshed issue mandate and scheme mandate limit allow the Directors to issue up to 59,213,993 and 29,606,996 additional Shares respectively. Therefore, for the avoidance of doubt, the maximum number of Rights Shares to be issued under the proposed Rights Issue, for which Independent Shareholders' approval are to be sought at the EGM to be held on 30 May 2011, will remain unchanged.

Pursuant to the expected timetable set out in the Circular, dealings in the Shares on an ex-entitlement basis shall commence on 23 May 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES

The Board is pleased to announce that after trading hours, on 19 May 2011, the Company and the Subscriber had entered into the Subscription Agreement and the principal terms and conditions of which are set out as below:—

The Subscription Agreement

Date: 19 May 2011

Parties

- (a) the Company
- (b) the Subscriber

The Subscriber is a non-executive director of Chong Hing Bank Limited and Freeman Financial Corporation Limited and a director of Liu Chong Hing Investment Limited (all are listed on the main board of the Stock Exchange). He is the Chief Executive Officer of Uitas Capital Pte Ltd (formerly known as “CCMP Capital Asia Pte Ltd”). Mr. Liu, holder of a Master of Arts degree from the Oxford University in England, was a solicitor with Slaughter and May in London before joining Morgan Stanley & Co Inc in New York in 1981. Mr. Liu was promoted to Managing Director in 1990 before relocating to Morgan Stanley Asia Limited in Hong Kong, where he assumed the position of President and Managing Director until his resignation in September 1997. Mr. Liu remains associated with Morgan Stanley as an Advisory Director.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

Subscription Shares

59,213,993 new Shares, representing approximately 20% of the existing issued share capital of the Company, and approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price of HK\$0.20 represents:

- (i) a discount of approximately 10.71% to the closing price of HK\$0.224 per Share as quoted on the Stock Exchange on 19 May 2011, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 11.43% to the average closing price of HK\$0.2258 per Share as quoted on the Stock Exchange for the last five trading days up to and including 19 May 2011.

The Subscription Price was determined after arm’s length negotiation between the Subscriber and the Company on the date of the Subscription Agreement with reference to the recent trading performance of the Shares and business prospects of the Group. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and the Subscription is in the interest of the Company and the Shareholders as a whole.

The Subscription Shares have a market value of approximately HK\$13.26 million, based on the closing price of HK\$0.224 per Share on 19 May 2011, being the date of the Subscription Agreement.

General Mandate

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting held on 18 May 2011. As at the date of this announcement, the Company has not utilised any of the aforementioned general mandate and the general mandate can issue up to 59,213,993 Shares. After completion of the Subscription, the general mandate will be fully utilised. The issue of Subscription Shares is not subject to the approval of the Shareholders.

Condition of the Subscription Agreement

Completion of the Subscription is conditional upon the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange.

In the event that the condition to the Subscription is not fulfilled on or before 30 June 2011 (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription, including the right to any dividends or distribution after the date of completion of the Subscription.

Completion of the Subscription

Completion of the Subscription will take place within two Business Days (or such other time as the Company and the Subscriber may agree) immediately after the fulfillment of the condition of the Subscription set out above.

Shareholders and potential investors who wish to deal in the securities of the Company should note that the Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

Set out below is the table of the shareholdings in the Company before and after completion of the Subscription:

| Shareholders | Shareholding as at the date of this announcement | | Shareholding upon completion of the Subscription | |
|--|--|---------------|--|---------------|
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| Director | | | | |
| Dr. Chuang Yueheng Henry (<i>Note</i>) | 4,670,688 | 1.58 | 4,670,688 | 1.31 |
| Substantial Shareholder | | | | |
| Mr. Andrew Liu | — | — | 59,213,993 | 16.67 |
| Public Shareholders | <u>291,399,278</u> | <u>98.42</u> | <u>291,399,278</u> | <u>82.02</u> |
| Total | <u>296,069,966</u> | <u>100.00</u> | <u>355,283,959</u> | <u>100.00</u> |

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

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

Apart from the capital raising activities mentioned below, the Company has not carried out other capital raising activities during the 12 months immediately preceding the date of this announcement.

| Date of announcement | Event | Net proceeds raised (<i>approximately</i>) | Intended use of net proceeds | Actual use of net proceeds as at the date of this announcement |
|----------------------|--|---|--|---|
| 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\$38 million was applied to the investment in securities trading business; and (ii) approximately HK\$4.50 million was applied to the repayment of mortgage loans |

| Date of announcement | Event | Net proceeds raised (approximately) | Intended use of net proceeds | Actual use of net proceeds as at the date of this announcement |
|-----------------------------|---|--|--|---|
| 3 August 2010 | Placing of 205,724,971 new shares at the placing price of HK\$0.165 each | HK\$32.89 million | For the general working capital of the Group | (i) Approximately HK\$2 million was applied to operating expenses; (ii) approximately HK\$3.50 million was applied to the repayment of mortgage loans; and (iii) approximately HK\$27.39 million was applied to the investment in securities trading business |
| 29 October 2010 | Placing of 246,000,000 new shares at the placing price of HK\$0.18 each | HK\$42.93 million | For future potential investments of the Group | Not yet utilised and maintained at bank |
| 8 April 2011 | Proposed rights issue on the basis of eight rights shares for every Share held on the record date | HK\$285.50 million to HK\$372.20 million | Approximately 20% for general working capital of the Group; and the remaining balance to finance any suitable future potential investment opportunities as and when they arise | Not yet completed |

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the business of property investment, investment in securities trading, money lending and investment holding.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the Company to strengthen its capital base. The Company considers that the Subscription is fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Subscription is expected to be approximately HK\$11.84 million. It is expected that the net proceeds from the Subscription will be used by the Company for the Group's general working capital purpose.

OTHER INFORMATION RELATING TO THE PROPOSED RIGHTS ISSUE AND THE EX-ENTITLEMENT OF SHARES

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Pursuant to the expected timetable set out in the Circular, dealings in the Shares on an ex-entitlement basis shall commence on 23 May 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

| | |
|--------------------------|--|
| “Board” | the board of Directors |
| “Business Day” | any day (excluding Saturday, Sunday and 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, the shares of which are listed on the main board of the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Committee” | has the meaning ascribed to such term in the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Mr. Andrew Liu |
| “Subscription” | the subscription of the Subscription Shares by the Subscriber pursuant to the terms and condition of the Subscription Agreement |
| “Subscription Agreement” | the conditional subscription agreement dated 19 May 2011 entered into between the Company and the Subscriber in relation to the subscription of 59,213,993 Subscription Shares |

| | |
|---------------------------|--|
| “Subscription Price” | HK\$0.20 per Subscription Share |
| “Subscription Shares” | 59,213,993 new Shares to be allotted and issued under the Subscription |
| “Substantial Shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “%” | per cent. |

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

Hong Kong, 19 May 2011

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

Executive Directors:

Dr. Chuang Yueheng, Henry
Mr. Wong Ying Seung, Asiong
Mr. King Phillip
Mr. Wang Lin

Independent Non-Executive Directors:

Mr. Cheung Wing Ping
Mr. Liu Jian
Mr. Wen Louis
Mr. Yau Yan Ming, Raymond