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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**

### **DISPOSAL OF SUBSIDIARIES HOLDING A PROPERTY**

On 19 August 2010, the Vendor and the Purchaser 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 Winport and (ii) the Shareholder's Loan for the Consideration of HK\$36 million.

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

#### **THE AGREEMENT**

Date: 19 August 2010

Parties to the Agreement: (1) The Vendor  
(2) The Purchaser

The Purchaser is an individual. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the transaction is not subject to the requirements of Chapter 14A (Connected Transactions) of the Listing Rules.

#### **Assets to be disposed of**

The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase (i) the Sale Share, representing the entire issued share capital of Winport and (ii) the Shareholder's Loan. Winport wholly owns Radford which holds the Property, a residential property known as Duplex Flat A on 21st and 22nd Floors together with a portion of roof immediately thereabove and Car Park No. 33 on the Car Park Floor of Royalton, No.118 Pok Fu Lam Road, Hong Kong.

The Property is currently subject to a legal charge / mortgage as security for the Mortgage Loan.

After the Disposal, Winport and Radford will cease to be subsidiaries of the Company.

### **Consideration**

The Consideration for the Sale Share and the Shareholder's Loan in aggregate is HK\$36 million in cash. An initial deposit of HK\$6 million has been received from the Purchaser upon the execution of the Agreement and the balance of HK\$30 million shall be received upon Completion.

The Consideration was determined after arm's length negotiation with reference to the carrying values of the Mortgage Loan and the Shareholder's Loan as at 30 June 2010 of approximately HK\$13,536,000 and HK\$8,133,000 respectively, the unaudited consolidated net assets value of Winport and Radford as at 30 June 2010 of approximately HK\$30,500 as set out in the unaudited consolidated management accounts as at 30 June 2010 and the valuation of the Property carried by an independent professional valuer as at 30 June 2010 of HK\$36 million.

### **Conditions precedent to the Agreement**

Completion is subject to the following conditions precedent:-

- (a) the compliance of all relevant regulatory requirements and necessary requirements under the Listing Rules in respect of the transactions contemplated under the Agreement;
- (b) completion of the due diligence investigations of Winport, Radford and the Property conducted by and/or on behalf of the Purchaser to its absolute satisfaction in respect of, inter alia,:-
  - (i) the business, financial, legal and other conditions of Winport;
  - (ii) the business, financial, legal and other conditions of Radford ; and
  - (iii) the legal and physical conditions of the Property.
- (c) that the Vendor has made full repayment of the Mortgage Loan and have the Property released from the existing legal charge / mortgage; and

(d) no events, facts or circumstance, which has constituted or may constitute any breach of any provisions of the Agreement (including without limitation the representations and warranties as stipulated therein) has been happened on or before Completion.

If the conditions above have not been fulfilled (or waived by the Purchaser) on or before the date of Completion, the Vendor shall return to the Purchaser within 3 Business Days the sum of HK\$6 million so paid by the Purchaser as initial deposit in full without any interest and the Agreement shall terminate. On termination of the Agreement, the parties shall have no further claims against each other under the Agreement save for any antecedent breaches.

### **Completion**

Completion is to take place on the first Business Day after a period of 45 days from the date of the Agreement (or such other date and time as the parties to the Agreement may agree from time to time).

### **INFORMATION ON WINPORT AND RADFORD**

Winport, an investment holding company, is a wholly owned subsidiary of the Vendor which is directly held by the Company as to approximately 55.27%. Radford is a wholly owned subsidiary of Winport and also the sole registered and beneficial owner of the Property. The principal activity of Winport and Radford is property investment.

Based on the unaudited consolidated management accounts of Winport and Radford for the year ended 31 December 2009, the consolidated net assets of Winport and Radford was approximately HK\$298,000 and the consolidated net loss before and after taxation and extraordinary items of Winport and Radford were both approximately HK\$243,000.

Based on the unaudited consolidated management accounts of Winport and Radford for the year ended 31 December 2008, the consolidated net loss before and after taxation and extraordinary items of Winport and Radford were both approximately HK\$1,325,000.

Taking into account of the equity interest of the Group in Winport and Radford of approximately 55.27%, the consolidated net assets of Winport and Radford, the carrying values of the Shareholder's Loan and the Mortgage Loan as at 30 June 2010 and the Consideration, the Group will recognise a net gain on the Disposal of approximately HK\$7,903,000, subject to the audit of the financial statements of the Group for the year ending 31 December 2010.

## **REASONS FOR THE DISPOSAL**

The Property was acquired by the Group in 2000 and had been letted to a fellow subsidiary within the Group by Radford for a monthly income of approximately HK\$120,000 since 15 July 2008 until 14 July 2010. Given the recent property market conditions and the appreciation in the value of the Property, the Board considers that the Disposal is in the interests of the Company and the Shareholders as a whole. The net proceeds from the Disposal will be applied to the general working capital of the Group.

## **GENERAL**

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 Disposal constitutes a discloseable transaction for the Company under Chapter 14 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 unless the context requires otherwise:-

“Agreement”	the conditional agreement dated 19 August 2010 entered into by the Vendor and the Purchaser in relation to the Disposal;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday or public holiday or a 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.) 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 Disposal under the Agreement;

“Consideration”	HK\$36 million being the aggregate consideration for the Disposal;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal by the Vendor of the Sale Share and Shareholder’s Loan to the Purchaser under the Agreement;
“Group”	the Company and its subsidiaries;
“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;
“Mortgage Loan”	an instalment loan due by Radford to a bank which is secured by a legal charge / mortgage on the Property and amounted to approximately HK\$13,536,000 as at 30 June 2010;
“Property”	a residential property known as Duplex Flat A on 21st and 22nd Floors together with a portion of roof immediately thereabove and Car Park No. 33 on the Car Park Floor of Royalton, No.118 Pok Fu Lam Road, Hong Kong;
“Radford”	Radford Portfolio Management Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of Winport, being the sole registered and beneficial owner of the Property;
“Sale Share”	1 share, representing the entire issued share capital of Winport;
“Shareholder(s)”	holders of existing shares of the Company;
“Shareholder’s Loan”	an unsecured interest free loan which is repayable on demand due from Winport to the Vendor and amounted to approximately HK\$8,133,000 as at 30 June 2010;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Vendor” Cordoba Homes Limited, a company incorporated in British Virgin Islands and directly held as to approximately 55.27% by the Company;

“Winport” Winport Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Vendor; and

“%” percent.

By order of the Board of  
**Willie International Holdings Limited**  
**King Phillip**  
*Managing Director*

Hong Kong, 19 August 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.*