

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.*



## **WO KEE HONG (HOLDINGS) LIMITED**

**和記行（集團）有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 720)**

### **RESUMPTION OF TRADING AND PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Financial Adviser and Placing Agent**



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

#### **RESUMPTION OF TRADING**

On November 10, 2011, the Company received the Haitong Letter jointly issued by Haitong Securities and Haitong Capital, which expressed an intention in making the Offers for and on behalf of the Offeror, a wholly-owned subsidiary of Tack Fiori, to the Shareholders and Option Holders. At the request of the Company, trading in the Shares has been suspended since 9:00 a.m. on November 11, 2011 pending the publication of an announcement relating to the Offers.

On November 29, 2011, Yu Ming received a letter from Haitong Securities stating, inter alia, that the respective boards of directors of Tack Fiori and the Offeror had decided to discontinue with the Offers. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on November 30, 2011.

## **PLACING OF SHARES**

On November 29, 2011 (after trading hours), the Company entered into the Placing Agreement with Yu Ming, pursuant to which the Company has conditionally agreed to place, through Yu Ming, up to 420,000,000 Placing Shares, on a best effort basis, to not less than six independent Placees at a Placing Price of HK\$0.365 per Placing Share.

The Placing Price was determined after arm's length negotiations between the Company and Yu Ming with reference to the Company's recent share price performance before suspension and the current market conditions. The net proceeds of approximately HK\$147.43 million from the Placing is intended to be used to support the Group's operations, including paying down debts and liabilities to lower leverage, strengthening the capital base of the Company to increase competitiveness of the Group and finance potential investment opportunities when they arise. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable, so far as the Company and the Shareholders are concerned, and the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares are taken up, the Placing Shares represent (i) approximately 17.08% of the existing issued share capital of the Company of 2,458,618,550 Shares as at the date of this announcement; and (ii) approximately 14.59% of the issued share capital of the Company as enlarged by the issue of a maximum number of 420,000,000 Placing Shares.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. The Placing Shares will be allotted and issued under the General Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

**Shareholders and potential investors should note that the Placing is subject to the condition precedent under the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **RESUMPTION OF TRADING**

On November 10, 2011, the Company received the Haitong Letter jointly issued by Haitong Securities and Haitong Capital, which expressed an intention in making the Offers for and on behalf of the Offeror, a wholly-owned subsidiary of Tack Fiori, to the Shareholders and Option Holders. At the request of the Company, trading in the Shares has been suspended since 9:00 a.m. on November 11, 2011 pending the publication of an announcement relating to the Offers.

On November 29, 2011, Yu Ming received a letter from Haitong Securities stating, inter alia, that the respective boards of directors of Tack Fiori and the Offeror had decided to discontinue with the Offers. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on November 30, 2011.

## **THE PLACING AGREEMENT**

Date: November 29, 2011 (after trading hours)

Parties: (i) The Company  
(ii) Yu Ming as the placing agent

## **THE PLACING AGENT**

Yu Ming has been appointed to place up to 420,000,000 Placing Shares, on a best effort basis, at a Placing Price of HK\$0.365 per Placing Share to not less than six independent Placees. Yu Ming will receive a placing commission of 3.5% on the gross proceeds raised from the Placing. The placing commission was arrived at after arm's length negotiations between the Company and Yu Ming, and with reference to the prevailing market rate of the placing commission. The Directors are of the view that the placing commission of 3.5% is fair and reasonable.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Yu Ming and its ultimate beneficial owners are third parties independent of the Company and the Directors, chief executive or substantial shareholders of the Group or any of their respective associates (as defined in the Listing Rules).

## **PLACEES**

Not less than six independent Placees will be procured by Yu Ming under the Placing. Yu Ming and the Directors will make all reasonable enquiries to ensure the Placees and their ultimate beneficial owners are third parties independent of the Company and the Directors, chief executive or substantial shareholders of the Group or any of their respective associates (as defined in the Listing Rules).

