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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 — SUBSCRIPTION AGREEMENT
AND
ISSUE OF SHARES UNDER GENERAL MANDATE**

On 17 March 2015 (after trading hours), the Company entered into the Subscription Agreement with Mission Capital pursuant to which both parties have agreed as follows:

- (i) the Proposed Subscription - the Company shall subscribe for 1,500,000,000 MC Subscription Shares (representing approximately 23.37% of the existing issued share capital of Mission Capital as at the date of this announcement and approximately 18.94% of the enlarged issued share capital of Mission Capital immediately after issuing the MC Subscription Shares) for a total consideration of HK\$150,000,000; and
- (ii) the Proposed Issue - the Company shall allot and issue 1,250,000,000 Willie Subscription Shares (representing approximately 8.86% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.14% of the enlarged issued share capital of the Company immediately after issuing the Willie Subscription Shares) to Mission Capital or as it may direct for a total consideration of HK\$150,000,000 under the existing general mandate.

The Proposed Subscription and the Proposed Issue are not inter-conditional with each other.

The entering into of the Subscription Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

As the completion of the Subscription Agreement is subject to the satisfaction of the conditions precedent contained therein and it may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION AGREEMENT

The Board announces that on 17 March 2015 (after trading hours), the Company entered into the Subscription Agreement with Mission Capital pursuant to which both parties have agreed as follows:

- (i) the Proposed Subscription - the Company shall subscribe for 1,500,000,000 MC Subscription Shares (representing approximately 23.37% of the existing issued share capital of Mission Capital as at the date of this announcement and approximately 18.94% of the enlarged issued share capital of Mission Capital immediately after issuing the MC Subscription Shares) for a total consideration of HK\$150,000,000; and
- (ii) the Proposed Issue - the Company shall allot and issue 1,250,000,000 Willie Subscription Shares (representing approximately 8.86% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.14% of the enlarged issued share capital of the Company immediately after issuing the Willie Subscription Shares) to Mission Capital or as it may direct for a total consideration of HK\$150,000,000 under the existing general mandate.

The Proposed Subscription and the Proposed Issue are not inter-conditional with each other. This arrangement would facilitate both the Company and Mission Capital to respectively execute their mandate to issue shares to the other party on a timely basis. The cross shareholding structure would pave way for the intended business co-operation as described under the section titled “Reasons for and Benefits of Entering into the Subscription Agreement” in this announcement.

At the date of this announcement, the Group holds 951,500 MC Shares and 380,600 MC Warrants issued by Mission Capital representing about 0.02% in aggregate of the existing issued share capital of Mission Capital. MC Group currently holds 1,361,250,000 Shares, representing about 9.64% of the existing issued share capital of the Company. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Mission Capital and its ultimate beneficial owners (save as disclosed herein) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

THE PROPOSED SUBSCRIPTION

Pursuant to the Subscription Agreement, the Company has agreed to subscribe, and Mission Capital has agreed to allot and issue to the Company or as it may direct, 1,500,000,000 MC Subscription Shares, which represent approximately 23.37% of the existing issued share capital of Mission Capital as at the date of this announcement, and approximately 18.94% of the issued share capital of Mission Capital as enlarged by the MC Subscription Shares that fall to be issued pursuant to the Subscription Agreement. After taking into account the 951,500 MC Shares and 380,600 MC Warrants currently held by the Group (representing approximately 0.02% in aggregate of the existing issued share capital of Mission Capital) for securities trading purpose and assuming there are no other changes in the issued share capital and shareholding in Mission Capital from the date of this announcement, the Group will hold approximately 18.96% of the issued share capital in Mission Capital as enlarged by the MC Subscription Shares that fall to be issued pursuant to the Subscription Agreement.

The MC Subscription Shares, when issued, shall rank *pari passu* in all respects *inter se* and with all other MC Shares in issue as at completion of the Proposed Subscription. The Company intends to classify the MC Subscription Shares as the Group's non-current available-for-sale financial assets.

Consideration for the MC Subscription Shares

The total consideration of HK\$150,000,000 for the Proposed Subscription will be payable by the Company to Mission Capital by way of a cheque on completion of the Proposed Subscription.

The subscription price of HK\$0.1 per MC Subscription Share represents:

- (i) a discount of approximately 18% to the closing price of HK\$0.122 per MC Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 15.7% to the average closing price of approximately HK\$0.1186 per MC Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The subscription price for the MC Subscription Shares was determined after arm's length negotiation between the Company and Mission Capital by reference to the recent market prices of MC Shares. The Directors consider that the terms of the Proposed Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company intends to fund the Proposed Subscription from internal resources (if the Proposed Issue is completed after the Proposed Subscription) or from the proceeds from the Proposed Issue (if the Proposed Issue is completed before the Proposed Subscription).

