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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)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF THE ENTIRE INTERESTS IN  
GLAMOUROUS INVESTMENTS LIMITED,  
BEST INSPIRE LIMITED,  
BRIGHT MAJESTIC LIMITED  
AND  
RESUMPTION OF TRADING**

**(1) Acquisition of 100% Equity Interest in Glamourous**

On 19 May 2008, Purchaser I, a wholly-owned subsidiary of the Company, entered into the Agreement I with Vendor I pursuant to which Vendor I conditionally agreed to (i) sell and Purchaser I conditionally agreed to purchase the Sale Share I, representing the entire issued share capital of Glamourous and (ii) procure assignment of the Sale Loan I to Purchaser I at an aggregate consideration of approximately HK\$20,377,508.74, which shall be wholly satisfied by the Convertible Note.

**(2) Acquisition of 100% Equity Interest in Best Inspire**

On 19 May 2008, Purchaser II, a wholly-owned subsidiary of the Company, entered into the Agreement II with Vendor II pursuant to which Vendor II conditionally agreed to (i) sell and Purchaser II conditionally agreed to purchase the Sale Share II, representing the entire issued share capital of Best Inspire and (ii) procure assignment of the Sale Loan II to Purchaser II at an aggregate consideration of approximately HK\$32,128,988.82, which shall be wholly satisfied by the Convertible Note.

**(3) Acquisition of 100% Equity Interest in Bright Majestic**

On 19 May 2008, Purchaser III, a wholly-owned subsidiary of the Company, entered into the Agreement III with Vendor II pursuant to which Vendor II conditionally agreed to (i) sell and Purchaser III conditionally agreed to purchase the Sale Share III, representing the entire issued share capital of Bright Majestic and (ii) procure assignment of the Sale Loan III to Purchaser III at an aggregate consideration of approximately HK\$34,080,035.74, which shall be wholly satisfied by the Convertible Note.

**(4) Specific Mandate to Issue new Shares**

As the Company's existing general mandate is insufficient for the issue of the Conversion Shares, the EGM will be convened by the Company at which resolution(s) will be proposed to the Shareholders for the approval of the specific mandate for the issue of the Conversion Shares.

**(5) General**

The Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of, among other things, the Acquisitions, the proposed grant of specific mandate to issue the Conversion Shares and the notice of the EGM will be despatched to the Shareholders and, for information only, the Warrantholders as soon as practicable.

**(6) Resumption of trading**

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange has been suspended from 9:30 a.m. on 20 May 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants on the Stock Exchange with effect from 2:30 p.m. on 21 May 2008.

## **AGREEMENT I**

### **Date:**

19 May 2008

### **Parties:**

1. Senstar Limited, being Vendor I.

Vendor I is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Heritage International. To the best of knowledge, information and belief of the Directors, after having made all reasonable enquiries, Vendor I and its ultimate beneficial owners are not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or associate(s).

2. Perfectday Investments Limited, an indirect wholly owned subsidiary of the Company, being Purchaser I.

### **Assets to be acquired:**

Vendor I conditionally agreed to (i) sell and Purchaser I conditionally agreed to purchase the Sale Share I, representing the entire issued share capital of Glamourous and Vendor I agreed to (ii) procure Heritage International to assign to Purchaser I the Sale Loan I.

On Completion, Heritage International, Purchaser I and Glamourous will enter into a deed of assignment for the assignment of the Sale Loan I from Heritage International to Purchaser I.

