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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 —  
ACQUISITION OF INTEREST IN ASSOCIATES  
AND  
RESUMPTION OF TRADING**

The Board is pleased to announce that on 7 May 2014 after trading hours, Co-Lead (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with FCL, pursuant to which Co-Lead agreed to subscribe and FCL agreed to issue 300,000,000 Subscription Shares at a price of HK\$2.93 per Subscription Share and the aggregate subscription price amounts to HK\$879 million, subject to possible adjustment if applicable. The Subscription Shares represent approximately 39.4% of FCL's issued share capital as at the date of the Agreement and approximately 28.3% of FCL's issued share capital to be enlarged by the Subscription Shares.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules exceeds 25% but is less than 100% in relation to the Acquisition, the Acquisition constitutes a major transaction of the Company pursuant to the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 8 May 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 12 May 2014.

The Board is pleased to announce that on 7 May 2014 after trading hours, Co-Lead (an indirect wholly-owned subsidiary of the Company) entered into the following Agreement with FCL:

## **THE AGREEMENT**

### **Date**

7 May 2014 (after trading hours)

### **Parties**

#### **(1) Issuer**

FCL, which is a company incorporated in Cayman Islands with limited liability.

#### **(2) Subscriber**

Co-Lead, which is an indirect wholly-owned subsidiary of the Company.

### **Assets to be acquired**

Upon completion of the Agreement, FCL will allot and issue 300,000,000 Subscription Shares at a price of HK\$2.93 per Subscription Share (i.e. the aggregate subscription price of HK\$879 million), subject to possible adjustment if applicable, to Co-Lead or its nominee. The Subscription Shares represent approximately 39.4% of FCL's issued share capital consisting of 760,849,120 FCL Shares as at the date of the Agreement and approximately 28.3% of FCL's issued share capital to be enlarged by the Subscription Shares. The Subscription Shares will be accounted for as interest in associates of the Group as FCL and its subsidiaries will become associates of the Group upon Completion.

### **Consideration and payment**

The aggregate consideration for the Subscription Shares is HK\$879 million, subject to the following possible adjustment:

FCL shall provide Co-Lead with FCL's audited consolidated net asset value as at 31 March 2014 (the "Audited NAV") as soon as practicable. If the Audited NAV is either larger or smaller than HK\$2,227,494,000 (being FCL's unaudited consolidated net asset value as at 31 March 2014) by more than HK\$100,000,000, the subscription price per Subscription Share shall be revised as follows:

$$\text{new subscription price per Subscription Share} = \frac{\text{Audited NAV}}{760,849,120}$$

and the aggregate subscription price shall be adjusted accordingly; however, irrespective of whether the aggregate subscription price is adjusted, the total number of Subscription Shares shall remain the same as 300,000,000.

The consideration will be paid by Co-Lead to FCL in cash upon Completion. The Company intends to finance the payment of the consideration by the Group's internal financial resources.

### **Ranking of Subscription Shares**

The Subscription Shares, when fully paid and issued, will rank pari passu with other FCL Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Nomination of director**

Co-Lead shall be entitled at any time as a shareholder of FCL to nominate candidate(s) to serve as director(s) of FCL in proportion to Co-Lead's shareholding in FCL.

### **Conditions precedent of the Agreement**

The Agreement is conditional upon:-

- (a) the passing of necessary resolution(s) by FCL's shareholders (if required), Freeman's shareholders and the Company's shareholders respectively to approve the entering into the Agreement and the transactions contemplated thereunder;
- (b) all necessary approvals from the relevant government or regulatory authorities in British Virgin Islands, Hong Kong and Cayman Islands required of either FCL or Co-Lead for the consummation of the transactions contemplated under the Agreement having been obtained; and
- (c) Co-Lead having conducted and completed due diligence on all business, assets and liabilities, legal and financial matters of FCL Group and all such other matters as deemed necessary.

The conditions precedent must be fulfilled not later than 31 October 2014 (or such later date as agreed by Co-Lead and FCL in writing), failing which the Agreement shall lapse and the parties to the Agreement shall be released from all obligations under the Agreement, save for any liability arising out of any antecedent breaches.

## **Completion of the Agreement**

Completion of the Agreement will take place in whole or in part on one or more date(s) upon FCL having allotted and issued all the Subscription Shares and Co-Lead having paid the entire subscription price of all the Subscription Shares within the first thirty Business Days after fulfillment of the conditions precedent of the Agreement.

## **INFORMATION ON FCL**

FCL is a company incorporated in the Cayman Islands with limited liability and with principal business as investment holding. FCL and its subsidiaries are principally engaged in the financial services sector, including the provision of securities brokerage services, the provision of insurance brokerage and financial planning services, the provision of corporate finance advisory services, trading of securities, provision of finance, as well as investment holding. Certain subsidiaries of FCL have obtained the licenses to carry on regulated activities (type 1: dealing in securities and type 6: advising on corporate finance) governed by the Securities and Futures Ordinance in Hong Kong.

