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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)

(Warrant Code: 614)

(1) PROPOSED CAPITAL REORGANIZATION
(2) PROPOSED AMENDMENTS TO
(i) THE LIMITS UNDER THE GENERAL MANDATES
AND (ii) THE SCHEME MANDATE LIMIT
(3) PROPOSED RIGHTS ISSUE OF NEW SHARES ON THE BASIS
OF ONE RIGHTS SHARE FOR EVERY SHARE HELD
ON THE RECORD DATE
AND
(4) RESUMPTION OF TRADING

(1) Proposed Capital Reorganization

The Company proposes to put forward a proposal to the Shareholders to effect the Capital Reorganization comprising the Share Consolidation (i.e. the consolidation of 10 Shares of HK\$0.10 each into 1 Consolidated Share of HK\$1.00 each) and the Capital Reduction (i.e. the reduction of the par value of the Consolidated Share of HK\$1.00 each to HK\$0.10 each).

(2) Amendments to (i) the limits under the General Mandates to issue and repurchase Shares and (ii) the Scheme Mandate Limit

As a result of the Capital Reduction, the Directors propose to amend (i) the limits under the General Mandates and (ii) the Scheme Mandate Limit to reflect the Capital Reorganization.

(3) Proposed Rights Issue

The Directors also propose to implement the Rights Issue in the proportion of one Rights Share for every Adjusted Share held on the Record Date at the Subscription Price of HK\$0.22 per Rights Share.

(4) EGM

An EGM is proposed to be convened to approve the Capital Reorganization, the amendments to the limits under the General Mandates and the Scheme Mandate Limit and the Proposed Rights Issue in accordance with the Listing Rules. A circular containing, among others, details regarding (i) the proposed Capital Reorganization; (ii) the amendments to the limits under the General Mandate and the Scheme Mandate Limit; (iii) the Rights Issue; (iv) a letter of recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Rights Issue; and (vi) a notice convening the EGM, will be despatched to the Shareholders as soon as possible.

(5) Resumption of Trading

Trading in the Shares and the Warrants was suspended with effect from 2:30 p.m. on 12 November 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares and the Warrants with effect from 9:30 a.m. on 16 November 2007.

The Board wishes to announce that the Company intends to implement the Capital Reorganization and to amend the limits under the General Mandates and the Scheme Mandate Limit so as to reflect such changes resulting from the Capital Reorganization. Immediately after the Capital Reorganization becomes effective, it is intended that the Rights Issue will take place.

(1) PROPOSED CAPITAL REORGANIZATION

The Company proposes to put forward a proposal to the Shareholders for the purpose of effecting the Capital Reorganization, which comprises the Share Consolidation and the Capital Reduction pursuant to section 58(3) of the Companies Ordinance. The Capital Reorganization involves:

A. Share Consolidation

Pursuant to the Share Consolidation, every 10 issued and unissued Shares of HK\$0.10 each will be consolidated into one issued or unissued Consolidated

Share of HK\$1.00 each, as the case may be. Fractional Consolidated Shares will not be issued to the Shareholders but will be aggregated and sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

B. Capital Reduction

Immediately after the Share Consolidation, the authorized capital of the Company will be reduced from HK\$5,000,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$1.00 each to HK\$500,000,000 divided into 5,000,000,000 Adjusted Shares of HK\$0.10 each and that such reduction be effected by way of a reduction of HK\$0.90 of the paid up capital on each issued Consolidated Share and reducing the nominal value of each issued or unissued Consolidated Share from HK\$1.00 to HK\$0.10. The Capital Reduction is proposed to take effect under Section 58(3) of the Companies Ordinance pursuant to which no court confirmation will be required.

C. Conditions of the Capital Reorganization

The Capital Reorganization is conditional upon:

- a) the passing by the Shareholders of the relevant ordinary and special resolutions at the EGM; and
- b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Adjusted Shares to be issued following completion of the Capital Reorganization.

