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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 —
DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

THE DEEMED DISPOSAL

On 19 June 2015, Co-Lead (an indirect subsidiary of the Company) entered into the Share Swap Agreement with Loyal Fine and Up Wonderful whereby Co-Lead will allot and issue new Co-Lead Shares in exchange for FCL Shares held by Loyal Fine and Up Wonderful respectively. Upon completion of the Share Swap Agreement, the Group's equity interest in Co-Lead will reduce from 100% to approximately 72.99%.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Deemed Disposal is more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company pursuant to the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

THE DEEMED DISPOSAL — SHARE SWAP AGREEMENT

On 19 June 2015 (after trading hours), Co-Lead (a wholly owned indirect subsidiary of the Company) entered into the Share Swap Agreement with Loyal Fine and Up Wonderful whereby Co-Lead will allot and issue new Co-Lead Shares in exchange for FCL Shares held by Loyal Fine and Up Wonderful respectively. Upon completion of the Share Swap Agreement, the Group's equity interest in Co-Lead will reduce from 100% to approximately 72.99%.

Set out below are the principal terms of the Share Swap Agreement:

Parties:

- (1) Purchaser: Co-Lead, an indirect subsidiary of the Company
- (2) Vendors: Loyal Fine and Up Wonderful

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Loyal Fine and its ultimate beneficial owners as well as Up Wonderful and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Loyal Fine and Up Wonderful are third parties independent of each other.

Nature of transaction and assets to be exchanged

Pursuant to the Share Swap Agreement, Co-Lead agreed to:

- (i) buy 90,000,000 FCL Shares (representing approximately 7.16% direct equity interest in FCL) from Loyal Fine in exchange for 900 new Co-Lead Shares (representing approximately 21.9% interest in Co-Lead's enlarged share capital, which in turn representing approximately 7.16% indirect equity interest in FCL) to be allotted and issued by Co-Lead; and
- (ii) buy 21,000,000 FCL Shares (representing approximately 1.67% direct equity interest in FCL) from Up Wonderful in exchange for 210 new Co-Lead Shares (representing approximately 5.11% equity interest in Co-Lead's enlarged share capital, which in turn representing approximately 1.67% indirect equity interest in FCL) to be allotted and issued by Co-Lead.

Consideration

The consideration under the Share Swap Agreement was determined after arm's length negotiations between Co-Lead, Loyal Fine and Up Wonderful. The consideration under the Share Swap Agreement is in the form of exchanging FCL Shares for new Co-Lead Shares on the basis of no change in the beneficial interest in FCL Shares held by Loyal Fine and Up Wonderful. The exchange ratio has been determined as: 1 new Co-Lead Share in exchange for 100,000 FCL shares.

Conditions precedent

Completion of the Share Swap Agreement shall be subject to and conditional upon the following conditions being fulfilled:-

- (i) if applicable, the compliance with the shareholders' approval requirements under the Listing Rules by the Company in relation to the Share Swap Agreement and the transactions contemplated thereunder; and
- (ii) if applicable, the obtaining of all consents from regulatory authorities or third parties which are necessary in connection with the execution and performance of the Share Swap Agreement and the transactions contemplated thereunder.

Termination

If the above-mentioned conditions precedent are not fulfilled on or before 5:00 p.m. on 19 July 2015 (or such later date as may be agreed between Co-Lead, Loyal Fine and Up Wonderful in writing), the Share Swap Agreement shall terminate and save in respect of any antecedent breaches, the parties shall have no further claims against each other under the Share Swap Agreement for costs, damages, compensation or otherwise.

Completion

Completion shall take place on the third Business Day after the date on which the above mentioned conditions precedent shall have been satisfied (or such other date as the parties hereto may agree in writing).

INFORMATION ON CO-LEAD

Co-Lead is a company incorporated in the British Virgin Islands with limited liability and is an indirect subsidiary of the Company. Co-Lead is a special purpose vehicle engaged in holding 300,000,000 FCL Shares (representing approximately 23.86% equity interest in FCL as at the date of this announcement) through a subscription completed in September 2014. Upon completion of the Share Swap Agreement, Co-Lead's equity interest in FCL will increase from approximately 23.86% to approximately 32.69%.

