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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)

**(1) PROPOSED CAPITAL INCREASE
AND
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF EIGHT RIGHTS
SHARES FOR EVERY SHARE HELD
ON THE RECORD DATE**

Lead Underwriter

Chung Nam Securities Limited

Co-underwriters



**英皇證券(香港)有限公司
Emperor Securities Limited**

PROPOSED CAPITAL INCREASE

In order to accommodate further expansion and growth of the Group and to facilitate the proposed Rights Issue, the Board proposes that the authorized share capital of the Company to be increased from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 new Shares.

The Proposed Capital Increase is conditional upon the approval of the Shareholders at the EGM.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to the proposed Capital Increase becoming effective, to implement the Rights Issue on the basis of eight Rights Shares for every Share held on the Record Date at the Subscription Price of HK\$0.125 per Rights Share, whereby raising approximately HK\$296.07 million before expenses (assuming no issue of new Shares on or before the Record Date) to approximately HK\$384.89 million before expenses (assuming full utilization of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date) by issuing not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares to the Qualifying Shareholders.

The Company will provisionally allot to the Qualifying Shareholders eight Rights Shares in nil-paid form for every Share in issue and held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be between approximately HK\$285.50 million (assuming no issue of new Shares on or before the Record Date) to approximately HK\$372.20 million (assuming full utilization of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date). The Company intends to utilize the entire net proceeds from the Rights Issue as the general working capital and for future potential investment opportunities of the Group.

The Rights Issue is conditional, inter alia, upon fulfillment of the conditions described below in the sub-paragraph headed “Conditions of the Rights Issue”. In particular, the Rights Issue is subject to the Underwriters not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and does not proceed.

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional on the approval of the Shareholders by way of poll at the EGM. The Company does not have any controlling Shareholder. As at the date of this announcement, Dr. Chuang Yueheng, Henry, the Chairman and an executive Director of the Company, held 4,670,688 Shares representing approximately 1.58%

of the issued share capital of the Company. He and his associates will abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM in compliance with Rule 7.19(6) of the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

The Circular containing, among other things, (i) further details of the proposed Capital Increase and the proposed Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the proposed Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the proposed Rights Issue; and (iv) the notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

Subject to the approval of the proposed Capital Increase and the proposed Rights Issue by the Independent Shareholders at the EGM and the proposed Capital Increase becoming effective, the Prospectus Documents will be despatched to the Qualifying Shareholders on the Posting Date, and the Prospectus will be dispatched to the Non-Qualifying Shareholders for information only on the Posting Date.

PROPOSED CAPITAL INCREASE

In order to accommodate further expansion and growth of the Group and to facilitate the proposed Rights Issue, the Board proposes that the authorized share capital of the Company to be increased from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 new Shares.

The proposed Capital Increase is conditional upon the approval of the Shareholders at the EGM.

PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after and is conditional upon the Capital Increase becoming effective.

Issue statistics

Basis of the Rights Issue	:	Eight Rights Shares for every Share held on the Record Date
Number of Shares in issue as at the date of this announcement	:	296,069,966 Shares
Number of Rights Shares	:	Not less than 2,368,559,728 Rights Shares (assuming no issue of new Shares on or before the Record Date) and not more than 3,079,127,640 Rights Shares (assuming full utilization of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date) (<i>Note</i>)
Subscription Price	:	HK\$0.125 per Rights Share with nominal value of HK\$0.01 each

Note:

As at the date of this announcement:

- (a) there are unutilized Shares from the Issue Mandate and the Scheme Mandate Limit pursuant to which the Directors are authorised to issue up to 59,213,993 additional Shares and 29,606,996 additional Shares respectively, which were approved at the extraordinary general meeting on 24 December 2010 and which were adjusted on 17 March 2011 upon effective of the capital reorganisation becoming effective, details of which are set out in the Company's circular dated 14 February 2011. If the Issue Mandate and Scheme Mandate Limit are fully utilized on or before the Record Date, an additional 473,711,944 Rights Shares and 236,855,968 Rights Shares will be issued, respectively. Based on the above, the maximum number of Rights Shares to be issued under Rights Issue would be 3,079,127,640 Rights Shares.
- (b) The Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming neither the Issue Mandate nor the Scheme Mandate Limit are utilized on or before the Record Date, 2,368,559,728 nil-paid Rights Shares will be allotted representing approximately 800% of the Company's issued share capital as at the date of this announcement and approximately 88.89% of the Company's issued share capital as enlarged by the issue of the 2,368,559,728 Rights Shares.