Conditions of the Proposed Subscription

The obligation of the Company to effect the Proposed Subscription is conditional upon, among other things, the following MC Conditions:-

- (i) the approval of a specific mandate to allot and issue the MC Subscription Shares by shareholders of Mission Capital at a general meeting in accordance with the Listing Rules;
- (ii) the Stock Exchange granting the listing of, and permission to deal in the MC Subscription Shares;
- (iii) compliance with all the necessary requirements under the Listing Rules for the allotment and issue of the MC Subscription Shares by Mission Capital; and
- (iv) all requisite consents, licences and approvals from the relevant third parties (including regulatory authorities in Bermuda, Hong Kong and elsewhere) for the execution of the Subscription Agreement and completion of the transactions contemplated under the Subscription Agreement by Mission Capital having been obtained.

If the MC Conditions have not been fulfilled on or before 4:00 p.m. on 30 June 2015 (or such other date as the parties may agree in writing), Mission Capital's obligation to issue the MC Subscription Shares shall terminate whereupon Mission Capital shall have no further obligations to allot and issue the MC Subscription Shares to the Company and the parties shall not have any further claims against each other under the Subscription Agreement in respect of the MC Subscription Shares for costs, damages, compensation or otherwise, save in respect of antecedent breaches and claims.

Completion of the Proposed Subscription

Completion of the Proposed Subscription shall take place on the next Business Day after all of the MC Conditions have been satisfied (or any other time as the Company and Mission Capital may agree).

THE PROPOSED ISSUE

Pursuant to the Subscription Agreement, Mission Capital has agreed to subscribe, and the Company has agreed to allot and issue to Mission Capital or as it may direct, 1,250,000,000 Willie Subscription Shares, which represents approximately 8.86% of the existing issued share capital of the Company as at the date of this announcement, and approximately 8.14% of the issued share capital of the Company as enlarged by the Willie Subscription Shares that fall to be issued pursuant to the Subscription Agreement. After taking into account the 1,361,250,000 Shares currently held by the MC Group in the Company (representing approximately 9.64% of the existing issued share capital of the Company), and assuming there are no other changes in the issued share capital and shareholding in the Company from the date of this announcement, MC Group will hold approximately 17% of the issued share capital the Company as enlarged by the Willie Subscription Shares that fall to be issued pursuant to the Subscription Agreement.

The Willie Subscription Shares (without par value) when issued, shall rank *pari passu* in all respects *inter se* and with all other Shares in issue as at completion of the Proposed Issue.

Consideration for the Willie Subscription Shares

The total consideration of HK\$150,000,000 for the Proposed Issue will be payable by Mission Capital to the Company by way of a cheque on completion of the Proposed Issue.

The subscription price of HK\$0.12 per Willie Subscription Share represents:

- (i) a discount of approximately 13.7% to the closing price of HK\$0.139 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 14.4% to the average closing price of approximately HK\$0.1402 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The subscription price for the Willie Subscription Shares was determined after arm's length negotiation between the Company and Mission Capital by reference to the recent market prices of the Shares. The Directors consider that the terms of the Proposed Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Proposed Issue will be approximately HK\$150,000,000. The net proceeds from the Proposed Issue will amount to approximately HK\$149,500,000. The net proceeds raised per Willie Subscription Share upon the completion of the Proposed Issue will be approximately HK\$0.1196.

The Company intends to apply the proceeds of the Proposed Issue, (if the Proposed Issue is completed before the Proposed Subscription) to satisfy the consideration payable by the Company under the Proposed Subscription, or (if the Proposed Issue is completed after the Proposed Subscription) to replenish the working capital used by the Company for the Proposed Subscription.

Conditions of the Proposed Issue

The obligation of the Company to effect the Proposed Issue is conditional upon, among other things, the following Willie Conditions:-

- (i) the Stock Exchange granting the listing of, and permission to deal in the Willie Subscription Shares;
- (ii) compliance with all the necessary requirements under the Listing Rules for the allotment and issue of the Willie Subscription Shares by the Company; and
- (iii) all requisite consents, licences and approvals from the relevant third parties (including regulatory authorities in Hong Kong and elsewhere) for the execution of the Subscription Agreement and completion of the transactions contemplated under the Subscription Agreement by the Company having been obtained.

If the Willie Conditions have not been fulfilled on or before 4:00 p.m. on 30 June 2015 (or such other date as the parties may agree in writing), Willie's obligation to issue the Willie Subscription Shares shall terminate whereupon Willie shall have no further obligations to allot and issue the Willie Subscription Shares to Mission Capital and the parties shall not have any further claims against each other under the Subscription Agreement in respect of the Willie Subscription Shares for costs, damages, compensation or otherwise, save in respect of antecedent breaches and claims.

General Mandate

The Willie Subscription Shares will be allotted and issued under the existing general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 30 May 2014.

Completion of the Proposed Issue

Completion of the Proposed Issue shall take place on the next Business Day after all of the Willie Conditions have been satisfied (or any other time as the Company and Mission Capital may agree).