### **Consideration:**

The total consideration for the Agreement I is approximately HK\$20,377,508.74 (comprising the Sale Share I of approximately HK\$7.80 and the Sale Loan I of HK\$20,377,500.94) which will be satisfied by Purchaser I by procuring the Company to issue the Convertible Note in such principal amount to Vendor I or its nominee on Completion. Principal terms of the Convertible Note are set out in the section headed "Principal Terms of the Convertible Note" of this announcement. The consideration was arrived at after arm's length negotiation between Purchaser I and Vendor I with reference to (i) the valuation of Property I as at 31 March 2008 in an amount of HK\$49,000,000 valued by the Independent Valuer, by using direct comparison approach; (ii) the unaudited book value of the tangible assets (excluding Property I) of Glamourous as at the close of business on the date of completion; (iii) the book

value of the bank loan in respect of the mortgage loan for Property I as at the close of business on the date of completion; and (iv) all liabilities of Glamourous but excluding the Sale Loan I and the aforesaid bank loan as at the close of business on the date of completion. As at 31 March 2008, the outstanding amount of the mortgage in respect of the Property I was approximately HK\$26.7 million and the unaudited book value of the tangible assets (excluding Property I) of Glamourous was approximately HK\$210,097.

### **Conditions of the Agreement I:**

Completion of the Agreement I is conditional upon:-

- (a) (if necessary) the passing of the necessary resolution(s) by the shareholders of the parties hereto or their respective holding companies (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to them in their respective general meetings to approve the Agreement I and the transactions contemplated hereunder;
- (b) the passing of the necessary resolution(s) by the shareholders of the Company (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to the Company in its general meeting to approve the creation and issue of the Convertible Note and the issue and allotment of the Conversion Shares pursuant to the terms of the Agreement I;
- (c) the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Conversion Shares;
- (d) the mortgagee of Property I agreeing to keep current the bank loan for use by Wiseteam under the security documents notwithstanding the transactions contemplated hereunder subject only to such conditions as may be acceptable to Purchaser I;
- (e) Purchaser I being reasonably satisfied with its due diligence review of the legal and financial affairs of Glamourous and Wiseteam;
- (f) Vendor I having shown and given a good title of Wiseteam to Property I in accordance with section 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);

- (g) the Agreement II and the Agreement III becoming unconditional in all respects, other than any condition therein requiring Agreement I to be unconditional; and
- (h) the warranties under the Agreement I remaining true and accurate in all material respects and not misleading in any material respect as at the date of Completion.

Completion of the Agreement I shall take place on the later of (i) 6 July 2008 and (ii) third business day after fulfillment (or waiver) of the last of the conditions (except condition (h) above which shall be fulfilled immediately prior to Completion) or such other date as may be agreed between Vendor I and Purchaser I in writing. If any of the conditions is not fulfilled or waived by Purchaser I (as applicable) on or before 31 July 2008 or such other date as Vendor I and Purchaser I may agree in writing, the rights and obligations of the parties under the Agreement I shall lapse and be of no further force and effect, in which event the parties shall be released from all further obligations hereunder without any liability save to any antecedent breach.

### **INFORMATION ON GLAMOUROUS**

Glamorous was incorporated in the British Virgin Islands on 28 February 2005 and its principal activity is investment holding. The sole business of Glamorous is the holding of the entire issued share capital of Wiseteam, a property holding company. Other than holding the interest in Wiseteam, Glamorous has no other assets or business. The principal asset of Wiseteam is the entire 30th Floor of China United Centre, 28 Marble Road, North Point, Hong Kong, being Property I.

The gross floor area of Property I is approximately 11,262 square feet and its market value was HK\$49,000,000 as at 31 March 2008. Vendor I will deliver up possession of Property I to Purchaser I subject to tenancy. Property I is currently leased to Chung Nam, a company held as to approximately 80% indirectly by Mr. Chuang Eugene Yue-chien, the brother of the chairman of the Company, Mr. Chuang Yueheng, Henry at the monthly rent of HK\$290,000 and such tenancy will expire on 30 September 2008. Upon Completion, the Group will continue to lease out Property I to Chung Nam.

Based on the unaudited consolidated management accounts of Glamorous made up to 31 March 2008, the unaudited consolidated net liabilities of Glamorous as at 31 March 2008 were approximately HK\$3.8 million with the value of Property 1 booked at HK\$49 million and the unaudited consolidated profit before tax of Glamorous was approximately HK\$1.25 million for the year ended 31 March 2007 (or HK\$0.32 million loss after tax) and the unaudited consolidated loss (before and after tax) of Glamorous was approximately HK\$3.2 million for the year ended 31 March 2008.

