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WO KEE HONG (HOLDINGS) LIMITED

和記行（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND PROPOSED CHANGE OF COMPANY NAME

Placing Agent



On July 4, 2012 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a fully underwritten basis, 491,783,710 new Shares to independent Placees at a price of HK\$0.150 per Placing Share. The Placing Shares represent approximately 19.93% of the Company's existing issued share capital and approximately 16.62% of its issued share capital as enlarged by the Placing.

The Placing Price of HK\$0.150 per Placing Share represents (i) a discount of approximately 4.46% to the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on July 4, 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 6.83% to the average closing price of HK\$0.161 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including July 3, 2012.

The gross proceeds from the Placing will be approximately HK\$73.77 million. The Company plans to use the entire net proceeds of approximately HK\$71.30 million from the Placing as general working capital and as premium for arranging a deposit bond in favour of Ferrari S.p.A. covering deposits from customers.

The Placing is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement, the Placing may or may not proceed. Shareholders and the public are reminded to exercise cautions when dealing in the securities of the Company.

The Board also proposes to change the name of the Company from “WO KEE HONG (HOLDINGS) LIMITED” to “AUTO ITALIA HOLDINGS LIMITED”. In addition, the Board also proposes to adopt a new Chinese name, in place of the existing one, for identification purposes. The Company will make a separate announcement after the proposed new Chinese name to be adopted for identification purposes has been determined.

The proposed change of Company name is subject to (i) the passing of a special resolution by the Shareholders of the Company at a special general meeting of the Company; and (ii) the approval by the Registrar of Companies in Bermuda for the use of the proposed new name by the Company.

THE PLACING AGREEMENT

Date

July 4, 2012

Issuer

The Company

Placing Agent and the Places

Get Nice Securities Limited, the Placing Agent, has conditionally agreed to place 491,783,710 Placing Shares on a fully underwritten basis and in consideration thereof, it will receive a placing commission of 3% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable. The Placing Agent and its ultimate beneficial owner(s) are not connected persons of the Company and are independent from and not connected with the Company and its connected persons.

The Placing Agent will place the Placing Shares to not less than six independent Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons of the Company and will be independent from and not connected with the Company and its connected persons. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Number of Placing Shares

The 491,783,710 Placing Shares represent approximately 19.93% of the Company's existing issued share capital and approximately 16.62% of its issued share capital as enlarged by the Placing.

Placing Price

The Placing Price of HK\$0.150 per Placing Share represents (i) a discount of approximately 4.46% to the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on July 4, 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 6.83% to the average closing price of HK\$0.161 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including July 3, 2012.

The net placing price under the Placing is approximately HK\$0.145 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares and the current market condition, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on May 28, 2012 pursuant to which the Directors are allowed to allot and issue up to 491,783,710 Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to such general mandate.

Conditions of the Placing

The Placing, which is not subject to the approval of the Shareholders, is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The conditions must be fulfilled on or before July 31, 2012 (or such other date as agreed by the Company and the Placing Agent), failing which the Placing Agreement shall terminate.

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.

Completion of the Placing

Completion of the Placing shall take place not later than the third Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

As completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement, the Placing may or may not proceed. Shareholders and the public are reminded to exercise cautions when dealing in the securities of the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the import, marketing and distribution of cars, electrical appliances and fashion apparels and accessories.

The gross proceeds from the Placing will be HK\$73.77 million. The Company plans to use the entire net proceeds of approximately HK\$71.30 million from the Placing as general working capital and as premium for arranging a deposit bond in favour of Ferrari S.p.A. covering deposits from customers.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

As disclosed in the announcement of the Company on November 29, 2011, the Company proposed a placing of up to 420,000,000 new Shares at a placing price of HK\$0.365 per placing Share through a placing agent on a best effort basis to raise a maximum gross proceeds of approximately HK\$153.30 million. The Company planned to use the entire net proceeds of approximately HK\$147.43 million from this placing 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. However, as announced by the Company on December 4, 2011, the Company decided not to proceed with this placing after consultation with the placing agent and such placing was terminated accordingly.

