

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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 appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

PLACING OF NEW SHARES

THE PLACING

On 5 July 2007, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place on fully underwritten basis, 2,335,000,000 Placing Shares at the price of HK\$0.111 per Placing Share to no less than six Placees who are Independent Third Parties procured by the Placing Agent. The 2,335,000,000 Placing Shares under the Placing Agreement are to be issued by the Company under the Issue Mandate.

The 2,335,000,000 Placing Shares represent (i) approximately 20% of the Company's existing issued share capital; and (ii) approximately 16.67% of the Company's issued share capital as enlarged by the Placing.

The Placing is conditional upon the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares.

The Placing Agreement is subject to termination on the occurrence of, amongst other things, any event of force majeure (which include events set out in details below) at or before 9:30 a.m. on the date for completion of the Placing Agreement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING AGREEMENT DATED 5 JULY 2007

Pursuant to the Placing Agreement, the Placing Agent agreed to place on fully underwritten basis 2,335,000,000 Placing Shares at a price of HK\$0.111 per Placing Share. The terms of the Placing Agreement are set out below:

Placing Agent:

The Placing Agent, Chung Nam Securities Limited, is an Independent Third Party and is entitled to receive a placing commission equal to 2.50% of the product between the placing price of HK\$0.111 per Placing Share and the 2,335,000,000 Placing Shares successfully placed by the Placing Agent. The Directors are of the view that the placing commission is fair and reasonable.

Number of Shares to be placed:

The 2,335,000,000 Placing Shares representing (i) approximately 20% of the Company's existing issued share capital; and (ii) approximately 16.67% of the Company's issued share capital as enlarged by the Placing.

Placees:

Not less than six professional, institutional and/or individual investors will be procured by the Placing Agent under the Placing Agreement. Each of the Placees and their respective ultimate beneficial owners will be an Independent Third Party. The Directors do not expect any Placee will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

Placing Price:

The Placing Price is HK\$0.111 per Placing Share. The Placing Price represents:

- (i) a discount of approximately 7.50% to the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the Last Dealing Date; and
- (ii) a discount of approximately 19.33% to the average closing price of HK\$0.1376 per Share as quoted on the Stock Exchange from 27 June 2007 to 4 July 2007, both days inclusive, being the five trading days prior to the Last Dealing Date.

The net placing price is HK\$0.108225 per Placing Share. The market price of the Shares concerned on 5 July 2007, which the terms of the Placing were fixed, was HK\$0.12.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee granting approval of the listing of and permission to deal in the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

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.

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 9:30 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the

business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

The conditions set out in the Placing Agreement is expected to be fulfilled on or before 30 July 2007, or such later date as may be agreed by the Company and the Placing Agent. The completion of the Placing is expected to take place no later than the third Business Day after fulfillment of the conditions of the Placing Agreement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

AUTHORITY TO ISSUE THE PLACING SHARES

The 2,335,000,000 Placing Shares under the Placing Agreement are to be issued by the Company under the Issue Mandate, which as at the date of this announcement, allows the Company to issue or deal with up to maximum of 2,335,462,597 new Shares. As at the date of this announcement, the Company has not utilized the Issue Mandate.

RANKING OF PLACING SHARES

The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and the issue of the Placing Shares including the right to any dividends or distributions.

CHANGES IN SHAREHOLDING OF THE COMPANY AS A RESULT OF THE PLACING

The changes of the shareholding of the Company as a result of the Placing are illustrated in the table as follows (assuming that there are no other changes in the issued share capital of the Company and all the Placing Shares are placed):

Public Shareholders	Existing shareholdings		Assuming completion of the Placing	
	No. of Shares	%	No. of Shares	%
The Placees	—	-	2,335,000,000	16.67
Other public Shareholders	<u>11,677,312,988</u>	<u>100</u>	<u>11,677,312,988</u>	<u>83.33</u>
Total	<u>11,677,312,988</u>	<u>100</u>	<u>14,012,312,988</u>	<u>100</u>

As at the date of this announcement, the Company has no derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

