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# **WorldMetal Holdings Limited**

**金屬電子交易所集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 8161)**

## **PLACING OF EXISTING SHARES SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING**

On 9 August 2005, the Placing Agent agreed to place, on an underwritten basis, an aggregate of 400,000,000 existing Shares at a price of HK\$1.29 per Share on behalf of the Vendors. On the same day, the Company entered into conditional agreements with Mr. Chan, Mrs. Chan, Centrix and Good Talent for the subscription of an aggregate of 230,000,000 new Shares at the same price per Share.

The Placing Shares represent approximately 33.33% of the existing issued share capital of the Company and approximately 27.97% of the issued share capital as enlarged by the Subscription. The total number of Placing Shares to be placed by the Vendors is 400,000,000 Shares (as to 80,000,000 Shares by Burwill, as to 100,000,000 Shares by Centrix, as to 30,000,000 Shares by Wealthmost, as to 30,000,000 Shares by Mrs. Chu, as to 72,300,000 Shares by Mr. Chan, as to 49,200,000 Shares by Mrs. Chan and as to 38,500,000 Shares by Good Talent).

The Subscription Shares represent approximately 16.08% of the issued share capital as enlarged by the Subscription. The Subscription is conditional upon the fulfillment of certain conditions as described below.

The net proceeds from the Subscription is approximately HK\$271 million. The intended use of the proceeds is to (i) pay up the capital commitment of the Joint Venture, and the remaining balance will be used (ii) for investing in other relevant business opportunities that may arise in the future; and (iii) for the Company's general working capital.

At the request of the Company, trading of the Shares on the Stock Exchange was suspended from 9:30 a.m. on Wednesday, 10 August 2005 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 11 August 2005.

\* For identification only

## **PLACING AGREEMENTS DATED AS OF 9 AUGUST 2005**

### **Vendors:**

Burwill, Centrix, Wealthmost, Mrs. Chu, Mr. Chan, Mrs. Chan and Good Talent respectively.

### **Placing Agent:**

Deutsche Bank AG, Hong Kong Branch, which is and whose beneficial owners are not connected person and are independent of the Company and its connected persons (as defined in the GEM Listing Rules). The placing commission is 8.55%, which was determined after arm's length negotiation, and the net placing price is HK\$1.18 per Placing Share.

### **Number of existing Shares to be placed:**

The total number of Placing Shares to be placed by the Vendors is 400,000,000 Shares (as to 80,000,000 Shares by Burwill, as to 100,000,000 Shares by Centrix, as to 30,000,000 Shares by Wealthmost, as to 30,000,000 Shares by Mrs. Chu, as to 72,300,000 Shares by Mr. Chan, as to 49,200,000 Shares by Mrs. Chan and as to 38,500,000 Shares by Good Talent). The Placing Shares represent approximately 33.33% of the existing issued share capital of the Company and approximately 27.97% of the issued share capital of the Company as enlarged by the Subscription.

### **Placement to:**

More than six independent professional, institutional and/or personal investors.

The Placees and the Placing Agent and their respective beneficial owners and parties acting in concert with them will be independent of, and not connected and not acting in concert with the Directors, chief executive, substantial shareholders and management shareholders of the Company or any of its subsidiaries, the Vendors or any of the respective associates of any of them and the Placees are independent of each other.

### **Placing Price:**

HK\$1.29 per Placing Share, which is equivalent to the Subscription Price. The aggregate value of the Placing is HK\$516,000,000. This price was agreed after arm's length negotiations and represents (i) a discount of approximately 9.79% to the closing price of HK\$1.43 per Share as quoted on the Stock Exchange on 9 August 2005, being the last trading day of the Shares immediately before and including the date of this announcement; and (ii) a premium of approximately 5.74% to the average closing price of approximately HK\$1.22 per Share as quoted on the Stock Exchange for the last five trading days ended 9 August 2005.

### **Rights:**

The Placing Shares were sold free from any lien, charge, encumbrance or third-party rights and together with all rights attaching thereto at the date of the Placing Agreements.

**Lock-up:**

Each Vendor has undertaken to the Placing Agent that it shall not, without the prior written consent of the Placing Agent, directly or indirectly, and shall procure that none of its associates or affiliates or companies controlled by it or any nominee or trustee holding in trust for it shall dispose of any of the Shares in respect of which it is the beneficial owner (directly or indirectly) during the period commencing on the date of the respective Placing Agreement and ending on the date falling 90 days after the completion of the Placing.

**Completion of the Placing:**

Expected to be on 15 August 2005 or such other date as agreed by the Vendors and the Placing Agent.

**SUBSCRIPTION AGREEMENTS DATED AS OF 9 AUGUST 2005****Subscribers:**

Centrix, Mr. Chan, Mrs. Chan and Good Talent.

**Number of Subscription Shares:**

230,000,000 Shares (as to 70,000,000 Shares by Centrix, as to 72,300,000 Shares by Mr. Chan, as to 49,200,000 Shares by Mrs. Chan and as to 38,500,000 Shares by Good Talent). The Subscription Shares represent approximately 19.17% of the existing issued share capital of the Company and approximately 16.08% of the share capital as enlarged by the Subscription.