Subject to fulfillment of the above conditions, the Capital Reorganization will take effect upon the filing of the resolutions to approve the Capital Reorganization at the EGM with the Registrar of Companies as required under the Companies Ordinance, which is expected to take place on the date of the EGM or on the next business day immediately following the date of receipt of the approval from the Stock Exchange of the listing of the Adjusted Shares, whichever is the later.

Further announcements will be made by the Company to inform the Shareholders of the effective date of the Capital Reorganization.

D. Effect of the Capital Reorganization

As at the date hereof, the authorized capital of the Company is HK\$5,000,000,000 divided into 50,000,000,000 Shares, of which

15,179,312,988 Shares have been issued and are fully paid. On the basis of the same number of the Shares in issue and upon the Capital Reorganization becoming effective, the authorized share capital of the Company will become HK\$500,000,000 comprising 5,000,000,000 Adjusted Shares, of which 1,517,931,298 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become approximately HK\$151,793,130.

The credit arising from the reduction will be credited to the share premium account of the Company as required by section 58(3) of the Companies Ordinance.

Implementation of the Capital Reorganization would not, of itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Capital Reorganization.

Save for the subscription rights attaching to the 3,000,000,000 Warrants, the Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for the Shares. The Capital Reorganization is expected to give rise to an adjustment to the subscription price under the Warrants. Details of the adjustments will be announced in due course.

The Adjusted Shares will rank pari passu in all respects with each other and the Capital Reorganization will not result in any change in the relative rights of the Shareholders. Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company.

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

E. Trading Arrangement

The Shares are currently traded in board lots of 4,000 Shares each and the market value per board lot of the Shares is HK\$232, based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Last Trading Day. Assuming the Capital Reorganization becomes effective, the Adjusted Shares will be traded in board lots of 4,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$2,320, based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Last Trading Day.

Subject to the Capital Reorganization, the Shareholders may, during a period to be specified in the circular of the Company to be despatched to the Shareholders, submit certificates for the Shares to the Company's share registrar for exchange, at the expense of the Company, for certificates for the Adjusted Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. Certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders. Further announcement will be made as and when appropriate in relation to the effective date of the arrangements for the exchange of share certificates and the arrangements relating to trading and dealings in the Adjusted Shares.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has agreed to procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of Adjusted Shares on a best effort basis. Further details in respect of the odd lots arrangement and the new share certificates will be set out in the circular of the Company to be despatched to the Shareholders.

F. Reasons

Based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Last Trading Day, the value per board lot of 4,000 Shares and 4,000 Adjusted Shares would be HK\$232 and HK\$2,320 respectively. After the Share Consolidation, the transaction costs per dollar value of each Adjusted Share will be significantly lower. The Directors therefore consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Since August, 2007, the Shares have been trading at prices below their nominal value of HK\$0.10 each. As mentioned above, the closing price of the Share on the Stock Exchange on the Last Trading Day was HK\$0.058 per Share. Under the Companies Ordinance, it is not permissible for a company to issue shares at a discount to the nominal value of its share unless, amongst other things, it is authorized by the Shareholders and sanctioned by the court. This would involve considerable expense and time to go through the procedures for each capital raising exercise. With a view to facilitating any capital raising exercise when circumstances arise in the future, the Board proposes the Capital Reorganization, which has the effect of converting 10 Shares of HK\$0.10 each to an Adjusted Share of HK\$0.10 each by way of the Share Consolidation and the Capital Reduction.

(2) AMENDMENTS TO (i) THE LIMITS UNDER GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES And (ii) THE SCHEME MANDATE LIMIT

As a result of the Capital Reorganization, the issued share capital of the Company will be reduced from HK\$1,517,931,298.80 to HK\$151,793,129.80 (assuming that there is no further issue of Shares during this period). At the Shareholders' meeting held on 30 May 2007, the Shareholders granted the Repurchase Mandate and the Top-up Mandate. The Shareholders further granted the Issue Mandate and approved the Scheme Mandate Limit at the Shareholders' meeting held on 10 September 2007.