Other terms of the Subscription Agreement

According to the Subscription Agreement, the Company and Mission Capital have agreed that no director will be nominated by one party to the Subscription Agreement to serve on the board of directors of the other party upon the allotment and issue of the Willie Subscription Shares or MC Subscription Shares. Both parties to the Subscription Agreement had represented, warranted and undertaken to the other in the Subscription Agreement that each party does not intend to gain control or exert significant influence over the other but instead intends to hold the subject's shares as a passive investment.

Under the Subscription Agreement, there is no dealing restriction imposed on the MC Subscription Shares and Willie Subscription Shares respectively.

Application for listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the new Willie Subscription Shares to be issued pursuant to the Proposed Issue.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

Set out below is the table of the shareholding of the Company before and after the completion of the Proposed Issue (assuming no other changes in the issued share capital and shareholding in the Company from the date of this announcement up to immediately before the issue of all Willie Subscription Shares):-

	As at the date of this announcement		Immediately upon completion of the Proposed Issue	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Director				
Dr. Chuang Yueheng Henry	2,918,464,965	20.68	2,918,464,965	18.99
Other Shareholders				
MC Group	1,361,250,000	9.64	2,611,250,000	17.00
Other public Shareholders	<u>9,834,737,910</u>	<u>69.68</u>	<u>9,834,737,910</u>	<u>64.01</u>
Total	<u>14,114,452,875</u>	<u>100.00</u>	<u>15,364,452,875</u>	<u>100.00</u>

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities during the past 12 months immediately preceding the date of this announcement.

INFORMATION ON MISSION CAPITAL

Mission Capital is incorporated in Bermuda with limited liability and MC Group is principally engaged in supply and procurement of commodities, provision of finance, securities investments and trading in real estate.

As at the date of this announcement, the Group holds about 0.02% of the existing issued share capital of Mission Capital while MC Group holds about 9.64% of the existing issued share capital of the Company.

According to the latest unaudited financial statements of Mission Capital as at 30 September 2014, MC Group has an unaudited consolidated net asset value of approximately HK\$2,409 million. Further financial information of MC Group for the past two financial years ended 31 March 2014 and 31 March 2013 based on its audited financial statements is set out as below:

	Year ended 31 March	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit / (loss) before taxation	417,153	(68,099)
Profit / (loss) after taxation	417,083	(61,194)

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT

Both the Company and Mission Capital are engaged in the business of securities investments, provision of finance and property / real estate investment. The Board believes that the Subscription Agreement paves the way for the Company to develop future business opportunities jointly and/or set up business joint ventures with Mission Capital in a committed way. The Company and Mission Capital up to the date of this announcement do not have any common investment targets. The Board also believes that the Proposed Subscription together with the Proposed Issue will bring additional value to both parties without net cash outlay (apart from professional fees) and strengthen the capital base of the Company.

The price for subscribing the shares in the Company and Mission Capital respectively has been set at the similar discount to the last 5 days average closing share prices of both companies. Hence, the Board (with Mr. Man Wai Chuen abstaining from voting at the board meeting as he is also an independent non-executive director of Mission Capital) consider that the terms of the Subscription Agreement and the related proposed issue of shares under the existing general mandate are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As the completion of the Subscription Agreement is subject to the satisfaction of the conditions precedent contained therein and it may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL INFORMATION

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities, money lending, property investment and investment holding.

IMPLICATIONS UNDER THE LISTING RULES

The entering into the Subscription Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“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)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Last Trading Day”	16 March 2015, being the last full trading day of the Shares and MC Shares before the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mission Capital”	Mission Capital Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 1141)
“MC Condition(s)”	the condition(s) of the Proposed Subscription referred to in the section headed “Proposed Subscription — Conditions of the Proposed Subscription”
“MC Group”	Mission Capital and its subsidiaries
“MC Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of Mission Capital
“MC Subscription Share(s)”	1,500,000,000 new MC Shares of par value HK\$0.01 each to be allotted and issued by Mission Capital to the Company pursuant to the Subscription Agreement
“MC Warrant(s)”	warrant(s) issued by Mission Capital in January 2015 with an initial subscription price of HK\$0.10 per MC Share
“Proposed Issue”	the issue of the Willie Subscription Shares to Mission Capital or as it may direct pursuant to the Subscription Agreement
“Proposed Subscription”	the subscription of the MC Subscription Shares by the Company pursuant to the Subscription Agreement
”Subscription Agreement”	a conditional agreement dated 17 March 2015 entered into between the Company and Mission Capital in relation to the Proposed Subscription and the Proposed Issue
“Willie Condition(s)”	the condition(s) of the Proposed Issue referred to in the section headed “Proposed Issue — Conditions of the Proposed Issue”

“Willie Subscription Share(s)” 1,250,000,000 new Shares of no par value to be allotted and issued by the Company to Mission Capital pursuant to the Subscription Agreement

“%” percent

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

Hong Kong, 17 March 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