**Subscription Price:**

HK\$1.29 per Subscription Share.

Upon completion of the Subscription, the Company shall reimburse the Subscribers the expenses properly incurred by it in connection with the Placing on a pro rata basis (including without limitation the fee payable to the Placing Agent, stamp duty, the SFC transaction levy, investor compensation levy, the Stock Exchange trading fee and special levy, printing and publishing costs and legal fees) after deducting, where applicable, interest accrued and received by the Subscribers (if any) on the net proceeds of the Placing during the period between completion of the Placing and completion of the Subscription.

In the event that completion of the Placing Agreements do not occur in accordance with their respective terms, the Company shall reimburse the Subscribers any legal fees and out-of-pocket expenses which the Subscribers shall be obliged to pay in connection with the Placing.

**Rights:**

The Subscription Shares will be allotted free from all liens, charges, security interests, encumbrances and adverse claims as at the date of completion of the Subscription. The Subscribers will receive all dividends and distributions declared after the date of completion of the Subscription.

### **General Mandate to issue the Subscription Shares:**

The Subscription Shares will be issued under the general mandate granted to the Directors at the special general meeting of the Company held on 4 July 2005.

### **Ranking of the Subscription Shares:**

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue on the date of allotment including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

### **Conditions of the Subscription:**

The Subscription is conditional upon:

- (a) the Placing having occurred pursuant to the terms of the Placing Agreements;
- (b) the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares;
- (c) the granting of a waiver by the SFC from general offer obligations that might otherwise arise as a result of the Subscription; and
- (d) if required, the Bermuda Monetary Authority granting permission to allot and issue the Subscription Shares.

Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Application will be made to the Executive for a waiver from the obligation to make a general offer as a result of the Subscription under Note 6 on dispensations from Rule 26 of the Takeovers Code.

### **Completion of the Subscription:**

The Subscription must be completed on or before 22 August 2005, being 13 days from the date of the Subscription Agreements or such other date as the parties may agree and permitted by the Stock Exchange.

## EFFECTS ON SHAREHOLDING

The Shareholding of the Vendors before and after the Placing and the Subscription are and will be as follows respectively:

Shareholders	Shareholding in the Company before the Placing and the Subscription	Shareholding in the Company after the Placing but before the Subscription	Shareholding in the Company after the Placing and the Subscription
Burwill	463,831,074 38.65%	383,831,074 31.98%	383,831,074 26.84%
Mr. Chan	72,951,773 6.08%	651,773 0.05%	72,951,773 5.10%
Mrs. Chan	50,288,803 4.19%	1,088,803 0.09%	50,288,803 3.52%
Hang Sing Overseas Limited	11,320,192 0.95%	11,320,192 0.95%	11,320,192 0.79%
Strong Purpose Corporation	10,595,042 0.88%	10,595,042 0.88%	10,595,042 0.74%
Sub-total:	608,986,884 50.75%	407,486,884 33.95%	528,986,884 36.99%
Centrix	100,000,000 8.33%	0 0%	70,000,000 4.90%
Wealthmost ( <i>Note 1</i> )	100,000,000 8.33%	70,000,000 5.83%	70,000,000 4.90%
Mrs. Chu ( <i>Note 1</i> )	32,980,000 2.75%	2,980,000 0.25%	2,980,000 0.21%
Good Talent	47,800,860 3.98%	9,300,860 0.78%	47,800,860 3.34%
Other non-public Shareholders ( <i>Note 2</i> )	3,958,500 0.33%	3,958,500 0.33%	3,958,500 0.28%

Shareholders	Shareholding in the Company before the Placing and the Subscription	Shareholding in the Company after the Placing but before the Subscription	Shareholding in the Company after the Placing and the Subscription
Other public Shareholders ( <i>Note 1</i> ):			
i. Existing Shareholders	306,273,756 25.53%	306,273,756 25.53%	306,273,756 21.41%
ii. The Placees	0 0%	400,000,000 33.33%	400,000,000 27.97%
Total	<u>1,200,000,000</u> 100%	<u>1,200,000,000</u> 100%	<u>1,430,000,000</u> 100

*Notes:*

- (1) The interest held by public Shareholders in the share capital of the Company consist of the interest held by Wealthmost, Mrs. Chu and other public Shareholders.
- (2) The interest held by other non-public Shareholders in the share capital of the Company consist of the interests held by (i) the controlling shareholder of Centrix and Good Talent and (ii) the Directors, other than Mrs. Chan.

Burwill, Mr. Chan, Mrs. Chan, Hang Sing Overseas Limited and Strong Purpose Corporation are parties acting in concert within the meaning of the Takeovers Code. Their collective shareholding in the Company is approximately 50.75%. Immediately after the Placing but before the Subscription, their collective shareholding in the Company will be approximately 33.95%. Immediately after the Placing and the Subscription, their collective shareholding in the Company will be approximately 36.99%. Therefore, a general offer obligation will be triggered under Rule 26 of the Takeovers Code. The other Vendors are not acting in concert with Burwill, Mr. Chan, Mrs. Chan, Hang Sing Overseas Limited and Strong Purpose Corporation. Application will be made to the Executive for a waiver from the obligation to make a general offer as a result of the Subscription under Note 6 on dispensations from Rule 26 of the Takeovers Code.