By reason of the proposed Capital Reduction, the Company proposes, conditional upon the Capital Reorganization becoming effective, to amend the limits under the General Mandates and the Scheme Mandate Limit at the EGM to authorize the Directors:

- a. to allot, issue and otherwise deal with the Adjusted Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company (i.e. the Adjusted Shares in issue);
- b. to purchase the Adjusted Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company (i.e. the Adjusted Shares in issue);
- c. to issue those Adjusted Shares purchased by the Company pursuant to the purchase mandates to be granted to the Directors at the EGM; and
- d. to grant share options under the Share Option Scheme to the effect that the Adjusted Shares to be allotted and issued under such share options shall not exceed 10% of the number of the Adjusted Shares in issue.

The General Mandates have not been utilized by the Directors as at the date hereof.

To the best of the knowledge of the Directors, having made all reasonable enquiry, no Shareholders are required to abstain from voting in respect of the resolutions proposed for approval of the above amendments.

(3) PROPOSED RIGHTS ISSUE

The Board also proposes to implement a Rights Issue upon the following terms:

A. Issue statistics

Basis of the Rights Issue	: One Rights Share for every Adjusted Share held on the Record Date
Number of the Shares in issue as at the date of this announcement	: 15,179,312,988 Shares
Number of the Adjusted Shares in issue upon the Capital Reorganization becoming effective	: 1,517,931,298 Adjusted Shares (assuming no further issue of Shares during this period)
Number of the Shares/Adjusted Shares which may be issued pursuant to the Share Option Scheme	: Up to 1,517,931,298 Shares (before the Capital Reorganization) or up to 151,793,129 Adjusted Shares (after the Capital Reorganization)
Number of the Shares/Adjusted Shares which may be issued upon full exercise of the subscription rights attaching to the Warrants	: Up to 3,000,000,000 Shares (before the Capital Reorganization) or up to 300,000,000 Adjusted Shares (after the Capital Reorganization)
Number of the Shares/Adjusted Shares which may be issued pursuant to the General Mandates	: Up to 3,035,862,597 Shares (before the Capital Reorganization) or up to 303,586,259 Adjusted Shares (after the Capital Reorganization)
Number of Rights Shares	: Not less than 1,517,931,298 and not more than 2,273,310,686 Rights Shares
Subscription Price per Rights Share	: HK\$0.22

The number of the Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be issued and allotted on or before the Record Date, including the Shares which may be issued and allotted to the holders of options granted pursuant to the Share Option Scheme and which may be issued and allotted to the holders of the Warrants and which may be issued and allotted to allottees pursuant to the General Mandates.

As at the date of this announcement, the Company has no outstanding options granted under the Share Option Scheme. Save for the 3,000,000,000 Warrants, there are no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date hereof. Prior to the Record Date, the Capital Reorganization has not become effective and the then share capital of the Company will remain the existing Shares (and not the Adjusted Shares). Accordingly, prior to the Record Date, the Company is permitted under the Scheme Mandate Limit as refreshed on 10 September 2007 to grant options to subscribe for up to 1,517,931,298 Shares. In addition, in the event of the exercise in full of the subscription rights attached to the Warrants, 3,000,000,000 Shares will fall to be issued. Upon exercise of the General Mandates in full, a total of up to 3,035,862,597 Shares can possibly be issued prior to the Record Date. Assuming that (i) the aforesaid options are granted and exercised; (ii) the subscription rights conferred by the Warrants are fully exercised; (iii) new Shares are issued under General Mandates; and (iv) the Shares issued pursuant to such options, Warrants and General Mandates are issued and allotted, in each case, in full on or prior to the Record Date, the number of the Rights Shares to be issued under the Rights Issue will be increased by 755,379,388 Rights Shares.

B. Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

- a) the passing by the Shareholders at the EGM of a special resolution to approve the Capital Reorganization;
- b) the Capital Reorganization becoming effective;
- c) passing by the Shareholders of the relevant resolution(s) at the EGM to approve the Rights Issue;

- d) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts; the satisfaction of such conditions (if any) by no later than the date of posting of the Prospectus Documents; and not having been withdrawn or revoked on or before 4:00 p.m. on the second business day after the Acceptance Date;
- e) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies of all documents relating to the Rights Issue ; and
- f) the compliance by the Company with all of its obligations under the Underwriting Agreement and the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not having been terminated in accordance with its terms.

In the event that the conditions of the Rights Issue are not fulfilled on or before the various dates set out in the Underwriting Agreement (or such later dates as the Company and the Underwriter may agree), neither the Underwriter nor the Company shall have any right or be subject to any obligation arising from the Underwriting Agreement and the Rights Issue will not proceed accordingly.

C. Qualifying Shareholders

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Excluded Overseas Shareholders.

In order to qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the register of members of the Company on the Record Date, and must not be an Excluded Overseas Shareholder.

In order to be registered as a member of the Company on the Record Date, the transfer of Shares with the relevant share certificates must be delivered by the transferee to the Company's share registrar for registration by the time and the date to be announced by the Company.

The Company's share registrar is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares as referred to hereinbelow will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Company's share registrar for completion of the relevant registration by the time and the date to be announced by the Company.

D. Excluded Overseas Shareholders

As explained below, the Overseas Shareholders may not be eligible to take part in the Rights Issue. The Directors will make enquiries as to whether the issue of the Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of their places of residence and/or the requirements of the relevant regulatory body or stock exchange.

If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Overseas Shareholders.

Further information in this connection will be set out in the Prospectus containing, among other things, details of the Rights Issue to be despatched to the Shareholders as soon as practicable. Further information in respect of the Excluded Overseas Shareholders will also be set out in the circular and the Prospectus Documents of the Company.

As stated above, the Company will only send the Prospectus to the Excluded Overseas Shareholders for their information.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the relevant Excluded Overseas Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

E. Subscription Price

HK\$0.22 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or applies for any excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 62.07% to the closing price of HK\$0.58 per Adjusted Share, based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 45% to the theoretical ex-rights price of approximately HK\$0.40 per Adjusted Share, based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation; and
- (iii) a discount of approximately 64.17% to the average closing price of approximately HK\$0.614 per Adjusted Share, based on the average closing price of HK\$0.0614 per Share as quoted on the Stock Exchange from 5 November 2007 to 9 November 2007, both days inclusive, being the last five trading days immediately before the date of the Underwriting Agreement and adjusted for the effect of the Share Consolidation.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter. The Board considers the Subscription Price to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole on the basis that it is a general market practice to issue rights shares at a discount to the market price of the Shares. The Board also considers that the discount will encourage the existing Shareholders to take up their entitlements, so as to share the potential growth of the Company.

F. Status of Rights Shares

The Rights Shares, when fully paid and issued, will rank *pari passu* in all respects with the Adjusted Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

G. Share certificates and refund cheques

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before the date to be announced by the Company to those who have accepted or, where applicable, applied, and paid for the Rights Shares, by ordinary post at their own risk, and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before the date to be announced by the Company by ordinary post to the applicants at their own risk.

H. Fractions of Rights Shares

The Company will not allot fractions of Rights Shares in nil-paid form to the Shareholders. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be obtained, the Company will keep the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

I. Application for excess Rights Shares

The Qualifying Shareholders may apply for any unsold entitlements of the Excluded Overseas Shareholders, any unsold Rights Shares created by aggregating fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted.

Application may be made by completing a prescribed form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Board will allocate the excess Rights Shares at its discretion with reference to the level of acceptance of the Rights Shares and the number of excess Rights Shares available, but will give preference to topping-up odd lots of Rights Shares to a whole board lot on a fair and reasonable basis. Further details regarding the allocation basis will be disclosed in the circular of the Company.

J. Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. Under the Listing Rules, the Rights Issue will be subject to the approval of Independent Shareholders.

The Rights Shares in their nil-paid form will be traded in board lots of 4,000 Rights Share each. Dealings in the Rights Shares, in both their nil-paid and fully-paid forms, will be subject to the payment of stamp duty.

K. Closure of register of members

The register of members of the Company will be closed for a period to be announced by the Company in order to determine the eligibility of the holders of the Adjusted Shares to the Rights Issue. No transfer of Shares will be registered during this period.

L. Underwriting arrangements for the Rights Issue

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite up to 2,273,310,686 Rights Shares. The Underwriter is considered to be a connected person of the Company for the reason that it is an associate of the brother of Mr. Chuang Yueheng, Henry, the chairman of the Company. However, the underwriting arrangement falls within the exemption under Rule 14A.31(3)(c) of the Listing Rules. The Underwriter will receive an underwriting commission of 2.5% on the total amount equal to the Subscription Price multiplied by the total number of the Rights Shares to be underwritten by the Underwriter under the Underwriting Agreement.

The Underwriting Agreement is conditional upon fulfillment of the following conditions:

- (a) the passing of by the Shareholders at the EGM of a special resolution to approve the Capital Reorganization;
- (b) the passing of the Shareholders at the EGM of an ordinary resolution to approve the Rights Issue;
- (c) the Capital Reorganization becoming effective;
- (d) the obligations of the Underwriter under the Underwriting Agreement not being terminated in accordance with the terms thereof;

- (e) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules and the Companies Ordinance;
- (f) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date; and
- (g) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms, prior to the Prospectus Posting Date.

If at any time on or before 6:00 p.m. on the second business day following the Acceptance Date:

- (a) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue;

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company rescind the Underwriting Agreement, whereupon all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and the Rights Issue shall not proceed.

M. Warning of the risks of dealing in the Shares and nil-paid Rights Shares

The Rights Issue is conditional upon, amongst other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms referred to under the section headed “Underwriting Arrangements for the Rights Issue” above. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

The Shareholders should note that Shares will be dealt in on an entitlement basis commencing from a date to be announced by the Company and that dealings in the Shares and Rights Shares in nil-paid form will take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and Rights Shares in nil-paid form up to the date on which all conditions to which the Rights Issue is subject remain unfulfilled will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. If, any Shareholder or other person who is contemplating selling or purchasing the Shares and the Rights Shares in nil-paid form is in any doubt about his position, he is recommended to consult his own professional adviser.

N. Expected timetable for Rights Issue

Further announcement in respect of the expected timetable for the Rights Issue will be made by the Company.

O. Adjustment

The Rights Issue is expected to give rise to an adjustment to the subscription price under the Warrants. Details of the adjustments will be announced in due course.

P. Reasons for Rights Issue and use of proceeds of Rights Issue

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position. Since the Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company, the Board considers that raising capital through the Rights Issue is in the interest of the Company and the Shareholders as a whole.

The estimated net proceeds of the Rights Issue will be approximately HK\$325 million (assuming no further Shares are issued on or prior to the Record Date) or HK\$487 million (assuming options are granted and exercised to the fullest extent possible and full exercise of the subscription rights attached to the Warrants on or prior to the Record Date as well as allotment pursuant to the General Mandates to the fullest extent) taking into account the commission to be paid to the Underwriter. The Company intends to apply such net proceeds for expanding the Group's business in natural resources, energy and property investment sectors as disclosed by the Company in its annual report for the year ended 31 December 2006 and its interim report for the six months ended 30 June 2007. The breakdowns for each of the intended use of such net proceeds could not be ascertained as at the date of this announcement and will be disclosed in the circular to be issued by the Company. Further, the Company is still negotiating with the relevant parties in relation to the possible expansion into such sectors and will make further announcement once the material terms are finalised. If such opportunity does not materialise, the net proceeds of the Rights Issue will be applied towards the general working capital of the Group.