QUALIFYING SHAREHOLDERS

The Company will send the Prospectus Documents to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 19 May 2011.

CLOSURE OF REGISTER OF MEMBER

The register of members of the Company will be closed from Friday, 20 May 2011 to Wednesday, 25 May 2011, both dates inclusive for the purpose of ascertaining entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

RIGHTS OF OVERSEAS SHAREHOLDERS

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue

will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the 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 Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

SUBSCRIPTION PRICE

The Subscription Price for the Rights Shares is HK\$0.125 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 82.88% to the closing price of HK\$0.730 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 73.70% to the theoretical ex-rights price of approximately HK\$0.192 per Share, based on the closing price of HK\$0.730 per Share as quoted on the Stock Exchange on the Last Trading Day and
- (iii) a discount of approximately 82.88% to the average closing price of approximately HK\$0.73 per Share as quoted on the Stock Exchange from 1 April 2011 to 8 April 2011, both dates inclusive, being the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to the market price of the Shares under the prevailing market conditions. The Directors (excluding the independent non-executive Directors who will give their view on the Rights Issue after taking into

account the advice of the independent financial adviser) consider that the discount of Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue (including the rate of commission) are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming the Issue Mandate is not utilized and no Share Options are granted or exercised on or before the Record Date and no other issue of Shares) will be approximately HK\$0.1205.

BASIS OF PROVISIONAL ALLOTMENT

The basis of the provisional allotment will be eight Rights Shares for every Share in issue and held as at the close of business on the Record Date, being not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

FRACTIONS OF RIGHTS SHARES

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders otherwise entitled thereto. All fractions of nil-paid Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application under the EAFs.

STATUS OF RIGHTS SHARES

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders will be given the right to apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors 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.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 19 May 2011.

SHARE CERTIFICATES AND REFUND CHEQUES FOR RIGHTS ISSUE

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by

ordinary post at their own risk on or before Friday, 17 June 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 17 June 2011 by ordinary post to the applicants at their own risk.

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.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 4,000), which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy and any other applicable fees and charges in Hong Kong.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon certain conditions being fulfilled or waived which are summarised below:

- (i) the passing of the relevant resolutions at an extraordinary general meeting of the Company to approve the Capital Increase and the Rights Issue in accordance with the Listing Rules;
- (ii) the delivery to the Stock Exchange and registration by Registrar of Companies in Hong Kong on or prior to the Posting Date of the Prospectus Documents each duly certified in compliance with section 38D of the Companies Ordinance and all other documents required by law to be filed or delivered for registration;
- (iii) the posting on the Posting Date of the Prospectus Documents to the Qualifying Shareholders;

- (iv) compliance by the Company with certain obligations under the Underwriting Agreement;
- (v) 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 and the satisfaction of such conditions (if and where relevant) prior to commencement of dealings of the Rights Shares in nil-paid form and fully paid forms (as the case may be) and such listings and permission not having been withdrawn or revoked on or before 4:00 p.m. on the Settlement Date;
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (vii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with the terms thereof; and
- (viii) the Capital Increase becoming effective.

In the event that the above conditions (other than the conditions (i), (ii) and (v) which cannot be waived) have not been satisfied and/or waived in whole or in part by the the Lead Underwriter (on behalf of Underwriters) on or before the Posting Date or in the event that conditions (vi) and (vii) have not been satisfied on or before 4:00 p.m. on the Settlement Date (or, in each case, such later date as the Lead Underwriter (on behalf of the Underwriters) and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out of pocket expenses as have been properly incurred by the Underwriters in connection with the underwriting of the Underwritten Shares by the Underwriters (excluding the underwriting commission, sub-underwriting fees and related expenses) shall, to the extent agreed by the Company, be borne by the Company.