## **PLACING PRICE**

The Placing Price of HK\$0.365 per Placing Share represents:

- i. a discount of approximately 15.12% to the closing price of HK\$0.430 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a discount of approximately 19.60% to the average closing price of HK\$0.454 per Share as quoted on the Stock Exchange for the last five trading days up to the Last Trading Day;
- iii. a discount of approximately 20.31% to the average closing price of HK\$0.458 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- iv. a premium of approximately 254.37% over the Group's unaudited consolidated net asset value per Share of approximately HK\$0.103 based on the Group's unaudited consolidated net assets attributable to owners of the Company of approximately HK\$252.78 million as at June 30, 2011 and 2,458,618,550 Shares in issue as at the date of this announcement.

The Placing Price was determined after arm's length negotiations between the Company and Yu Ming with reference to the Company's recent share price performance before suspension and the current market conditions.

## **NUMBER OF PLACING SHARES**

Pursuant to the Placing Agreement, up to 420,000,000 Placing Shares may be placed by Yu Ming to the Placees, representing (i) approximately 17.08% of the existing issued share capital of the Company of 2,458,618,550 Shares as at the date of this announcement; and (ii) approximately 14.59% of the issued share capital of the Company as enlarged by the issue of a maximum number of 420,000,000 Placing Shares, on a best effort basis.

The Placing Shares will upon the allotment and issue of the Placing Shares rank pari passu in all respects with the existing Shares in issue.

## **MANDATE TO ISSUE THE PLACING SHARES**

The 420,000,000 Placing Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Company is authorized to issue up to 460,775,710 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. Assuming all the Placing Shares are taken up, a total number of 420,000,000 new Shares will be allotted and issued, leaving a balance of 40,775,710 Shares that can be allotted and issued under the General Mandate. Accordingly, the Placing is not subject to Shareholders' approval.

## **CONDITION TO COMPLETION**

Completion is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

## **COMPLETION OF THE PLACING**

Completion is expected to take place on or before the 7th Business Day upon the fulfillment of the condition of the Placing but not later than 1 month after the date of the Placing Agreement (or such other time or date as the Company and Yu Ming shall agree in writing).

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the distribution of high-quality, branded products including cars and car accessories, motor yachts, fashion apparels and accessories, air-conditioning and refrigeration products, audio-visual equipment and car audio and electronic products serving customers in the Asian region and in particular, Hong Kong, Macau and the PRC.

The maximum gross proceeds from the Placing will be approximately HK\$153.3 million. Taking into account, amongst others, professional fees, legal fees, printing expenses, etc., the net proceeds from the Placing is estimated to be approximately HK\$147.43 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share is approximately HK\$0.351.

The net proceeds of the Placing is intended to be used to support the Group's operations, including paying down debts and liabilities to lower leverage, strengthening the capital base of the Company to increase competitiveness of the Group and finance investment opportunities when they arise.

The Directors have considered different types of fund raising arrangement such as rights issue and open offer and the Directors consider that the Placing is the most efficient way in terms of cost and time involved for the Company. In the meantime, the Company can take this opportunity to broaden the capital base and shareholders base of the Company.

## FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

For the 12 months immediately before the date of this announcement, the Company had not conducted any equity fund raising activities.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company prior to and immediately after the Completion is set out below for illustration purposes:–

Names of Shareholders	As at the date of this announcement		Immediately after Completion	
	Shares	Approximate %	Shares	Approximate %
<b>Substantial Shareholder</b>				
Modern Orbit Limited ( <i>Note 1</i> )	582,801,420	23.70	582,801,420	20.25
<b>Directors/subsidiary of the Company</b>				
Dr. Richard Man Fai LEE (“Dr. LEE”)	205,718,625	8.37	205,718,625	7.15
Mr. Jeff Man Bun LEE (“Mr. Jeff LEE”)	19,651,400	0.80	19,651,400	0.68
Fisherman Enterprises Inc. ( <i>Note 2</i> )	8,674,310	0.35	8,674,310	0.30
Ms. Kam Har YUE (“Ms. YUE”)	47,078,295	1.92	47,078,295	1.64
Mr. Tik Tung WONG	13,500,000	0.55	13,500,000	0.46
Mr. Ying Kwan CHEUNG	2,820,000	0.11	2,820,000	0.10
Mr. Boon Seng TAN	1,020,000	0.04	1,020,000	0.04
Mr. Peter Pi Tak YIN	2,500,200	0.10	2,500,200	0.09
Subsidiary and directors of subsidiaries of the Company	4,242,180	0.17	4,242,180	0.14
<b>Public</b>				
Places	–	–	420,000,000	14.59
Other public shareholders	1,570,612,120	63.89	1,570,612,120	54.56
Total	<u>2,458,618,550</u>	<u>100.00</u>	<u>2,878,618,550</u>	<u>100.00</u>