(3) EFFECTS ON SHAREHOLDING

The effects of the Rights Issue on the shareholding of the Company are as follows:

	Shareholding before the Capital Reorganization		Shareholding after the Capital Reorganization but before the Rights Issue		Shareholding after the Capital Reorganization and the Rights Issue (assuming all Shareholders take up their entitlements)		Shareholding after the Capital Reorganization and the Rights Issue of 1,517,931,298 Rights Shares (assuming no Shareholders take up their entitlements)		Shareholding after the Capital Reorganization and the Rights Issue of 2,273,310,686 Rights Shares (assuming no Shareholders take up their entitlements)	
	No. of Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %	No. of Adjusted Shares	Approximate %
Substantial Shareholder										
Unity Investments										
Holdings Limited	850,000,000	5.6	85,000,000	5.6	170,000,000	5.6	85,000,000	2.8	85,000,000	1.9
Public	14,329,312,988	94.4	1,432,931,298	94.4	2,865,862,596	94.4	1,432,931,298	47.2	1,432,931,298	31.5
Holder of options	—	—	—	—	—	—	—	—	151,793,129	3.3
Holder of Warrants	—	—	—	—	—	—	—	—	300,000,000	6.6
Allottee under General Mandates	—	—	—	—	—	—	—	—	303,586,259	6.7
Underwriter	—	—	—	—	—	—	1,517,931,298	50.0	2,273,310,686	50.0
Total	<u>15,179,312,988</u>	<u>100.0</u>	<u>1,517,931,298</u>	<u>100.0</u>	<u>3,035,862,596</u>	<u>100.0</u>	<u>3,035,862,596</u>	<u>100.0</u>	<u>4,546,621,372</u>	<u>100.0</u>

Note:

- The Company is permitted under the Scheme Mandate Limit as refreshed on 10 September 2007 to grant options to subscribe for a maximum of 1,517,931,298 Shares (before the Capital

Reorganization) or 151,793,129 Adjusted Shares (after the Capital Reorganization). Assuming that the aforesaid options are granted and exercised in full and the maximum number of the Shares to be issued pursuant to such options are issued and allotted on or prior to the Record Date, the number of the Rights Shares to be issued under the Rights Issue will be increased by 151,793,129 Rights Shares.

2. Assuming that the subscription rights conferred upon the holders of the 3,000,000,000 Warrants are exercised in full and the maximum number of the Shares to be issued pursuant to the Warrants are issued and allotted on or prior to the Record Date, the number of the Rights Shares to be issued under the Rights Issue will be increased by 300,000,000 Rights Shares.
3. Assuming that new Shares are to be issued and allotted pursuant to the General Mandates in full on or prior to the Record Date, the number of the Rights Shares to be issued under the Rights Issue will be increased by 303,586,259 Rights Shares.
4. To the best knowledge of the Company, the Underwriter and the sub-underwriters will not individually own more than 10% of the issued share capital of the Company after completion of the Rights Issue unless the Underwriter and the sub-underwriters are required to take up the Rights Shares under their underwriting commitments.
5. The Underwriter has confirmed that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and the sub-underwriters will not individually own more than 30% of the issued share capital of the Company immediately after completion of the Rights Issue.

(4) FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

Date of announcement	Date of mandates granted	Nature of transaction	Places/ subscriber/ allottee	Amount of fund raised (net of expenses approximately)	Number of Shares issued	Approximate % of the total issued share capital of the Company as at the date hereof	Intended use of proceeds	Use of proceeds according to the intended use	Use of proceeds other than the intended use
5 December 2006	N/A	Placing of convertible notes with principal amount of up to HK\$150 million	Independent third parties	HK\$146 million	1,500,000,000	9.9%	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	Nil
26 February 2007	30 May 2006	Placing of 684,000,000 new Shares	Independent third parties	HK\$80 million	684,000,000	4.5%	To be used for general working capital and/or possible investment in the future	HK\$80 million — general working capital	Nil