CAPITAL RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of announcement	Transaction	Net proceeds raised (approximately)	Completed	Intended use of proceeds	Actual use of proceeds
5 December 2006	Placing of convertible notes with principal amount of up to HK\$150 million	HK\$146 million	Yes (the convertible notes were fully converted on 21 and 22 February 2007)	To be used for general working capital purposes, possible investments in the PRC in the natural resources sectors and other sectors	HK\$146 million - general working capital
26 February 2007	Placing of 684,000,000 new Shares under the placing agreement dated 26 February 2007	HK\$80 million	Yes	To be used for general working capital and/or possible investment in the future	HK\$80 million - general working capital

Date of announcement	Transaction	Net proceeds raised (approximately)	Completed	Intended use of proceeds	Actual use of proceeds
12 March 2007	Placing of convertible notes with principal amount of HK\$200 million	HK\$195 million	Yes (the convertible notes were fully converted on 19, 23 and 24 April 2007)	To be used for general working capital and/or other possible investments in the future	HK\$155.8 million — investment properties and other investments HK\$39.2 million — general working capital
27 March 2007	Placing of 1,189,000,000 new Shares under the placing agreement dated 27 March 2007	HK\$127 million	Yes	To be used for general working capital and/or possible investment in the future	HK\$61 million - investment properties and other investments HK\$66 million - general working capital
6 June 2007	Placing of 1,946,218,000 new Shares under the placing agreement dated 6 June 2007	HK\$239 million	Yes	To be used for general working capital and/or possible investment in the future	HK\$27 million — general working capital HK\$212 million — not yet utilized as at the date of announcement

Save as mentioned above, the Company has not raised any funds in the past 12 months.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Placing will be enable the Company to obtain funding so as to explore potential business and take up investment opportunities in the future with readily available funds. The Directors consider that the timing of the fund raising by the Placing is appropriate in view of the favourable economic environment and current stock market condition with flourishing fund-raising activities such as placing of shares, issue of convertible notes and initial public offerings in the market and the Placing is an appropriate means of raising additional capital for the Company. The Directors consider that the Placing is a better method to raise additional capital of the Company as compared with other financing methods.

The Company considers that the Placing in underwritten basis is a good opportunity for the Company to secure approximately HK\$252 million net proceeds from the Placing. The Company intends to apply the net proceeds of Placing for general working capital and/or other possible investments. At present, the Company has not earmarked how much of the placing proceeds will be used for working capital and for other investment purposes. However, the Placing enables the Company to have access to cash if and when suitable

investments arise. When suitable investments arise, the Company will determine then, how much internal resources will be used and whether any facilities will be used to fund the investment. As at the date of this announcement, the Company has reviewed several projects and does not require any investment commitments.

In view of the current market conditions, the Directors consider that the Placing represents a good opportunity to raise further capital to broaden the Shareholders and the capital base of the Group. The Directors consider the terms of the Placing Agreement (including the Placing Price) are fair and reasonable, and are in the best interest of the Company and its Shareholders as a whole.

GENERAL

The Group is principally engaged in the business of property investment, investment in securities trading, money lending, investing in energy related businesses and acquiring, exploring and developing natural resources.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday and Sunday) on which licensed banks are open for business in Hong Kong
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and its associated company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party and their respective ultimate beneficial owners who to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Issue Mandate”	the issue mandate granted by the Shareholders of the Company at its extraordinary general meeting held on 4 July 2007 to issue or deal with up to 2,335,462,597 new Shares

“Last Dealing Date”	5 July 2007, being the last trading day for the Shares prior to the issue of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the placees procured by the Placing Agent under the Placing, all of which will be Independent Third Parties
“Placing”	the placement of 2,335,000,000 new Shares by the Placing Agent to the Placees at the Placing Price under the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 regulated activity (dealing in securities)
“Placing Agreement”	the placing agreement dated 5 July 2007
“Placing Price”	the placing price of HK\$0.111 per Placing Share under the Placing
“Placing Share(s)”	2,335,000,000 new Shares to be placed under the Placing
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board of
Willie International Holdings Limited
Chuang Yueheng, Henry
Chairman

Hong Kong, 5 July 2007

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Lo Kan Sun, Mr. Wong Ying Seung, Asiong, and Mr. Wang Lin and five independent non-executive Directors, namely, Mr. Nakajima Toshiharu, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.