*Note:*

1. Modern Orbit Limited is wholly owned by Cyber Tower (PTC) Inc. as trustee of The W S Lee Unit Trust. 99% of the units of The W S Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family and the members of beneficiaries includes Ms. YUE, Dr. LEE and Mr. Jeff LEE. HSBC International Trustee Limited is the trustee of the discretionary trust which holds 99% of the units of The W S Lee Unit Trust. The remaining 1% of the units of The W S Lee Unit Trust is held by Skylink International Asset Corporation, a company owned by Ms. YUE, Dr. LEE and Mr. Jeff LEE.
2. Fisherman Enterprises Inc. is a company wholly-owned by Mr. Jeff LEE.

None of the Placees is expected to become a substantial Shareholder (as defined under the Listing Rules) upon Completion. Each of the Placees and its respective ultimate beneficial owner is independent of and not acting in concert with or connected with each other.

## **PUBLIC FLOAT**

The Company will be able to comply with the public float requirement under the Listing Rules immediately after Completion.

**Shareholders and potential investors should note that the Placing is subject to the condition precedent under the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In the announcement, unless the context requires otherwise, terms used herein shall have the following meaning:

“AGM”	the annual general meeting of the Company held on May 31, 2011
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Wo Kee Hong (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 720)

“Completion”	completion of the Placing
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, among other things, to allot and issue up to 460,775,710 Shares, representing 20% of the nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution of the AGM
“Group”	the Company and its subsidiaries
“Haitong”	Haitong Capital and Haitong Securities
“Haitong Capital”	Haitong International Capital Limited
“Haitong Letter”	the letter jointly issued by Haitong dated November 10, 2011 to the Company in respect of the Offers
“Haitong Securities”	Haitong International Securities Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	November 10, 2011, being the last full trading day immediately prior to the date of suspension of trading in the Shares before the entering into of the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange responsible for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macao Special Administrative Region of the PRC
“Offeror”	Dragon Partner International Limited, a wholly-owned subsidiary of Tack Fiori



“Offers”	the share offer and the option offer to the Shareholders and Option Holders as set out in the Haitong Letter
“Option(s)”	option(s) issued by the Company and outstanding
“Option Holder(s)”	holder(s) of the Option(s)
“Placees”	any individual, corporation and/or institutional investors procured by Yu Ming to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of up to 420,000,000 new Shares on best effort basis by Yu Ming at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement entered into between Yu Ming and the Company dated November 29, 2011 in respect of the Placing
“Placing Price”	HK\$0.365 per Share
“Placing Share(s)”	a maximum number of 420,000,000 new Shares to be placed under the Placing
“PRC”	The People’s Republic of China which, for the sole purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) at par value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tack Fiori”	Tack Fiori International Group Limited (formerly known as Tack Fat Group International Limited), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 928)

“Yu Ming”	Yu Ming Investment Management Limited, a licensed corporation permitted to carry out Types 1 (securities trading), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board  
**WO KEE HONG (HOLDINGS) LIMITED**  
**Dr. Richard Man Fai LEE**  
*Executive Chairman and Chief Executive Officer*

Hong Kong, November 29, 2011

*As at the date of this announcement, the Board comprises Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE and Mr. Tik Tung WONG, all of whom are executive Directors; Ms. Kam Har YUE, who is a non-executive Director; Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG and Mr. Peter Pi Tak YIN, all of whom are independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

\* *for identification purposes only*