Date of announcement	Date of mandates granted	Nature of transaction	Places/ subscriber/ allottee	Amount of fund raised (net of expenses approximately)	Number of Shares issued	Approximate % of the total issued share capital of the Company as at the date hereof	Intended use of proceeds	Use of proceeds according to the intended use	Use of proceeds other than the intended use
12 March 2007	N/A	Placing of convertible notes with principal amount of HK\$200 million	Independent third parties	HK\$195 million	2,000,000,000	13.2%	To be used for general working capital and/or other possible investments in the future	<p>HK\$57.8 million — acquisition of property interest (details of which are set out in the announcement of the Company dated 12 April 2007)</p> <p>HK\$88 million — acquisition of property interest (details of which are set out in the announcement of the Company dated 15 June 2007)</p> <p>HK\$10 million — other investments</p> <p>HK\$39.2 million — general working capital</p>	Nil
27 March 2007	26 March 2007	Placing of 1,189,000,000 new Shares	Independent third parties	HK\$127 million	1,189,000,000	7.8%	To be used for general working capital and/or possible investment in the future	<p>HK\$61 million — investment properties and other investments</p> <p>HK\$66 million — general working capital</p>	Nil
6 June 2007	30 May 2007	Placing of 1,946,218,000 new Shares	Independent third parties	HK\$239 million	1,946,218,000	12.8%	To be used for general working capital and/or possible investment in the future	<p>HK\$39.50 million — general working capital</p> <p>HK\$136 million — acquisition of 100% interest in Allied Loyal International Investments Limited (details of which are set out in the announcement of the Company dated 28 June 2007)</p> <p>HK\$63.50 million — investment properties and other investments</p>	Nil

Date of announcement	Date of mandates granted	Nature of transaction	Places/ subscriber/ allottee	Amount of fund raised (net of expenses approximately)	Number of Shares issued	Approximate % of the total issued share capital of the Company as at the date hereof	Intended use of proceeds	Use of proceeds according to the intended use	Use of proceeds other than the intended use
5 July 2007	4 July 2007	Placing of 2,335,000,000 new Shares	Independent third parties	HK\$252 million	2,335,000,000	15.4%	To be used for general working capital and/or possible investment in the future	HK\$125 million — general working capital HK\$57 million - other investments in artworks HK\$70 million — not yet utilized as at the date hereof and to be utilized as per the intended use of proceeds	Nil
3 August 2007	N/A	Placing of 3,000,000,000 Warrants at an issue price of HK\$0.025	Independent third parties	HK\$71 million	N/A	N/A	To be used for general working capital and/or other investments in the future	HK\$71 million — not yet utilized as at the date hereof and to be utilized as per the intended use of proceeds	Nil

(4) GENERAL

The Company will form an Independent Board Committee comprising the independent non- executive Directors and appoint an independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the limits under the General Mandates, the Scheme Mandate Limit and the Rights Issue.

Pursuant to rule 7.19(8) of the Listing Rules, any parties who were controlling Shareholders of the Company; or, where there were no such controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company at the time the decision or arrangement involving the Rights Issue was made or approved by the Board and their associates, may be required to abstain from voting in favour of the resolution proposed for the approval of the Rights Issue. To the best of the knowledge of the Directors, having made all reasonable enquiry and based on the register kept under section 352 of the Securities and Futures Ordinance, there are no controlling Shareholders of the Company and none of the Directors, the Underwriter and their respective associates are interested in the share capital of the Company. Accordingly, no Shareholders are required to abstain from voting in favour of the Rights Issue.

A circular containing, among others, details regarding (i) the proposed Capital Reorganization; (ii) the amendments to the limits under the General Mandate and the Scheme Mandate Limit; (iii) the Rights Issue; (iv) a letter of recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Rights Issue; and (vi) a notice convening the EGM, will be despatched to the Shareholders as soon as possible.