After Completion, Glamorous will become a wholly owned subsidiary of the Company and the accounts of Glamorous will be consolidated with that of the Group.

## **AGREEMENT II**

### **Date:**

19 May 2008

### **Parties:**

1. Power Global Limited, being Vendor II.

Vendor II is an investment holding company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Heritage International. To the best of knowledge, information and belief of the Directors, after having made all reasonable enquiries, Vendor II and its ultimate beneficial owners are not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or associate(s).

2. Equal Sky Limited, an indirect wholly owned subsidiary of the Company, being Purchaser II.

### **Assets to be acquired:**

Vendor II conditionally agreed to (i) sell and Purchaser II conditionally agreed to purchase the Sale Share II, representing the entire issued share capital of Best Inspire and Vendor II agreed to (ii) procure Heritage International to assign to Purchaser II the Sale Loan II.

On Completion, Heritage International, Purchaser II and Best Inspire will enter into a deed of assignment for the assignment the Sale Loan II from Heritage International to Purchaser II.

### **Consideration:**

The total consideration for the Agreement II is approximately HK\$32,128,988.82 (comprise the Sale Share II of approximately HK\$22,421,019.84 and the Sale Loan II of approximately HK\$9,707,968.98) which will be satisfied by Purchaser II by procuring the Company to issue the Convertible Note in such principal amount to Vendor II or its nominee on Completion. Principal terms of the Convertible Note are set out in the section headed "Principal Terms of the Convertible Note" of this announcement. The consideration has been arrived at after arm's length negotiation between Purchaser II and the Vendor II with reference to (i) the valuation of Property II as at 31 March 2008 in an amount of HK\$49,000,000 valued by the Independent Valuer, by using direct comparison approach; (ii) the unaudited book value of the tangible assets (excluding Property II) of Best Inspire as at the close of business on

the date of completion; (iii) the book value of the bank loan in respect of the mortgage loan for Property II or the Procured Loan A (including principal and interest) as at the close of business on the date of completion; and (iv) all liabilities of Best Inspire but excluding the Sale Loan II and the bank loan or the Procured Loan A as at the close of business on the date of completion. As at 31 March 2008, the outstanding amount of the mortgage in respect of the Property II was approximately HK\$12.5 million and the unaudited book value of the tangible assets (excluding Property II) of Best Inspire was approximately HK\$200,355.

### **Conditions of the Agreement II:**

Completion of the Agreement II is conditional upon:-

- (a) (if necessary) the passing of the necessary resolution(s) by the shareholders of the parties hereto or their respective holding companies (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to them in their respective general meetings to approve the Agreement II and the transactions contemplated hereunder;
- (b) the passing of the necessary resolution(s) by the shareholders of the Company (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to the Company in its general meeting to approve the creation and issue of the Convertible Note and the issue and allotment of the Conversion Shares pursuant to the terms of the Agreement II;
- (c) the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Conversion Shares;
- (d) the mortgagee of Property II agreeing to keep current the bank loan for use by Silver Target under the security documents notwithstanding the transactions contemplated hereunder subject only to such conditions as may be acceptable to Purchaser II or Vendor II having procured the Procured Loan A on terms no less favourable than those offered by the mortgagee and acceptable to Purchaser II in substitution for the bank loan;
- (e) Purchaser II being reasonably satisfied with its due diligence review of the legal and financial affairs of Best Inspire and Silver Target;
- (f) Vendor II having shown and given a good title of Silver Target to Property II in accordance with section 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);

- (g) the Agreement I and the Agreement III becoming unconditional in all respects, other than any condition therein requirement the Agreement II to be unconditional; and
- (h) the warranties under the Agreement II remaining true and accurate in all material respects and not misleading in any material respect as at the date of Completion.