THE UNDERWRITING AGREEMENT

Date : 8 April 2011

Lead Underwriter : Chung Nam Securities Limited, to the best of the Directors' knowledge and information, Chung Nam Securities Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons

Co-underwriters : Get Nice Securities Limited and Emperor Securities Limited

To the best of the Directors' knowledge and information, Get Nice Securities Limited and Emperor Securities Limited and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Total number of Rights Shares being underwritten by the Underwriter : The Underwriters have conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares, subject to the terms and conditions of the Underwriting Agreement

Each of the Underwriters has several (but not joint and several) obligations as follows:-

<u>Underwriter</u>	<u>Proportion of Shares underwritten</u>
Lead Underwriter	33 $\frac{1}{3}$ % (rounded down to nearest board lot)
Get Nice Securities Limited	33 $\frac{1}{3}$ % (rounded down to nearest board lot)
Emperor Securities Limited	33 $\frac{1}{3}$ % (rounded down to nearest board lot)

Provided that the total number of Shares to be underwritten less the total number of Rights Shares to be taken up by the Lead Underwriter, Get Nice Securities Limited and Emperor Securities Limited as calculated above will be taken up by the Lead Underwriter.

Commission : 2.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

The Board considers the terms of the Underwriting Agreement including the commission rate accord with market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company issued by the Lead Underwriter (on behalf of the Underwriters) at its sole discretion at any time prior to 4:00 p.m. on the Settlement Date if there occurs:—

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the opinion of the Lead Underwriter (on behalf of the Underwriters), such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriters shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Lead Underwriter (on behalf of the Underwriters) shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Lead Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Lead Underwriter (on behalf of the Underwriters) may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriters shall also be entitled (but not bound) by notice in writing issued by the Lead Underwriter (on behalf of the Underwriters) to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters such fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriters exercises such right, the Rights Issue will not proceed.

EXPECTED TIMETABLE

The expected timetable for the Capital Increase and the Rights Issue is set out below:

2011

Despatch of circular with notice of EGM	Friday, 6 May
Last day of dealing in Shares on a cum-entitlement basis	Tuesday, 17 May
First day of dealing in Shares on an ex-entitlement basis	Wednesday, 18 May
Latest time for lodging transfer of Shares in order to be qualified for Subscription of the Rights Issue	4:30 p.m. on Thursday, 19 May
Register of members of the Company closes (both dates inclusive)	Friday, 20 May to Wednesday, 25 May
Latest time for lodging proxies	9:00 a.m. on Monday, 23 May
Record Date	Wednesday, 25 May
EGM	9:00 a.m. on Wednesday, 25 May
Register of members for the Shares reopens	Thursday, 26 May
Despatch of Prospectus Documents	Thursday, 26 May
First day of dealing in nil-paid Rights Shares	Monday, 30 May
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 1 June
Last day of dealing in nil-paid Rights Shares	Tuesday, 7 June
Latest time for acceptance of and payment for Rights Shares	4:00 p.m. on Friday, 10 June
Latest time for the Rights Issue expected to become unconditional	4:00 p.m. on Wednesday, 14 June

Announcement of the results of the Rights Issue
to be posted on the Stock Exchange's websiteThursday, 16 June

Refund cheques for wholly and partially
unsuccessful excess applications to be postedFriday, 17 June

Share certificates for Rights Shares to be postedFriday, 17 June

Dealing in Rights Shares commences9:00 a.m. on
Tuesday, 21 June

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue (i) assuming no issue of new Shares on or before the Record Date; and (ii) assuming full utilization of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares and the transactions contemplated under the Underwriting Agreement on or before the Record Date:

Scenario 1:

Assuming no issue of new Shares on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Rights Issue			
	<i>Number of Shares</i>	<i>%</i>	All Shareholders take up all the Rights Shares at HK\$0.125 each		Underwriters underwrite the public Shareholders' portion of the Rights Shares at HK\$0.125 each	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Director						
Dr. Chuang Yueheng Henry (Note 1)	4,670,688	1.58%	42,036,192	1.58%	4,670,688	0.18%
Public Shareholders			—			
Chung Nam Securities Limited	0	0.00%	—	0.00%	789,535,728	29.63%
Get Nice Securities Limited	0	0.00%	—	0.00%	789,512,000	29.63%
Emperor Securities Limited	0	0.00%	—	0.00%	789,512,000	29.63%
Underwriters subtotal	0	0.00%	—	0.00%	2,368,559,728	88.89%
Other public Shareholders	291,399,278	98.42%	2,622,593,502	98.42%	291,399,278	10.93%
Total	<u>296,069,966</u>	<u>100.00%</u>	<u>2,664,629,694</u>	<u>100.00%</u>	<u>2,664,629,694</u>	<u>100.00%</u>