(5) RESUMPTION OF TRADING

Trading in the Shares and the Warrants was suspended with effect from 2:30 p.m. on 12 November 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares and the Warrants with effect from 9:30 a.m. on 16 November 2007.

(6) DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“Acceptance Date”	the last date for acceptance of, and payment of, Rights Shares, which is to be announced by the Company
“%”	per cent.
“Adjusted Share(s)”	new ordinary shares of HK\$0.10 each in the capital of the Company to be created upon the Capital Reorganization becoming effective
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the capital of the Company including the cancellation of the paid up capital to the extent of HK\$0.90 of each Consolidated Share in issue from HK\$1.00 to HK\$0.10 and the reduction of the nominal value of all the issued and unissued Consolidated Shares
“Capital Reorganization”	the Share Consolidation and the Capital Reduction
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong

“Company”	Willie International Holdings Limited 威利國際控股有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary shares of HK\$1.00 each in the capital of the Company to be created upon the Share Consolidation
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Capital Reorganization, the amendments to the limits under the General Mandates and the Scheme Mandate Limit and the Rights Issue
“Excluded Overseas Shareholders”	the Overseas Shareholders whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Shares to, on account either of legal restrictions under the laws of the relevant place of residence or the requirements of the relevant regulatory body or stock exchange in that place
“General Mandates”	the Issue Mandate, the Repurchase Mandate and the Top-up Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	a committee of independent non-executive Directors formed for the purpose of advising the Independent Shareholders in relation to the refreshment of the Issue Mandate
“Independent Shareholders”	Shareholders other than the controlling Shareholders and their associates or, where there are no controlling Shareholders, executive Directors and their respective associates
“Issue Mandate”	the general mandate granted to the Directors to permit the allot, issue and deal with the Shares of the Company up to a maximum of 20% of the aggregate amount of the share capital of the Company in issue as at the date of the shareholders’ meeting held on 10 September 2007

“Last Trading Day”	12 November 2007, being the last trading day prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	the Shareholders whose registered addresses as shown in register of members of the Company on the Record Date are situate outside Hong Kong
“Prospectus Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Prospectus Posting Date”	such date as may be designated by the Company for the posting of the Prospectus Documents, which is to be announced by the Company
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholders”	Shareholders, other than the Excluded Overseas Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date, which is to be announced by the Company
“Record Date”	the date by reference to which entitlements under the Rights Issue will be determined, which is to be announced by the Company
“Repurchase Mandate”	the general mandate granted to the Directors to permit the repurchase of Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the shareholders’ meeting held on 30 May 2007
“Rights Issue”	the issue by way of rights of not less than 1,517,931,298 Rights Shares and not more than 2,273,310,686 Rights Shares in the proportion of one Rights Share for every Adjusted Share held on the Record Date at the Subscription Price payable in full on acceptance
“Rights Share(s)”	new Adjusted Share(s) of HK\$0.10 each to be allotted and issued under the Rights Issue

“Scheme Mandate Limit”	the maximum number of shares which may be issued upon exercise of all of the options granted and to be granted under the Share Option Scheme and any other scheme(s) of the Company as approved by the Shareholders at the shareholders’ meeting held on 10 September 2007
“Share Consolidation”	the proposed consolidation into one Consolidated Share of every ten issued and unissued Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 20 November 2002
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.22 per Rights Share
“Top-up Mandate”	the general mandate to issue the Shares purchased by the Company pursuant to the purchase mandates granted to the Directors up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the shareholders’ meeting held on 30 May 2007
“Underwriter”	Chung Nam Securities Limited, a licensed corporation under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, licensed to engage in type 1 of the regulated activities
“Underwriting Agreement”	the underwriting agreement dated 12 November 2007 entered into between the Company and the Underwriter in relation to the Rights Issue
“Warrants”	the warrants listed on the Stock Exchange conferring rights on the holders to subscribe for the Shares of the Company at the subscription price of HK\$0.10 per Share

By order of the Board
Chuang Yueheng, Henry
Chairman

Hong Kong, 15 November 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.