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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Willie International Holdings Limited**, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**REFRESHMENT OF ISSUE MANDATE TO ISSUE AND ALLOT SHARES;  
REFRESHMENT OF SCHEME MANDATE LIMIT OF  
SHARE OPTION SCHEME AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee  
and the Independent Shareholders**



**Menlo Capital Limited**

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A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders of the Company is set out on page 8 of this circular. A letter from Menlo containing its advice to the Independent Board Committee and Independent Shareholders of the Company is set out on pages 9 to 13 of this circular.

A notice convening the EGM to be held on Wednesday, 4 July 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 14 to 16 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

15 June 2007

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## DEFINITIONS

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

“Board”	the board of Directors
“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”	the extraordinary general meeting of the Company to be held at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong on Wednesday, 4 July 2007 at 9:00 a.m., a notice of which is set out on pages 14 to 16 of this circular
“Existing General Mandate”	the general mandate granted by Shareholders of the Company at its annual general meeting held on 30 May 2007 to issue or deal with up to a maximum of 1,946,218,997 new Shares
“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 Issue Mandate
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders of the Company and their associates or, where 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
“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
“Latest Practicable Date”	13 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	the listing committee of the Stock Exchange

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Menlo”	Menlo Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate. Menlo is a licensed corporation to perform type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing”	the placement of 1,946,218,000 new Shares by the placing agents to the placees at HK\$0.126 per Placing Share under the Placing Agreement date 6 June 2007
“Placing Agreement”	the placing agreement dated 6 June 2007
“Placing Share(s)”	1,946,218,000 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)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.



Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

*Executive Directors*

Mr. Chuang Yueheng, Henry  
Mr. King Phillip  
Mr. Lo Kan Sun  
Mr. Wong Ying Seung, Asiong  
Mr. Wang Lin

*Registered Office and Head Office*

32/F, China United Centre  
28 Marble Road  
North Point  
Hong Kong

*Independent Non-executive Directors*

Mr. Nakajima Toshiharu  
Ms. Lin Wai Yi  
Mr. Liu Jian  
Mr. Shum Ming Choy  
Mr. Yau Yan Ming, Raymond

15 June 2007

*To the Shareholders,*

Dear Sir or Madam,

**REFRESHMENT OF ISSUE MANDATE TO ISSUE AND ALLOT SHARES;  
REFRESHMENT OF SCHEME MANDATE LIMIT OF  
SHARE OPTION SCHEME AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The Board announced on 6 June 2007 that the EGM of the Company would be convened to seek the approval of the Shareholders to (i) refresh the Issue Mandate to issue and allot Shares and (ii) refresh the 10% scheme mandate limit of the Share Option Scheme. The main purpose of this circular is to provide you with further particulars of the above proposals and the notice of EGM.

The Independent Board Committee, comprising the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate. Menlo has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate.

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## LETTER FROM THE BOARD

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### REFRESHMENT OF ISSUE MANDATE

At the annual general meeting of the Company held on 30 May 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to a maximum of 1,946,218,997 Shares, which is equivalent to 20% of the then issued share capital of the Company. As announced by the Company on 6 June 2007, the Company has entered into the Placing Agreement pursuant to which 1,946,218,000 Placing Shares were issued and allotted under the Existing General Mandate on 12 June 2007, representing approximately 99.99% of the Existing General Mandate. As at the Latest Practicable Date, the number of issued Shares of the Company was 11,677,312,988. The Company intends to apply the net proceeds of Placing in approximately amount of HK\$239 million for the injection of HK\$100 million into “**Willie Resources Incorporated**” 威利資源企業公司 and HK\$100 million into “**Cordoba Homes Limited**” 歌德豪宅有限公司 with the balance going for general working capital and/or other possible investments. There is no refreshment of mandate since the last annual general meeting of the Company held on 30 May 2007.

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 including the Placing Shares as at the date of EGM. The 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 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 Latest Practicable Date. Thus no one shall abstain from voting in favor thereon.