Completion of the Agreement II shall take place on the later of (i) 6 July 2008 and (ii) third business day after fulfillment (or waiver) of the last of the conditions (except condition (h) above which shall be fulfilled immediately prior to Completion) or such other date as may be agreed between Vendor II and Purchaser II in writing. If any of the conditions is not fulfilled or waived by Purchaser II (as applicable) on or before 31 July 2008 or such other date as Vendor II and Purchaser II may agree in writing, the rights and obligations of the parties under the Agreement II shall lapse and be of no further force and effect, in which event the parties shall be released from all further obligations hereunder without any liability save to any antecedent breach.

#### **INFORMATION ON BEST INSPIRE**

Best Inspire was incorporated in the British Virgin Islands on 12 November 2004 and its principal activity is investment holding. The sole business of Best Inspire is the holding of the entire issued share capital of Silver Target, a property holding company. Other than holding the interest in Silver Target, Best Inspire has no other assets or business. The principal asset of Silver Target is the entire 31st Floor of China United Centre, 28 Marble Road, North Point, Hong Kong, being Property II.

The gross floor area of Property II is approximately 11,262 square feet and its market value was HK\$49,000,000 as at 31 March 2008. The Vendor II will deliver up possession of Property II to Purchaser II subject to tenancy. Property II is currently leased to Chung Nam, a company held as to approximately 80% indirectly by Mr. Chuang Eugene Yue-chien, the brother of the chairman of the Company, Mr. Chuang Yueheng, Henry at the monthly rent of HK\$318,000 and such tenancy will expire on 30 June 2009. Upon Completion, the Group will continue to lease out Property II to Chung Nam.

Based on the unaudited consolidated management accounts of Best Inspire made up to 31 March 2008, the unaudited consolidated net assets of Best Inspire as at 31 March 2008 were approximately HK\$22.4 million with the value of Property II booked at HK\$49 million and the unaudited consolidated profit before tax of Best Inspire was approximately HK\$0.40 million for the year ended 31 March 2007 (or HK\$0.24 million after tax) and HK\$4.3 million for the year ended 31 March 2008 (or HK\$3.58 million after tax).



After Completion, Best Inspire will become a wholly owned subsidiary of the Company and the accounts of Best Inspire will be consolidated with that of the Group.

### **AGREEMENT III**

**Date:**

19 May 2008

**Parties:**

1. Power Global Limited, being Vendor II.

Vendor II is an investment holding company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Heritage International. To the best of knowledge, information and belief of the Directors, after having made all reasonable enquiries, Vendor II and its ultimate beneficial owners are not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or associate(s).

2. Oasis Choice Limited, an indirect wholly owned subsidiary of the Company, being Purchaser III.

**Assets to be acquired:**

Vendor II conditionally agreed to (i) sell and Purchaser III conditionally agreed to purchase the Sale Share III, representing the entire issued share capital of Bright Majestic and the Vendor II agreed to (ii) procure Heritage International to assign to Purchaser III the Sale Loan III.

On Completion, Heritage International, Purchaser III and Bright Majestic will enter into a deed of assignment for the assignment of the Sale Loan III from Heritage International to Purchaser III.

**Consideration:**

The total consideration for the Agreement III is approximately HK\$34,080,035.74 (comprising the Sale Share III of approximately HK\$19,386,114.21 and the Sale Loan III of approximately HK\$14,693,921.53) which will be satisfied by Purchaser III by procuring the Company to issue the Convertible Note in such principal amount to the Vendor II or its nominee on Completion. Principal terms of the Convertible Note are set out in the section headed “Principal Terms of the Convertible Note” of this announcement. The consideration has been arrived at after arm’s length

negotiation between Purchaser III and Vendor II with reference to (i) the valuation of Property III as at 31 March 2008 in an amount of HK\$49,000,000 valued by the Independent Valuer, by using direct comparison approach; (ii) the unaudited book value of the tangible assets (excluding Property III) of Bright Majestic as at the close of business on the date of completion; (iii) the book value of the bank loan in respect of the mortgage loan for Property III or the Procured Loan B (including principal and interest) as at the close of business on the date of completion; and (iv) all liabilities of the Bright Majestic but excluding the Sale Loan III and the bank loan or the Procured Loan B as at the close of business on the date of completion. As at 31 March 2008, the outstanding amount of the mortgage in respect of the Property III was approximately HK\$12.5 million and the unaudited book value of the tangible assets (excluding Property III) of Bright Majestic was approximately HK\$379,237.