As Co-Lead is a company incorporated in the British Virgin Islands, no separate audited financial statements have been prepared by Co-Lead as permitted under the laws of the British Virgin Islands. Based on the latest unaudited financial statements of Co-Lead (the figures of which have constituted part of the Group's audited consolidated financial statements for the year ended 31 December 2014), the carrying

value of unaudited net assets of Co-Lead as at 31 December 2014 was approximately HK\$953.6 million. Further financial information of Co-Lead's profitability is set out as below (no comparative figures for the previous year 2013 because Co-Lead was incorporated in January 2014):

**For the year ended
31 December 2014**
(HK\$'000)

(Loss) before taxation	(5)
(Loss) after taxation	(5)

Co-Lead will change from a wholly-owned subsidiary to a non-wholly owned subsidiary of the Company upon completion of the Share Swap 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, type 2: dealing in future contracts and type 6: advising on corporate finance) governed by the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

According to FCL's latest audited financial statements, the amount of audited net assets of FCL Group as at 31 March 2014 was approximately HK\$2,203 million. According to information provided by FCL, its equity capital has been increased by a sum of approximately HK\$1,431 million since 1 April 2014, resulting in a subsequent corresponding increase in FCL Group's net assets. Further financial information of FCL Group's profitability is set out as below:

	For the year ended 31 March 2014	For the year ended 31 March 2013
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Profit before taxation	585,920	250,657
Profit after taxation	583,174	248,865

REASONS FOR AND BENEFITS OF ENTERING INTO SHARE SWAP AGREEMENT

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

The Group's beneficial interest in FCL's issued share capital remains as approximately 23.86% immediately before and after completion of the Share Swap Agreement. Moreover, the effective voting power at FCL shareholders' meetings under the control of the Group through Co-Lead will increase from approximately 23.86% to 32.69% since Co-Lead will remain as a subsidiary of the Company upon completion of the Share Swap Agreement. The aforesaid increase in the effective voting power at FCL shareholders' meetings is expected to facilitate the Group to exercise more influence on FCL's financial and operating policies so that the interest of the Group as a minority shareholder of FCL can be better served. After considering this benefit and the basis of determining the consideration under the Share Swap Agreement to result in no change in the beneficial interest in FCL Shares held by the parties thereto, the Board considers that the terms of the Share Swap Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Deemed Disposal is more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company pursuant to the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following meanings:

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|----------------|--|
| “Board” | means the board of directors of the Company; |
| “Business Day” | means any day on which licensed banks in Hong Kong generally are open for business, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.; |

“Co-Lead”	means Co-Lead Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect subsidiary of the Company;
“Co-Lead Share(s)”	means the ordinary share(s) of no par value in the share capital of Co-Lead;
“Deemed Disposal”	means the allotment and issue of new Co-Lead Shares by Co-Lead to Loyal Fine and Up Wonderful in exchange for FCL Shares held by them respectively pursuant to the Share Swap Agreement, resulting in a reduction of the Group’s percentage equity interest in Co-Lead;
“Directors”	means the directors of the Company;
“FCL”	means Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and is a subsidiary of Freeman;
“FCL Group”	means FCL and its subsidiaries;
“FCL Shares”	means the ordinary shares of par value at US\$0.00000005 each in the share capital of FCL;
“Freeman”	means 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);
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loyal Fine”	means Loyal Fine Limited, a company incorporated in the British Virgin Islands with limited liability and is a party to the Share Swap Agreement;
“Shareholders”	means shareholders of the Company;

“Share Swap Agreement”	means the share swap agreement dated 19 June 2015 entered into between Co-Lead, Loyal Fine and Up Wonderful in relation to the issue of new Co-Lead Shares in exchange for FCL Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Up Wonderful”	means Up Wonderful Limited, a company incorporated in the British Virgin Islands with limited liability and is a party to the Share Swap Agreement;
“US\$”	means United States dollar, the lawful currency of the United States of America;
“%”	means percentage.

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

Hong Kong, 19 June 2015

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

Executive Directors
Dr. Chuang Yueheng, Henry
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-executive Directors
Mr. Yau Yan Ming, Raymond
Mr. Frank H. Miu
Dr. Antonio Maria Santos