Scenario 2:

Assuming full utilization of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Share Options granted pursuant to the Scheme Mandate Limit on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Rights Issue			
	<i>Number of Shares</i>	<i>%</i>	All Shareholders take up all the Rights Shares at HK\$0.125 each		Underwriters underwrite the public Shareholders' portion of the Rights Shares at HK\$0.125 each	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Director						
Dr. Chuang Yueheng Henry (Note 1)	4,670,688	1.58%	42,036,192	1.21%	4,670,688	0.14%
Public Shareholders			—			
New Shares issued under the Issue Mandate	0	0.00%	532,925,937	15.39%	59,213,993	1.71%
Scheme Mandate Limit being fully utilised and Share Options granted thereafter fully exercised	0	0.00%	266,462,964	7.69%	29,606,996	0.85%
Chung Nam Securities Limited	0	0.00%	—	0.00%	1,026,383,640	29.63%
Get Nice Securities Limited	0	0.00%	—	0.00%	1,026,372,000	29.63%
Emperor Securities Limited	0	0.00%	—	0.00%	1,026,372,000	29.63%
Underwriters subtotal	0	0.00%	—	0.00%	3,079,127,640	88.89%
Other public Shareholders	<u>291,399,278</u>	<u>98.42%</u>	<u>2,622,593,502</u>	<u>75.71%</u>	<u>291,399,278</u>	<u>8.41%</u>
Total	<u>296,069,966</u>	<u>100.00%</u>	<u>3,464,018,595</u>	<u>100.00%</u>	<u>3,464,018,595</u>	<u>100.00%</u>

Notes:

1. Dr. Chuang Yueheng Henry is the chairman of the Company and executive Director.
2. In circumstances where the Rights Issue were to become unconditional and the Underwriters were obliged to underwrite the Rights Shares in their entirety, the underwriting commitment would extend to a stake of approximately 88.89% in the share capital of the Company as enlarged by the issue of the Rights Shares. The Underwriters have undertaken with the Company that (i) each of them shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Rights Shares procured by it shall be third parties independent of, not acting in concert with and not connected with the Directors, chief executive or substantial Shareholders or their respective associates; (ii) each of them shall and shall cause sub-underwriters to procure independent placees take up such number of Rights Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the

Company and (b) such that each of them shall not, together with party(ies) acting in concert with each of them, hold 29.9% or more of the voting rights of the Company upon completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the business of property investment, investment in securities trading, money lending and investment holding.

The gross proceeds of the Rights Issue will be not less than approximately HK\$296.07 million (assuming no issue of new Shares on or before the Record Date) but not more than approximately HK\$384.89 million (assuming full utilization of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Share Options granted pursuant to the Scheme Mandate Limit and no other issue of new Shares on or before the Record Date). The estimated net proceeds from the Rights Issue will be not less than approximately HK\$285.50 million (assuming no issue of new Shares on or before the Record Date) but not more than approximately HK\$372.20 million (assuming full utilization of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Share Options granted pursuant to the Scheme Mandate Limit and no other issue of new Shares on or before the Record Date) which are intended to be used as the general working capital of the Group.

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. In particular, the Group is planning to make new investments in properties when attractive opportunities arise so as to replenish its real estate portfolio. The Group is also actively seeking new investment opportunities with good returns in the natural resources and energy-related sectors. Notwithstanding the aforementioned, as at the date of this announcement, the Group has not yet identified any attractive investment opportunities. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the future growth of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISES OF THE COMPANY