### **Conditions of the Agreement III:**

Completion of the Agreement III is conditional upon:-

- (a) (if necessary) the passing of the necessary resolution(s) by the shareholders of the parties hereto or their respective holding companies (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to them in their respective general meetings to approve the Agreement III and the transactions contemplated hereunder;
- (b) the passing of the necessary resolution(s) by the shareholders of the Company (other than those who are required to abstain from voting under the Listing Rules or the applicable laws or otherwise by the Stock Exchange) in accordance with the rules and regulations applicable to the Company in its general meeting to approve the creation and issue of the Convertible Note and the issue and allotment of the Conversion Shares pursuant to the terms of the Agreement III;
- (c) the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Conversion Shares;
- (d) the mortgagee of Property III agreeing to keep current the bank loan for use by Wealth Champion under the security documents notwithstanding the transactions contemplated hereunder subject only to such conditions as may be acceptable to Purchaser III or Vendor II having procured the Procured Loan B on terms no less favourable than those offered by the mortgagee and acceptable to Purchaser III in substitution for the bank loan;
- (e) Purchaser III being reasonably satisfied with its due diligence review of the legal and financial affairs of Bright Majestic and Wealth Champion;

- (f) Vendor II having shown and given a good title of Wealth Champion to Property III in accordance with section 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);
- (g) the Agreement I and the Agreement II becoming unconditional in all respects, other than any condition therein requiring the Agreement III to be unconditional; and
- (h) the warranties under the Agreement III remaining true and accurate in all material respects and not misleading in any material respect as at the date of Completion.

Completion of the Agreement III shall take place on the later of (i) 6 July 2008 and (ii) third business day after fulfillment (or waiver) of the last of the conditions (except condition (h) above which shall be fulfilled immediately prior to Completion) or such other date as may be agreed between Vendor II and Purchaser III in writing. If any of the conditions is not fulfilled or waived by Purchaser III (as applicable) on or before 31 July 2008 or such other date as Vendor II and Purchaser III may agree in writing, the rights and obligations of the parties under the Agreement III shall lapse and be of no further force and effect, in which event the parties shall be released from all further obligations hereunder without any liability save to any antecedent breach.

#### **INFORMATION ON BRIGHT MAJESTIC**

Bright Majestic was incorporated in British Virgin Islands on 12 November 2004 and its principal activity is investment holding. The sole business of Bright Majestic is the holding of the entire issued share capital of Wealth Champion, a property holding company. Other than holding the interest in Wealth Champion, Bright Majestic has no other assets or business. The principal asset of Wealth Champion is the entire 32nd Floor of China United Centre, 28 Marble Road, North Point, Hong Kong, being Property III.

The gross floor area of Property III is approximately 11,262 square feet and its market value was HK\$49,000,000 as at 31 March 2008. Vendor II will deliver up possession of Property III to Purchaser III subject to tenancies. Room 3201 and Room 3202 of Property III are currently leased to a wholly owned subsidiary of the Company at the monthly rent of HK\$53,500 and HK\$143,127 respectively and such tenancies will expire on 30 June 2008 and 16 January 2010 respectively. A portion of the Property III, being Room 3202, is currently occupied by the Heritage Group (Vendor II and its associated companies) as its principal place of business in Hong Kong. Upon completion of the Agreement III, the Heritage Group will lease back the said Room 3203 with a gross floor area of approximately 4,505 square feet for a

period of two years commencing from the date of completion of the Agreement III for a monthly rent of HK\$139,655. The rental for the aforesaid premises was determined after arm's length negotiations between the parties with reference to the rental of similar properties in the vicinity.

