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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) PLACING OF NEW SHARES UNDER ISSUE MANDATE;
(2) REFRESHMENT OF ISSUE MANDATE TO ISSUE AND ALLOT SHARES;
AND
(3) REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME**

THE PLACING

On 15 February 2008, the Company entered into the Placing Agreement with Get Nice pursuant to which Get Nice agreed to place on fully underwritten basis, 303,580,000 Placing Shares at the price of HK\$0.17 per Placing Share to no less than six Placees who are Independent Third Parties procured by the Placing Agent. The total 303,580,000 Placing Shares under the Placing Agreement are to be issued by the Company under the Issue Mandate.

The 303,580,000 Placing Shares represent (i) approximately 10.00% of the Company's existing issued share capital; and (ii) approximately 9.09% of the Company's issued share capital as enlarged by the Placing.

The Placing is conditional upon the Listing Committee granting approval of 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 10:00 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.

REFRESHMENT OF ISSUE MANDATE

In order to provide a flexible mean for the Company to raise further funds for its future business development and/or through the issue of new Shares whenever investment opportunities arise, the Board proposes to refresh the Issue Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of EGM. The New Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the New Issue Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM.

REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

In order to provide the Company with greater flexibility in granting share options to eligible persons (including but not limited to employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM.

PLACING AGREEMENT DATED 15 FEBRUARY 2008

Pursuant to the Placing Agreement, Get Nice agreed to place on fully underwritten basis, 303,580,000 Placing Shares at a price of HK\$0.17 per Placing Share. The terms of the Placing Agreement are set out below:

Placing Agent:

The Placing Agent are Independent Third Parties and are entitled to receive a placing commission equal to 2.50% of the product between the placing price of HK\$0.17 per Placing Share and the 303,580,000 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 303,580,000 Placing Shares representing (i) approximately 10.00% of the Company's existing issued share capital; and (ii) approximately 9.09% 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 his/her 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\$0.17 per Placing Share. The Placing Price represents:

- (i) a discount of approximately 16.26% to the closing price of HK\$0.203 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a discount of approximately 16.26% to the average closing price of HK\$0.203 per Share as quoted on the Stock Exchange from 11 February 2008 to 15 February 2008, both days inclusive, being the five trading days before and including the Last Trading Date.

The net placing price is HK\$0.16575 per Placing Share. The market price of the Shares concerned on 15 February 2008, which the terms of the Placing were fixed, was HK\$0.203.

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 granting 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 without liability to the Company by giving notice in writing to the Company, prior to 10:00 a.m. on the date for completion of the Placing Agreement, provided that in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date thereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or

- (d) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands, the British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

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 17 March 2008, or such other 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 second Business Day after the 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 303,580,000 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 303,586,259 new Shares (adjusted by the capital reorganization of the Company effected on 31 December 2007). 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 assuming that all the Placing Shares are placed):

	Shareholding before the Placing		Shareholding after the Placing	
		%		%
	<i>Shares approximately</i>		<i>Shares approximately</i>	
Unity Investments Holdings Limited (note 1)	170,000,000	5.60%	170,000,000	5.09%
Mr. Chuang Eugene Yue-chien and his associates (note 2)	167,242,800	5.51%	167,242,800	5.01%
Others	2,698,619,796	88.89%	2,698,619,796	80.81%
The Places	—	—	303,580,000	9.09%
Total	<u>3,035,862,596</u>	<u>100%</u>	<u>3,339,442,596</u>	<u>100%</u>

Notes:

- (1) Unity Investments Holdings Limited (Stock code: 913) is a company listed on the Stock Exchange.
- (2) Mr. Chuang Eugene Yue-chien is the elder brother of the chairman of the Company, Mr. Chuang Yueheng, Henry.

CAPITAL RAISING ACTIVITIES IN THE PAST 12 MONTHS

Apart from the capital raising activities mentioned below, the Company has not carried out other capital raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Capital raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Use of proceeds according to the intended use
26 February 2007	Placing of 684,000,000 new Shares	HK\$80 million	To be used for general working capital and/or possible investment in the future	HK\$80 million — general working capital
12 March 2007	Placing of convertible notes with principal amount of HK\$200 million	HK\$195 million	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 were set out in the announcement of the Company dated 12 April 2007)</p> <p>HK\$88 million — acquisition of property interest (details of which were 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>

Date of announcement	Capital raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Use of proceeds according to the intended use
27 March 2007	Placing of 1,189,000,000 new Shares	HK\$127 million	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	HK\$239 million	To be used for general working capital and/or possible investment in the future	HK\$39.50 million — general working capital HK\$136 million — acquisition of 100% interest in Allied Loyal International Investments Limited (details of which were set out in the announcement of the Company dated 28 June 2007) HK\$63.50 million — investment properties and other investments
5 July 2007	Placing of 2,335,000,000 new Shares	HK\$252 million	To be used for general working capital and/or possible investment in the future	HK\$179 million — general working capital HK\$73 million — other investments in artworks

Date of announcement	Capital raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Use of proceeds according to the intended use
3 August 2007	Placing of 3,000,000,000 Warrants at an issue price of HK\$0.025	HK\$71 million	To be used for general working capital and/or other investments in the future	HK\$39 million — general working capital HK\$32 million — not yet utilized as at the date hereof and to be utilized as per the intended use of proceeds
15 November 2007	Rights issue of 1,517,931,298 rights shares at the subscription price of HK\$0.22	HK\$323 million	To be used for general working capital and/or possible investments in the future	HK\$323 million — not yet utilized as at the date hereof and to be utilized as per the intended use of proceeds

Save as mentioned above, the Company has not raised any funds in the past 12 months. The funds raised on issue of equity securities in the past 12 months that not yet utilized as at the date of this announcement are maintained in certain banks and financial institutions to generate interest income.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The reason to the Placing is to strengthen the capital base of the Company. The net proceeds of Placing is approximately HK\$50 million. The Company will use the fund raised for general working capital and any future potential investments. As at the date of this announcement, the Company has not identified any investment opportunity yet.