Based on the 11,677,312,988 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 Issue Mandates at the EGM, the Directors will be authorized to allot and issue up to a limit of 2,335,462,597 Shares under the Issue Mandate. The Directors consider that the Issue Mandate will enhance the flexibility for the Company to manage its business and therefore the Issue Mandate is fair and reasonable and the granting of the Issue Mandate is in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee, comprising Mr. Nakajima Toshiharu, Ms. Lin Wai Yi, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond, being the independent non-executive Directors, has been formed to consider the refreshment of the Issue Mandate. Menlo has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### REFRESHMENT OF 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. Pursuant to Rule 17.03(3), the Company may seek approval by its Shareholders in general meeting for “refreshing” the 10% limit under the Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all options to be

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## LETTER FROM THE BOARD

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granted under all of the schemes of the Company (or its subsidiaries) under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limits as “refreshed”. The Company must send a circular to its Shareholders. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares of the Company (or its subsidiaries) in issue from time to time. No options may be granted under any schemes of the Company (or its subsidiaries) if this will result in the limit being exceeded.

Under the current limit of the Share Option Scheme, the Directors were authorized to grant options to subscribe for up to 594,749,498 Shares, representing 10% of the issued share capital of the Company as at the date of extraordinary general meeting of the Company held on 26 March 2007 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 26 March 2007 and up to Latest Practicable Date, the Company has granted and the grantees have exercised in full of the options to subscribe for a total of 594,600,000 Shares under the Share Option Scheme. As at the Latest Practicable Date, there were 149,498 share options 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.

Based on the 11,677,312,988 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 1,167,731,298 Shares, representing 10% of the total number of Shares in issue as enlarged by the Placing as at the date of EGM. The 149,498 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 Scheme 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 Latest Practicable Date. Save for the Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date.

The refreshment of the scheme mandate limit is conditional upon:

- (a) the Shareholders' approval at the EGM; and

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## LETTER FROM THE BOARD

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- (b) the Listing Committee granting approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit of the Share Option Scheme.

Application will be made to the Listing Committee for obtaining the approval mentioned in paragraph (b) above.

### 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.

### EGM

The notice of the EGM is set on pages 14 to 16 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in an event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjourned meeting) should you so wish.

### PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 81 of the Company's articles of association sets out the following procedure by which the Shareholders may demand a poll.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (i) by the chairman of such meeting;
- (ii) by at least three members present in person or by proxy and entitled to vote at the meeting;
- (iii) by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting;  
or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.



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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 8 of this circular which contains its recommendation to the Independent Shareholders on the terms of the proposed refreshment of the Issue Mandate. Your attention is also drawn to the letter of advice from Menlo as set out on pages 9 to 13 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the proposed refreshment of the Issue Mandate.

The Board considers that the refreshment of the Issue Mandate and the refreshment of the scheme mandate limit of the Share Option Scheme are in the interests of the Company and the Shareholders as a whole, and accordingly, recommends all Shareholders to vote in favour of the resolutions set out in the notice of the EGM.

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



Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

15 June 2007

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF ISSUE MANDATE**

We refer to the circular of the Company dated the date hereof (the “Circular”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the refreshment of the Issue Mandate which will enable the Board to exercise the power of the Company to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM.

Menlo has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the refreshment of the Issue Mandate is fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 9 to 13 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 3 to 7 of the Circular.

Having considered the terms of the Issue Mandate and the advice of Menlo, we are of the opinion that the terms of the Issue Mandate are fair and reasonable so far as the Independent Shareholders are concerned and that the grant of the Issue Mandate is in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the grant of the Issue Mandate.

Yours faithfully,  
By order of the board of  
**Independent Board Committee**

**Mr. Nakajima  
Toshiharu**  
*Independent  
non-executive  
Director*

**Ms. Lin Wai Yi**  
*Independent  
non-executive  
Director*

**Mr. Shum Ming Choy**  
*Independent  
non-executive  
Director*

**Mr. Yau Yan Ming,  
Raymond**  
*Independent  
non-executive  
Director*

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# LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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*The following is the text of a letter from Menlo Capital Limited for the purpose of incorporation in this circular, in connection with its advice in relation to the refreshment of the Issue Mandate:*