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing is as follows for illustration purpose:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholder:				
Modern Orbit Limited (<i>Note 1</i>)	582,801,420	23.62	582,801,420	19.69
Directors:				
Dr. Richard Man Fai LEE (“Dr. LEE”)	205,718,625	8.33	205,718,625	6.95
Mr. Jeff Man Bun LEE (“Mr. Jeff LEE”)	19,651,400	0.80	19,651,400	0.67
Fisherman Enterprises Inc. (<i>Note 2</i>)	8,674,310	0.35	8,674,310	0.29
Ms. Kam Har YUE (“Ms. YUE”)	47,078,295	1.91	47,078,295	1.59
Mr. Tik Tung WONG	20,900,000	0.85	20,900,000	0.71
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	0.03
Mr. Peter Pi Tak YIN	2,500,200	0.10	2,500,200	0.08
Public Shareholders:				
– Placees	–	–	491,783,710	16.62
– Others	1,576,504,300	63.89	1,576,504,300	53.27
Total	<u>2,467,668,550</u>	<u>100.00</u>	<u>2,959,452,260</u>	<u>100.00</u>

Notes:

- 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 members including Ms. YUE, Dr. LEE and Mr. Jeff LEE are among the beneficiaries. 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.
- Fisherman Enterprises Inc. is a company wholly-owned by Mr. Jeff LEE.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “WO KEE HONG (HOLDINGS) LIMITED” to “AUTO ITALIA HOLDINGS LIMITED”. In addition, the Board also proposes to adopt a new Chinese name, in place of the existing one, for identification purposes. The Company will make a separate announcement after the proposed new Chinese name to be adopted for identification purposes has been determined.

Conditions of the Change of Company Name

The proposed change of Company name is subject to (i) the passing of a special resolution by the Shareholders of the Company at a special general meeting of the Company; and (ii) the approval by the Registrar of Companies in Bermuda for the use of the proposed new name by the Company.

Subject to the satisfaction of the conditions set out above, the change of Company name will take effect from the date of entry of the new name of the Company on the register maintained by the Registrar of Companies in Bermuda. The Company will then carry out the necessary filing procedures with the Registrar of Companies in Hong Kong.

Reasons for the Change of Company Name

The Board considers that the proposed change of Company name will reinforce the Company’s focus going forward on the distribution and provision of after-sale service of Ferrari and Maserati, and also refresh the corporate image of the Company. It is believed that the proposed change of Company name reflecting the corporate strategy and business focus of the Company will benefit the operating results and performance of the Company. The Board is therefore of the opinion that the change of Company name is in the interests of the Company and Shareholders as a whole.

Effect of the Proposed Change of Company Name

The proposed change of Company name will not affect any rights of the Shareholders. All existing share certificates of the Company in issue bearing the present name of the Company shall, after the proposed change of Company name becoming effective, continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery for the same number of Shares in the new name of the Company. As such, no arrangement will be made for the exchange of the existing share certificates of the Company for the new share certificates bearing the Company’s new name as a result of the change of Company name.

Once the proposed change of Company name has become effective, any new share certificates of the Company will be issued only in the new name of the Company and the securities of the Company will be traded on the Stock Exchange under a new stock short name to be separately announced.

General

The special general meeting will be convened for the Shareholders to consider and, if thought fit, approve the proposed change of Company name. A circular containing, among others, details of the proposed change of Company name, together with the notice of the special general meeting, will be despatched to Shareholders as soon as practicable.

The Company will make further announcements on the results of the special general meeting, the effective date of the change of Company name and the new stock short name of the Company as and when appropriate.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Wo Kee Hong (Holdings) Limited (Stock Code: 720), a company incorporated in the Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 491,783,710 new Shares by the Placing Agent on a fully underwritten basis pursuant to the terms of the Placing Agreement

“Placing Agent”	Get Nice Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	a conditional placing agreement dated July 4, 2012 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.150 per Placing Share
“Placing Shares”	491,783,710 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, the Macao Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) at par value of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, July 4, 2012

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, Mr. Tik Tung WONG and Mr. William Keith JACOBSEN, 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.

* *for identification purposes only*