As at the date of the Agreement, FCL was an indirect wholly-owned subsidiary of Freeman, which is a listed company in Hong Kong. As at the date of the Agreement, the Company held 23,438,649 shares of Freeman and Mr. Wong Ying Seung, Asiong, Vice Chairman of the Company, held 1,325,000 shares of Freeman representing about 6.81% and 0.39% respectively of the issued share capital of Freeman. Mr. Cheung Wing Ping, an executive director of the Company, is also an independent non-executive director of Freeman. According to information provided by Freeman, a wholly-owned subsidiary of Freeman held 37,406,335 shares of the Company representing about 4.97% of the issued share capital of the Company and directors of Freeman did not hold any interest discloseable under Part XV of the Securities and Futures Ordinance in the issued share capital of the Company as at the date of the Agreement. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, FCL, Freeman and their ultimate beneficial owners (save as disclosed above) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

According to the information provided by FCL, the value of the unaudited consolidated net assets of FCL Group as at 31 March 2014 was approximately

HK\$2,227,494,000. Further financial information as provided by FCL about FCL Group's profitability is set out as below:

	<b>For the year ended 31 March 2014 (unaudited) (HK\$ 000)</b>	<b>For the year ended 31 March 2013 (unaudited) (HK\$ 000)</b>
Profit before taxation	N/A (Note 1)	283,222 (Note 2)
Profit after taxation	N/A (Note 1)	281,430 (Note 2)

Note 1: According to information provided by FCL, its unaudited consolidated financial statements for the year ended 31 March 2014 are still in the process of being finalized. FCL's consolidated profit figures for that year have not yet been provided to the Group.

Note 2: According to information provided by FCL (which was incorporated in June 2013), its consolidated profit figures for the year ended 31 March 2013 (before FCL's incorporation) have been prepared on the basis as if FCL's existing corporate structure and its subsidiaries have been in place for the entire period of that year.

FCL Group's financial data as disclosed above are only based on a preliminary review of information provided by FCL, and have not been confirmed nor audited by the Company's auditor or FCL's auditor. Hence, **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group would like to acquire the Subscription Shares in order to participate in the development of a group of companies principally engaged in securities trading and provision of financial services with growth potential. The Acquisition would facilitate merging of financial resources, experience and expertise of the Group and Freeman Group to bring the development of FCL into a new chapter, creating value to its shareholders including the Group.

The subscription price of HK\$2.93 per Subscription Share was determined after arm's length negotiation between the Group and Freeman Group with reference to FCL's unaudited consolidated net asset value per share of approximately HK\$2.93 as at 31 March 2014 as well as FCL's historical financial performance and future business prospects, the Board (with Mr. Cheung Wing Ping abstaining from voting as he is also an independent non-executive director of Freeman) considers that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

**Shareholders and potential investors who wish to deal in the shares of the Company should note that completion of the Acquisition is subject to the satisfaction of the conditions precedent contained in the Agreement and it may or may not proceed; and therefore, they are advised to exercise caution when dealing in the shares of the Company.**

## **GENERAL INFORMATION**

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.

A general meeting will be convened by the Company to approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Agreement and the transactions contemplated thereunder together with the notice of the general meeting will be despatched to the Shareholders as soon as practicable.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in relation to the Acquisition calculated in accordance with the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company pursuant to the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 8 May 2014 pending the release of this announcement which has been considered as inside information in nature. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 12 May 2014.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of 300,000,000 Subscription Shares by Co-Lead or its nominee pursuant to the terms of the Agreement
“Agreement”	the agreement entered into on 7 May 2014 between Co-Lead and FCL in relation to the Acquisition
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday, Sunday and any other public holidays) on which banks in Hong Kong are generally open for settlement business
“Co-Lead”	Co-Lead Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 273)
“Completion”	completion of the Acquisition under the terms and conditions of the Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“FCL”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and was an indirect wholly-owned subsidiary of Freeman as at the date of the Agreement
“FCL Group”	FCL and its subsidiaries
“FCL Shares”	ordinary shares with par value of US\$0.00000001 each in the share capital of FCL

“Freeman”	Freeman Financial Corporation Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 279)
“Freeman Group”	Freeman and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Share(s)”	300,000,000 new FCL Shares to be allotted and issued to Co-Lead or its nominee pursuant to the terms of the Agreement
“US\$”	US dollars, the lawful currency of the United States of America
“%”	percent

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

Hong Kong, 9 May 2014

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

*Executive Directors:*

Dr. Chuang Yueheng, Henry  
Mr. Wong Ying Seung, Asiong  
Mr. Cheung Wing Ping  
Ms. Cheung Ka Yee  
Mr. Man Wai Chuen

*Independent Non-executive Directors:*

Mr. Wen Louis  
Mr. Yau Yan Ming, Raymond  
Mr. Frank H. Miu  
Dr. Antonio Maria Santos