Menlo Capital Limited  
Room 06, 1st Floor, Beautiful Group Tower  
77 Connaught Road Central  
Hong Kong

15 June 2007

*To the Independent Board Committee and the Independent Shareholders of  
Willie International Holdings Limited*

Dear Sirs,

## **REFRESHMENT OF ISSUE MANDATE TO ISSUE AND ALLOT SHARES**

### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Issue Mandate, details of which are set out in the “Letter from the Board” (the “Board Letter”) contained in the circular (the “Circular”) issued by the Company to the Shareholders dated 15 June 2007 of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

On 6 June 2007, the Company entered into the Placing Agreement pursuant to which 1,946,218,000 Placing Shares were issued and allotted representing approximately 99.99% of the Existing General 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 including the Placing Shares as at the date of EGM.

The Issue Mandate is proposed to the Shareholders prior to the Company’s next annual general meeting, and therefore, pursuant to the Listing Rules, the Issue Mandate will be subject to the Independent Shareholders’ approval by way of poll at the EGM.

The Independent Board Committee, comprising Mr. Nakajima Toshiharu, Ms. Lin Wai Yi, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond, being the independent non-executive Directors, has been formed to consider the refreshment of the Issue Mandate.

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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

### **PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT**

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Issue Mandate, we have taken the following principal factors and reasons into consideration:

#### **I. Background**

The principal activity of the Company 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.

At the annual general meeting of the Company held on 30 May 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to a maximum of 1,946,218,997 Shares, which is equivalent to 20% of the then issued share capital of the Company. As announced by the Company on 6 June 2007, the Company has entered into the Placing Agreement pursuant to which 1,946,218,000 Placing Shares were issued and allotted under the Existing General Mandate on 12 June 2007, representing approximately 99.99% of the Existing General Mandate. As at the Latest Practicable Date, the number of issued Shares of the Company was 11,677,312,988.

#### **II. Current resources and financial flexibility**

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 including the Placing Shares as at the date of EGM.

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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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The Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to the Listing Rules, the 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 Latest Practicable Date. Thus no one shall abstain from voting in favor thereon.

Based on the 11,677,312,988 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 Issue Mandates at the EGM, the Directors will be authorized to allot and issue up to a limit of 2,335,462,597 Shares under the Issue Mandate.

In the event that the Group identifies a suitable investment opportunity but does not have sufficient cash resources on hand, and if it fails to obtain debt financing on terms which the Directors consider acceptable to the Group or raise funds from the equity capital market, or it cannot find other alternatives to finance the acquisition of such investment opportunities in a timely manner, the Group may lose its bid for an otherwise favourable investment. The Group will be in a disadvantageous position if it is unable to obtain sufficient funds in a timely manner to finance a potential investment. Therefore, the Directors consider that the Issue Mandate will enhance the flexibility for the Company to manage its business and therefore the Issue Mandate are fair and reasonable and the granting of the Issue Mandate are in the interests of the Company and the Shareholders as a whole.

In view of the above, we consider that the granting of the Issue Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of Shares for further development of the Group. In addition, the Directors consider that if investment or acquisition opportunities arise, a decision may have to be made within a short period of time. The Issue Mandate could provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital through placement of Shares as consideration for funding such potential investments and/or acquisitions in the future as and when such opportunities arise. The increase in the amount of capital which may be raised under the Issue Mandate would improve the overall financial position of the Group which in turn could provide more options for financing to the Group when assessing and negotiating potential investments and/or acquisitions in a timely manner. Accordingly, we are of the opinion that the refreshment of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole.

### **III. Other financing alternatives**

In appropriate circumstances, other than raising funds by way of issuing equity capital, the Directors will also consider other financing methods such as debt financing or internal cash resources to fund its future business development, depending on the then financial position of the Group.

Subject to the then market condition, the Directors will consider and conducting an equity fund raising exercise by issuing Shares, which may or may not result in the exercise of the Issue Mandate, to prepare for future business development of the Group. As at the Latest Practicable Date, the Company has no intention to exercise the Issue Mandate to allot and issue any new Shares.

## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

As advised by the Directors, the Issue Mandate provides another alternative to the Directors to raise financing for the Group's businesses and the Directors will use such method of financing which serves the best interest of the Group. We consider that it is sensible and reasonable for the Directors to make reference to the then financial position of the Group in order to decide on the financing method for the future development of the Group.

#### IV. Potential dilution to shareholding of the Independent Shareholders

Set out below is a table showing (i) the shareholding structure of the Company as at the Latest Practicable Date; and (ii) for illustrative purpose, the shareholding structure of the Company upon full utilization of the Issue Mandate (assuming that the Issue Mandate will be approved at the EGM and that no new Shares will be issued or no Shares will be repurchased by the Company between the Latest Practicable Date and the date of the EGM):

Shareholders	As at the Latest Practicable Date		Immediately upon full utilization of the Issue Mandate	
	Shares	%	Shares	%
Chuang Eugene Yue-chien ( <i>Note</i> )	820,126,141	7.02	820,126,141	5.85
<b>Public Shareholders</b>				
Heritage International Holdings Limited	517,672,000	4.43	517,672,000	3.69
Evolution Master Fund Limited SPC, Segregated Portfolio M	491,756,000	4.21	491,756,000	3.51
Other Public	7,901,540,847	67.67	7,901,540,847	56.39
Issue Mandate	—	—	2,335,462,597	16.67
The Places	<u>1,946,218,000</u>	<u>16.67</u>	<u>1,946,218,000</u>	<u>13.89</u>
<b>Total</b>	<u><u>11,677,312,988</u></u>	<u><u>100.00</u></u>	<u><u>14,012,775,585</u></u>	<u><u>100.00</u></u>

*Notes:* Mr. Chuang Eugene Yue-chien is the elder brother of the chairman of the Company, Mr. Chuang Yueheng, Henry.

As can be seen from the above table, the aggregate shareholding of the existing other public Shareholders will be decreased from approximately 67.67% as at the Latest Practicable Date to approximately 56.39% upon full utilization of the Issue Mandate.

Taken into account that (i) the Issue Mandate provides a financial flexibility to the Group for further development of its business as well as in other potential investments and/or acquisitions as and when such opportunities arises in the future; (ii) the Issue Mandate provides an alternative to raise new equity capital for the Company; and (iii) the shareholding of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilization of the Issue Mandate, we consider that the above potential dilution to the shareholding of the Independent Shareholders to be justifiable.

**V. Terms of the Issue Mandate**

Pursuant to the Listing Rules, the Company will be convening the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the Issue Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the ordinary resolution.

Shareholders should note that the Existing General Mandate (subject to the extent that such authority has not been exercised) will be revoked upon approval at the EGM of the Issue Mandate and the Issue Mandate will be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the authority given under the relevant resolution to approve the Issue Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

**RECOMMENDATION**

Having taken into consideration of the above principal factors and reasons, we are of the view that the Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Issue Mandate.

Yours faithfully,  
For and on behalf of  
**Menlo Capital Limited**  
**Michael Leung**  
*Director*



**Willie International Holdings Limited**  
**威利國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 273)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Willie International Holdings Limited (the “Company”) will be held on Wednesday, 4 July 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. for the purpose of considering and, if thought fit, pass the following resolutions:

**ORDINARY RESOLUTIONS**

1. “THAT:-

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B), otherwise than (i) a Rights Issue (as hereafter defined) or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company or (iii) an issues of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of the Company or (iv) an issue of shares as scrip dividend pursuant to the Articles of Association, from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and



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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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(D) for the purposes of this resolution:-

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

2. “THAT the existing scheme mandate limit in respect of the granting of options to subscribe for shares in the Company under the share option scheme adopted by the Company on 20 November 2002 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of shares of the Company which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme), shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 15 June 2007

*As at the date of this notice, 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.*

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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### Notes:

- (1) A form of proxy to be used for the meeting is enclosed.
- (2) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- (3) To be valid, the instrument appointing a proxy must be in writing under the hand of the appointer or of his attorney duly authorized in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at office of the Company's share registrar and transfer office, **Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong** not less than 48 hours before the time for holding the meeting, and in default the instrument of proxy shall not be treated as valid.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.