Based on the unaudited consolidated management accounts of Bright Majestic made up to 31 March 2008, the unaudited consolidated net assets of Bright Majestic as at 31 March 2008 were approximately HK\$19.4 million with the value of Property III booked at HK\$49 million and the unaudited consolidated loss before tax of Bright Majestic was approximately HK\$1 million for the year ended 31 March 2007 (or HK\$1.16 million after tax) and the unaudited consolidated profit before tax of Bright Majestic was approximately HK\$11.1 million for the year ended 31 March 2008 (or HK\$9.23 million after tax).

After Completion, Bright Majestic will become a wholly owned subsidiary of the Company and the accounts of Bright Majestic will be consolidated with that of the Group.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group is principally engaged in the business of property investments, investment in trading securities trading, money lending, exploring and developing natural resources. The Group has been focused on the business of property investments and the Board has strived to build up its property portfolio.

The Directors consider that the terms of the Acquisitions are fair and reasonable. As the considerations of the Acquisitions will be wholly satisfied by the Convertible Note, there will be no immediate effect to the cashflow of the Group. Taking into accounts that (i) the Acquisitions will enlarge the property portfolio of the Group; (ii) the existing tenancies of Property I and Property II will provide a stable source of rental income to the Group; and (iii) the Acquisition III will save the rental expense of the Group, the Board considers that the Acquisitions are in the interests of the Company and its shareholders as a whole.

## PRINCIPAL TERMS OF THE CONVERTIBLE NOTE

Aggregate principal amount of the Convertible Note:	Approximately HK\$86,586,533
Authorized denomination for issue, transfer, conversion and redemption:	HK\$1,000,000 (except for the last tranche of the Note which outstanding principal amount may be less than the authorized denomination)
Maturity Date:	The Business Day falling on the day being the third anniversary from the issue date of the Convertible Notes. On the maturity date, all of the outstanding Convertible Notes will be redeemed by the Company at 100% of the outstanding principal amount of the Convertible Notes.
Conversion Period:	The holder of the Convertible Notes can convert the outstanding principal amount of each Convertible Note in whole or in part into Shares at any time from the relevant date of issue until a date falling seven days prior to (and excluding) the relevant maturity date.
Conversion Price:	HK\$0.110 per Conversion Share, subject to adjustments in certain events, including share consolidations, share subdivisions, capitalization issues, capital distributions, rights issues and issues of other securities.  The initial Conversion Price of HK\$0.110 per Conversion Share was arrived at after arm's length negotiation between the Purchasers and the Vendors and represents:-  (i) the closing price of HK0.110 per Share quoted on the Stock Exchange on the Last Trading Day; and  (ii) a discount of approximately 2.31% to the average closing price of HK\$0.1126 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares up to and including the Last Trading Day.

Interest Rate:	Non interest bearing
Transferability:	The Convertible Notes will be transferrable subject to any conditions, approvals, requirements and any other provisions of or under the Stock Exchange and all applicable laws and regulations.
Voting:	A holder of Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being a holder of Convertible Notes.
Listing:	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Notes.
Ranking:	The Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Notes will rank pari passu in all respects with all other Shares outstanding on the date the name of the noteholder is entered on the register of the members of the Company as a holder of the Conversion Shares.
Early Redemption:	The Company will be entitled, by giving prior written notice of not less than 10 business days, to redeem the whole or part (in the authorised denominations) of the outstanding principal amount of the Notes prior to the maturity date at any time after the first anniversary of issuance of the Convertible Notes subject to the redemption premium at 10% on the aggregate principal redemption amount to be paid by the Company.