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

The net proceeds from the Subscription is approximately HK\$271 million. The Company intends to use (i) approximately HK\$60 million to pay up the capital commitment of the Joint Venture, and the remaining balance will be used (ii) for investing in other relevant business opportunities that may arise in the future; and (iii) for the Company's general working capital.

The Directors believe that the terms of the Placing and the Subscription are fair and reasonable and in the interests of the Shareholders as a whole.

## GENERAL INFORMATION

The Group was principally engaged in the businesses of providing internet metal trading platforms, ancillary value-chain services and application software development services. As disclosed in the announcement of the first quarterly results of the Group for the three months ended 30 June 2005, dated 9 August 2005, the Group's business focus will be shifted to the provision of lottery-related technology services in China.

Fund raising in the 12 months immediately preceding the date of the Placing Agreements and the Subscription Agreements:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds as at the date of this announcement</b>
7 March 2005	Issue of 200,000,000 new Shares	HK\$5.1 million	General working capital	General working capital

At the request of the Company, trading of the Shares on the Stock Exchange was suspended from 9:30 a.m. on Wednesday, 10 August 2005 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares from 9:30 a.m. on Thursday, 11 August 2005.

## DEFINITIONS

“associate”	has the meaning as defined in the GEM Listing Rules;
“Burwill”	Burwill Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Centrix”	Centrix Investments Limited, a company incorporated in the British Virgin Islands, whose registered address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;
“Company”	WorldMetal Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM;
“Directors”	the directors of the Company;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Good Talent”	Good Talent Trading Limited, a company incorporated in Hong Kong, whose registered address is 21/F., Portwealth Centre, 83 Queen’s Road East, Hong Kong;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Joint Venture”	the joint venture pursuant to which the Group and Tabcorp Holdings Limited and its subsidiaries have conditionally agreed to co-operate to develop the first nationwide unified platform for lottery operation that is suitable for use throughout the PRC, as disclosed in the announcement of the Company dated 10 June 2005;
“Mr. Chan”	Chan Shing, a substantial shareholder of the Company, who has a personal interest of approximately 6.08%, a family interest of approximately 4.19% and corporate interests of approximately 40.48% in the issued share capital of the Company;
“Mrs. Chan”	Lau Ting, the spouse of Mr. Chan, a substantial shareholder of the Company and a Director, who has a personal interest of approximately 4.19%, a family interest of approximately 6.08% and corporate interests of approximately 40.48% in the issued share capital of the Company;
“Mrs. Chu”	Chu Yuet Wah, the beneficial owner of approximately 2.75% of the issued share capital of the Company, whose shareholding is held through Drifting Swan Holding Limited, a company incorporated in the British Virgin Islands;
“Placing”	a placing of 400,000,000 Shares by the Vendors;
“Placees”	more than six independent professional, institutional and/or personal investors;
“Placing Agent”	Deutsche Bank AG, Hong Kong Branch;
“Placing Agreements”	the seven agreements all dated as of 9 August 2005, made between, inter alia, the Placing Agent and Burwill, Centrix, Wealthmost, Mrs. Chu, Mr. Chan, Mrs. Chan and Good Talent respectively, in relation to the Placing;
“Placing Shares”	400,000,000 Shares;
“SFC”	the Securities and Futures Commission;
“Shareholders”	shareholders of the Company;



“Shares”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	Centrix, Mr. Chan, Mrs. Chan and Good Talent;
“Subscription”	the subscription of 230,000,000 Shares at the Subscription Price;
“Subscription Agreements”	the four agreements all dated as of 9 August 2005 made between the Company, Mr. Chan, Mrs. Chan, Centrix and Good Talent in relation to the Subscription;
“Subscription Price”	HK\$1.29 per Subscription Share;
“Subscription Shares”	230,000,000 new Shares to be issued pursuant to the Subscription;
“Takeovers Code”	The Code on Takeovers and Mergers;
“Vendors”	Burwill, Centrix, Wealthmost, Mrs. Chu, Mr. Chan, Mrs. Chan and Good Talent; and
“Wealthmost”	Wealthmost Holdings Limited, a company incorporated in the British Virgin Islands, whose registered address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

As at the date of this announcement, the board of Directors of the Company comprises Ms. Lau Ting, Mr. Chen Aizheng and Mr. Ng Man Fai, Matthew as executive Directors and Mr. King Roger, Mr. Huang Shenglan and Mr. Li Xiaojun as independent non-executive Directors.

By Order of the Board of Directors of  
**WorldMetal Holdings Limited**  
**Ng Lai Ping, Grace**  
*Company Secretary*

Hong Kong, 10 August 2005

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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