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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)**

**(Warrant Code: 614)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION**

On 30th April, 2008, the Purchaser entered into the Agreement with the Vendor pursuant to which the Vendor conditionally agreed to (i) sell and the Purchaser conditionally agreed to purchase the Sale Share in Uprite, representing the entire issued share capital of Uprite and (ii) assign the Sale Loan to the Purchaser at an aggregate consideration of HK\$94,000,000, which shall be satisfied in cash on Completion. As part of the terms of the Agreement, the Purchaser agreed to use best endeavours to procure that the Facility is made available to Uprite, on terms acceptable to the Purchaser at its sole discretion.

The Agreement constitutes a discloseable and connected transaction for the Company under Chapter 14 and 14A of the Listing Rules. A circular containing details of the Acquisition, the letter of advice of an independent financial adviser and notice of an EGM will be despatched to shareholders as soon as possible.

## **THE AGREEMENT**

Date: 30th April, 2008

Parties to the Agreement: Hennabun Capital Group Limited as Vendor  
Easy Era Investments Limited as Purchaser

The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase 1 Sale Share in Uprite, representing the entire issued share capital of Uprite and the Vendor agreed to assign to the Purchaser the Sale Loan for an aggregate consideration of HK\$94,000,000 (apportioned as to HK\$2,640,151 for the Sale Share and HK\$91,359,849 for the Sale Loan), which will be satisfied in cash on Completion.

**Condition:**

Completion of the Agreement is subject to:-

- (i) a due diligence investigation to be carried out on Uprite and its assets (including the Yacht and the Marine Facilities and title thereto) having been completed to the satisfaction of the Purchaser at its sole discretion; and
- (ii) the approval of the Agreement and transactions contemplated thereunder by the Shareholders in accordance with the Listing Rules, if required.

Completion will take place on the third day after satisfaction of the conditions. If the conditions are not satisfied (or waived) on or before 30th June, 2008 or the Yacht or the Marine Facilities shall be damaged at any time before completion and the Purchaser gives notice of termination, the Agreement shall terminate and the parties shall not have any further claims against each other, save in respect of antecedent breaches.

**Uprite:**

Uprite is a special purpose company set up for the sole purpose of acquiring the Yacht and the Marine Facilities.

The unaudited net loss (before and after tax and extraordinary items) of Uprite for the period from 3rd July, 2007 (the date of incorporation) to 31st December, 2007 was HK\$172,036 and the net liabilities of Uprite as at 31st December, 2007 was HK\$172,028.

The unaudited net loss (before and after tax and extraordinary items) of Uprite for the period from 1st January, 2008 to 30th April, 2008 was HK\$969,355 and the net liabilities of Uprite as at 30th April, 2008 was HK\$1,141,383.

There are no major assets and liabilities of Uprite other than the Yacht, the Marine Facilities and the Sale Loan.

**The Yacht and the Marine Facilities:**

The Yacht, named Aquarius, (model Azimut 103'S) was constructed in Italy in 2007 by AZIMUT-BENETTI S.p.A. The gross tonnage of the Yacht is 210 and the overall length and breadth of the Yacht are 30.91 metres and 7.57 metres respectively. The Yacht was newly constructed and delivered to Uprite in December 2007. The total purchase price paid by Uprite was Euro 7,912,000 (equivalent to HK\$87,657,770 at the then exchange rate of 1 Euro to approximately HK\$11.0791).

The Marine Facilities comprise of (i) a speed boat, MASTERCRAFT X-80 Salt Water; (ii) an inflatable boat, AVON Inflatable - Seasport SE 400 DL and (iii) a jet ski motor boat, 2008 Sea-Doo PWC. The total cost of the Marine Facilities is HK\$2,181,695 and the deposit paid by the Vendor was HK\$1,716,800.50. They are expected to be delivered in or about July 2008.

After completion of the Acquisition, Uprite will become a subsidiary of the Company.

**Consideration:**

The aggregate consideration for the Acquisition payable by the Purchaser is HK94,000,000, which was arrived at after arms length negotiations between the Vendor and the Purchaser based on Uprite's acquisition price of the Yacht and the Marine Facilities as indicated above, the principal amount of the Sale Loan, the estimated cost of acquiring the Yacht at prevailing market conditions and the reasons set out in the section headed "Reasons for the Transaction" being the immediate delivery of the Yacht, the strong performance of the Euro and the proposed leasing prospects for the Yacht.

The consideration will be funded by internal resources of the Company.

**The Vendor's undertakings:**

The Vendor undertook to use its best endeavours:-

- (i) to procure that the Facility in the principal amount of HK\$20 million is made available to Uprite within a period of three months after Completion on terms acceptable to the Purchaser at its sole discretion; and
- (ii) to procure delivery of the Marine Facilities by July 2008.