## SPECIFIC MANDATE TO ISSUE THE CONVERTIBLE SHARES

As the Company's existing general mandate is insufficient for the issue of the Conversion Shares, the EGM will be convened by the Company at which resolution(s) will be proposed to the Shareholders for the approval of the specific mandate for the issue of the Conversion Shares. Shareholders with a material interest in the Convertible Notes and their respective associates shall abstain from voting but to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting for the approval of the grant of specific mandate.

## CHANGE OF SHAREHOLDING STRUCTURE

Assuming there would not be any adjustments to the Conversion Price and there would be no changes in the issued share capital of the Company, the total number of Conversion Shares falling to be issued for the Acquisitions is approximately 787,150,303, representing 22.49% and 18.36% of the existing and enlarged issued share capital of the Company respectively.

Save for the issue of Conversion Shares and the issue of Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants, assuming there would not be any adjustments to the Conversion Price and there would be no changes in the issued share capital of the Company, the shareholding structure of the Company (i) as at the date of this announcement, (ii) upon full conversion of the Convertible Note into Conversion Shares and, (iii) upon full conversion of the Convertible Notes into Conversion Shares and exercise of the subscription rights attaching to the Warrants, are as follows:

	As at the date of this announcement		Upon full conversion of the Convertible Notes		Upon full conversion of the Convertible Notes and full exercise of the subscription rights attaching to the Warrants	
	<i>Approximately</i>		<i>Approximately</i>		<i>Approximately</i>	
	<i>No. of Shares held</i>	<i>shareholding percentage</i>	<i>No. of Shares held</i>	<i>shareholding percentage</i>	<i>No. of Shares held</i>	<i>shareholding percentage</i>
Radford Capital Investment Limited and its associate(s)	346,416,800	9.90%	346,416,800	8.08%	346,416,800	7.55%
Heritage International Holdings Limited and its associate(s)	—	—	787,150,303	18.36%	787,150,303	17.16%
Warrantheolders	—	—	—	—	300,000,000	6.54%
Public Shareholders	3,153,025,796	90.10%	3,153,025,796	73.56%	3,153,025,796	68.75%
Total	<u>3,499,442,596</u>	<u>100.00%</u>	<u>4,286,592,899</u>	<u>100.00%</u>	<u>4,586,592,899</u>	<u>100.00%</u>

## **GENERAL**

The Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of, among other things, the Acquisitions, the proposed grant of specific mandate and the notice of the EGM will be despatched to the Shareholders and, for information only, the Warrantholders as soon as practicable.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange has been suspended from 9:30 a.m. on 20 May 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants on the Stock Exchange with effect from 2:30 p.m. on 21 May 2008.

## **DEFINITION**

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

“Acquisition I”	the acquisition of the Sale Share I in Glamourous, and the Sale Loan I to Glamourous and Wiseteam by Heritage International pursuant to the Agreement I
“Acquisition II”	the acquisition of the Sale Share II in Best Inspire, and the Sale Loan II to Best Inspire and Silver Target by Heritage International pursuant to the Agreement II
“Acquisition III”	the acquisition of the Sale Share III in Bright Majestic, and the Sale Loan III to Bright Majestic and Wealth Champion by Heritage International pursuant to the Agreement III
“Acquisitions”	collectively, the Acquisition I, the Acquisition II and the Acquisition III
“Agreement I”	the sale and purchase agreement dated 19 May 2008 entered into between Vendor I and Purchaser I in relation to the Acquisition I
“Agreement II”	the sale and purchase agreement dated 19 May 2008 entered into between Vendor II and Purchaser II in relation to the Acquisition II