The Company considers that the Placing is a good opportunity for the Company to secure approximately HK\$50 million net proceeds from the Placing. In view of the grim and volatile stock market conditions, the Directors consider that the Company should seize every chance to secure equity funding for the Shareholders and the Company as a whole. The Directors consider the terms of the Placing Agreement (including the Placing Price) is fair and reasonable and in the best interest of the Company and its Shareholders as a whole.

ISSUE MANDATE

In order to provide a flexible mean for the Company to raise further funds for its future business development and/or through the issue of new Shares whenever merger and acquisition opportunities arise, the Board proposes to refresh the Issue Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of EGM. The New Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the New Issue Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM. Since there is no controlling Shareholder of the Company, and none of the Directors and the chief executive of the Company and their respective associates have interests in Shares of the Company as at the date of this announcement. Thus no one shall abstain from voting in favor thereon.

The Board expected that the 303,580,000 Placing Shares were completely placed before the EGM. Then based on the 3,339,442,596 Shares in issue as enlarged by the Placing and assuming that no further Shares are repurchased and issued prior to the EGM, subject to the passing of the relevant ordinary resolutions to approve the New Issue Mandate at the EGM, the Directors will be authorized to allot and issue up to a limit of 667,888,519 Shares under the New Issue Mandate. The Directors consider that the New Issue Mandate will enhance the flexibility for the Company to manage its business and therefore the New Issue Mandate is fair and reasonable and the granting of the New Issue Mandate are in the interests of the Company and the Shareholders as a whole.

REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Board also proposes to seek the approval of the Shareholders to refresh the 10% scheme mandate limit of the Share Option Scheme. Under the current limit of the Share Option Scheme, the Directors were authorized to grant options to subscribe for up to 151,793,129 Shares (adjusted by the capital reorganization of the Company effected on 31 December 2007), representing 10% of the issued share capital of the Company as at the date of extraordinary general meeting of the Company held on 10 September 2007 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 10 September 2007 and up to the date of this announcement, the Company has not granted any share options. As at the date of this announcement, there are 151,793,129 share options (adjusted by the capital reorganization of the Company effected on 31 December 2007) not yet granted.

In order to provide the Company with greater flexibility in granting share options to eligible persons (including but not limited to employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM. The Directors consider that such refreshment of the scheme mandate limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

The Board expected that the 303,580,000 Placing Shares were completely placed before the EGM. Then based on the 3,339,442,596 Shares in issue as enlarged by the Placing and assuming that no further Shares are repurchased and issued prior to the EGM, and no share options are being granted prior to the EGM, upon the approval of the refreshment of the scheme mandate limit of the Share Option Scheme, the Directors will be authorized to issue options to subscribe for a total of 333,944,259 Shares, representing 10% of the total number of Shares in issue as at the date of EGM. The 151,793,129 share options not previously granted under the Share Option Scheme will not be counted for the purpose of refreshing the scheme mandate limit of the Share Option Scheme.

No outstanding share options of the Company will lapse as a result of the refreshment of the scheme mandate limit of the Share Option and the aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the date of this announcement. Save for the Share Option Scheme, the Company has no other share option schemes as at the date of this announcement.

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.

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 New Issue Mandate pursuant to Rule 13.36(4) of the Listing Rules.

A circular containing, among other things, details regarding (i) New Issue Mandate; (ii) refreshment of the scheme mandate limit of the Share Option Scheme; (iii) letter of recommendation from the Independent Board Committee on the refreshment of the Issue Mandate; (iv) letter of recommendation from the independent financial adviser to the Independent Board Committee and independent Shareholders on the refreshment of the Issue Mandate; and (v) a notice convening the EGM will be dispatched to the Shareholders as soon as possible.

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
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if though fit, approving the New Issue Mandate and new scheme mandate limit of the Share Option Scheme
“Issue Mandate”	the general mandate granted by Shareholders of the Company at its extraordinary general meeting held on 10 September 2007 to issue or deal with up to 303,586,259 new Shares (adjusted by the capital reorganization of the Company effected on 31 December 2007)
“Get Nice”	Get Nice Investment Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 Board Committee”	an independent committee of the Board established by the independent non-executive Directors of the Company to advise the independent Shareholders in respect of the New Issue Mandate
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders of the Company and their associates or, which there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“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
“Last Trading Date”	15 February 2008, 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
“New Issue Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of EGM
“Placees”	the placees procured by the Placing Agent under the Placing, all of which will be Independent Third Parties
“Placing”	the placement of 303,580,000 new Shares by the Placing Agent to the Placees at the Placing Price under the Placing Agreement
“Placing Agent”	Get Nice
“Placing Agreement”	the placing agreement dated 15 February 2008
“Placing Price”	the placing price of HK\$0.17 per Placing Share under the Placing

“Placing Share(s)”	303,580,000 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
“Share Option Scheme”	The share option scheme adopted and approved by the Company on 20 November 2002
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 15 February 2008

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.