The Company will comply with the requirements of the Listing Rules, if and when the Facility is drawdown, to the extent applicable.

## GENERAL INFORMATION

Mr. Eugene Chuang, brother of Mr. Chuang Yueheng, Henry, the chairman of the Company owns approximately 75% of the issued share capital of the Vendor. The remaining approximately 25% of the shares in the Vendor are held by various companies listed on the Stock Exchange, certain individuals and a financial institution. The Vendor is principally engaged in investment holding for the provision of financial services and proprietary trading. Mr. Chuang Yueheng, Henry does not hold any shares in the Company nor any shares in the Vendor as at the date hereof. The Stock Exchange is of the view that as Mr. Eugene Chuang holds approximately 75% equity interest in the Vendor, the Vendor in substance is Mr. Eugene Chuang and the Agreement in the opinion of the Exchange is a deemed connected transaction.

Accordingly, the Agreement constitutes a discloseable and connected transaction under Chapter 14 and 14A of the Listing Rules and requires the approval of independent Shareholders. As at the date hereof, Hennabun PT Limited, a company held as to approximately 75% by Mr. Eugene Chuang holds 108,442,800 shares in the Company, representing approximately 3.10% of the issued share capital of the Company. Hennabun PT Limited will abstain from voting on the Acquisition at the EGM. Save for Mr. Eugene Chuang and his associates (including Hennabun PT Limited), so far as the Directors are aware, no Shareholder is required to abstain from voting on the Acquisition at the EGM.

A circular will be despatched to shareholders containing further details of the Acquisition, the letter of advice of an independent financial adviser and notice of an EGM.

The Directors (other than the independent non executive Directors who will form a view once they have received advice from the independent financial adviser) are of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The Group is principally engaged in investment holding. The principal activities of the Group include property investments, investment in trading securities and acquiring, exploring and developing natural resources.

## **REASONS FOR THE TRANSACTION**

The Directors consider that the terms of the Acquisition to be fair and reasonable and in the best interests of the Company and shareholders as a whole because:

1. the normal ordering and delivery cycle of the Yacht takes at least one year. The Acquisition enables the Company to have immediate physical delivery of the Yacht;
2. the Euro currency is stronger as compared with one year ago which is at the exchange rate of 1 Euro to HK\$12.1685 on 30th April, 2008, the date of the Agreement. If payment of the Yacht and the Marine Facilities was made at such exchange rate, the estimated amount payable would be approximately HK\$98,458,867;
3. in view of immediately physical delivery and potential savings in foreign exchange expenses, the consideration to be paid by the Purchaser represents savings of approximately HK\$4,458,867 (at the exchange rate of 1 Euro to HK\$12.1685 on 30th April, 2008, the date of the Agreement), the Company is acquiring the Yacht at a fair and reasonable value; and
4. the Company is in preliminary discussions with various parties in relation to the potential leasing of the Yacht and the Marine Facilities on time share basis which if materializes is expected to provide rental income for the Company in the future.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Share and the Sale Loan under the Agreement;
“Agreement”	the conditional sale and purchase agreement dated 30th April, 2008 entered into by the Vendor and the Purchaser in relation to the Acquisition;
“associates”	has the meaning as ascribed thereto in the Listing Rules;
”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 Person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened to approve matters related to the Acquisition;
“Facility”	a loan facility in the principal amount of HK\$20,000,000 which the Vendor has undertaken to use best endeavours to procure that it is made available to Uprite under the Agreement as described in the section headed “The Vendor’s undertakings” in this announcement;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Marine Facilities”	the speed boat, jet ski and inflatable boat as described in the section headed “The Yacht and the Marine Facilities” in this announcement;
“Mr. Eugene Chuang”	Mr. Chuang Eugene Yue-chien;
“Purchaser”	Easy Era Investments Limited, a company incorporated in the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company;
“Sale Loan”	a loan in the aggregate amount of approximately HK\$91,359,849 as at 30th April, 2008 due from the Company to the Vendor, which loan is interest free and repayable on demand
“Sale Price”	HK\$94,000,000;
“Sale Share”	1 share, representing the entire issued share capital of Uprite;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Uprite”	Uprite Limited, a company incorporated in the British Virgin Islands;
“Vendor”	Hennabun Capital Group Limited; and
“Yacht”	the yacht as described in the section headed “The Yacht and the Marine Facilities” in this announcement.

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and four independent non-executive Directors, namely, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.*

By order of the board of directors of  
**Willie International Holdings Limited**  
**Chuang Yueheng, Henry**  
*Chairman*

Hong Kong, 2nd May, 2008