“Agreement III”	the sale and purchase agreement dated 19 May 2008 entered into between Vendor II and Purchaser III in relation to the Acquisition III
“Agreements”	collectively, the Agreement I, the Agreement II and the Agreement III
“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Best Inspire”	Best Inspire Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Vendor II prior to the completion of the Agreement II
“Board”	the board of Directors
“Bright Majestic”	Bright Majestic Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Vendor II prior to the completion of the Agreement III
“Business Day”	any day (excluding Saturday, Sunday, public holidays) on which licensed banks are generally open for business in Hong Kong
“Chung Nam”	Chung Nam Securities Limited, a company incorporated in Hong Kong with limited liability
“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
“Completion”	the completion of the Agreement I, Agreement II and Agreement III.
“Conversion Price”	HK\$0.110 per Conversion Share subject to adjustments pursuant to the terms and conditions of the Convertible Note
“Conversion Shares”	new Shares to be issued by the Company upon exercise of the conversion rights attaching to the Convertible Note

“Convertible Note(s)”	the convertible note with an aggregate principal amount of approximately HK\$86,586,533 to be issued by the Company pursuant to the Agreements in satisfaction of the consideration of the Acquisitions
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be convened by the Company for approving the grant of a specific mandate to issue the Conversion Shares
“Glamorous”	Glamorous Investments Limited, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of Vendor I prior to the completion of the Agreement I
“Group”	the Company and its subsidiaries
“Heritage International”	Heritage International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Heritage Group”	Heritage International and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Valuer”	Asset Appraisal Limited, an independent qualified professional property valuer registered in Hong Kong
“Last Trading Day”	19 May 2008, being the last trading day for the Shares on the Stock Exchange before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Procured Loan A”	a loan procured by the Vendor II to Silver Target in an amount of approximately HK\$12,518,000
“Procured Loan B”	a loan procured by the Vendor II to Wealth Champion in an amount of approximately HK\$12,518,000
“Property I”	The entire 30th Floor of China United Centre, 28 Marble Road, North Point, Hong Kong
“Property II”	The entire 31st Floor of China United Centre, 28 Marble Road, North Point, Hong Kong

“Property III”	The entire 32nd Floor of China United Centre, 28 Marble Road, North Point, Hong Kong, comprising Room 3201, Room 3202 and Room 3203
“Purchaser I”	Perfectday Investments Limited, a company incorporated in the British Virgin Islands with limited liabilities, and an indirect wholly-owned subsidiary of the Company
“Purchaser II”	Equal Sky Limited, a company incorporated in the British Virgin Islands with limited liabilities, and an indirect wholly-owned subsidiary of the Company
“Purchaser III”	Oasis Choice Limited, a company incorporated in the British Virgin Islands with limited liabilities, and an indirect wholly-owned subsidiary of the Company
“Purchasers”	collectively, Purchaser I, Purchaser II and Purchaser III
“Sale Loan I”	a loan in the net amount of approximately HK\$24,047,130 as at the Completion due from Glamourous and Wiseteam to Heritage International, which is interest free and repayment on demand
“Sale Loan II”	a loan in the aggregate amount of approximately HK\$9,707,969 as at the Completion due from Best Inspire and Silver Target to Heritage International, which is interest free and repayment on demand
“Sale Loan III”	a loan in the aggregate amount of approximately HK\$14,693,922 as at the Completion due from Bright Majestic and Wealth Champion to Heritage International, which is interest free and repayment on demand
“Sale Share I”	1 share of US\$1.00 in the share capital of Glamourous, representing the entire issued share capital of Glamourous
“Sale Share II”	1 share of US\$1.00 in the share capital of Best Inspire, representing the entire issued share capital of Best Inspire
“Sale Share III”	1 share of US\$1.00 in the share capital of Bright Majestic, representing the entire issued share capital of Bright Majestic

“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Silver Target”	Silver Target Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Best Inspire
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor I”	Senstar Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of Heritage International
“Vendor II”	Power Global Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Heritage International
“Vendors”	collectively, Vendor I and Vendor II
“Warrantholder(s)”	holder(s) of the Warrants
“Warrants”	The warrants listed on the Stock Exchange conferring rights on the holders to subscribe for the Shares at the subscription price of HK\$0.67 per Share
“Wealth Champion”	Wealth Champion Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Bright Majestic
“Wiseteam”	Wiseteam Assets Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of Glamourous

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

Hong Kong, 21 May 2008

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