Date of Announcement Event		Net Proceeds Raised	Intended Use of Net Proceeds	Actual Use of Net Proceeds as at Latest Practicable Date
June 9, 2010	Placing of 171,437,476 new Shares at the placing price of HK\$0.255 each	HK\$42.50 million	For the general working capital of the Group.	(i) Approximately HK\$38 million was applied to the investment in securities trading business; and (ii) approximately HK\$4.5 million was applied to the repayment of mortgage loans
August 3, 2010	Placing of 205,724,971 new Shares at the placing price of HK\$0.165 each	HK\$32.89 million	For the general working capital of the Group.	(i) Approximately HK\$2 million was applied to operating expenses; (ii) approximately HK\$3.5 million was applied to the repayment of mortgage loans; (iii) approximately HK\$27.39 million was applied to the investment in securities trading business.
October 29, 2010	Placing of up to 246,000,000 new Shares at the placing price of HK\$0.18 each	HK\$42.93 million	For future potential investments of the Group	Not yet utilised and maintained at bank.

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past twelve months immediately preceding the date of this announcement.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Wednesday, 18 May 2011. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 30 May 2011 to Tuesday, 7 June 2011 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Monday, 30 May 2011 to Tuesday, 7 June 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed. Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Monday, 30 May 2011 to Tuesday, 7 June 2011 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers.

GENERAL

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional on the approval of the Independent Shareholders by way of poll at the EGM. The Company does not have any controlling Shareholder. As at the date of this announcement, Dr. Chuang Yueheng Henry, the Chairman and executive Director, held 4,670,688 Shares representing approximately 1.58% of the issued share capital of the Company. He and his associates will abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM in compliance with Rule 7.19(6) of the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors is required to be established to make recommendation to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser is required to be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details about the proposed Capital Increase and the proposed Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the proposed Rights Issue; (iii) a letter of advice from the independent

financial adviser to the independent board committee of the Company and the Independent Shareholders on the proposed Rights Issue; and (iv) the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents will be dispatched to the Qualifying Shareholders on the Posting Date, and the Prospectus will be dispatched to the Non-Qualifying Shareholders for information only on the Posting Date.

DEFINITIONS

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

“Acceptance Date”	4:00 p.m. on Friday, 10 June 2011 (or such other date as the Lead Underwriter (on behalf of the Underwriters may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“associate(s)”	the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which banks are generally open for business more than five hours in Hong Kong
“Capital Increase”	the proposed increase in authorized share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 new Shares
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders giving the details of the Capital Increase and the Rights Issue and containing the notice of the EGM
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong

“Company”	Willie International Holdings Limited (Stock Code:273), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Co-underwriters”	Get Nice Securities Limited (a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO) and Emperor Securities Limited (a corporation licensed to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO)
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application to be issued to the Qualifying Shareholders who wish to apply for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approving the proposed Capital Increase and the proposed Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates

“Issue Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares 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 extraordinary general meeting of the Company held on 24 December 2010
“Last Trading Day”	8 April 2011, being the last full trading day before the release of this announcement
“Lead Underwriter”	Chung Nam Securities Limited, a corporation licensed to carry out type I (dealing in securities) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close business as the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Thursday, 26 May 2011 or such other date as the Lead Underwriter (on behalf of the Underwriters) may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be dispatched to Shareholders containing details of the Rights Issue

“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 25 May 2011 (or such other date as the Lead Underwriter (on behalf of the Underwriters) may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
“Rights Issue”	the proposed issue by way of rights of eight Rights Shares for every Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company
“Settlement Date”	Tuesday, 14 June 2011, being the second Business Day following the Acceptance Date (or such other time or date as the Underwriters and the Company may agree in writing)
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being HK\$0.01 each

“Shareholder(s)”	holder(s) of Shares or Shares
“Share Options”	the share options to subscribe for Shares under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 20 November 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.125 per Rights Share
“Underwriters”	the Lead Underwriter and Co-underwriters
“Underwriting Agreement”	the underwriting agreement dated 8 April 2011 entered into between the Company and the Underwriters in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

By order of the Board
Willie International Holdings Limited
Dr. Chuang Yueheng, Henry
Chairman

Hong Kong, 8 April 2011

As at the date of this announcement, the Board comprises:-

Executive Directors:

Dr. Chuang Yueheng, Henry
Mr. Wong Ying Seung, Asiong
Mr. King Phillip
Mr. Wang Lin

Independent Non-Executive Directors:

Mr. Cheung Wing Ping
Mr. Liu Jian
Mr. Wen Louis
Mr. Yau Yan Ming, Raymond