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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.

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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**



**REXCAPITAL (Hong Kong) 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 pages 8 to 9 of this circular. A letter from REXCAPITAL containing its advice to the Independent Board Committee and Independent Shareholders of the Company is set out on pages 10 to 15 of this circular.

A notice convening the EGM to be held on Monday, 26 March 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 16 to 18 of this circular. Whether or not Shareholders are able to attend the EGM, Shareholders 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 Shop 1712-1716, 17/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 Shareholders from attending and voting in person at the EGM or any adjourned meeting should Shareholders so wish.

9 March 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 Monday, 26 March 2007 at 9:00 a.m., a notice of which is set out on pages 16 to 18 of this circular
“Existing General Mandate”	the general mandate granted by Shareholders of the Company at its annual general meeting held on 30 May 2006 to issue or deal with up to a maximum of 684,298,997 new Shares
“Group”	the Company, its subsidiaries and its associated companies
“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, which there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“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”	7 March 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
“Placing”	the placement of 684,000,000 new Shares by the placing agent to the placees at HK\$0.12 per Placing Share under the Placing Agreement date 26 February 2007
“Placing Agreement”	the placing agreement dated 26 February 2007
“Placing Share(s)”	684,000,000 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
REXCAPITAL	REXCAPITAL (Hong Kong) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate. REXCAPITAL is a licensed corporation to perform type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors*

Mr. Chuang Yuecheng, 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. Miu Frank H.  
Mr. Nakajima Toshiharu  
Ms. Lin Wai Yi  
Mr. Liu Jian  
Mr. Shum Ming Choy  
Mr. Yau Yan Ming, Raymond

9 March 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 26 February 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. REXCAPITAL 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 2006, 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 684,298,997 Shares, which is equivalent to 20% of the then issued share capital of the Company. As announced by the Company on 26 February 2007, the Company has entered into the Placing Agreement pursuant to which 684,000,000 Placing Shares were issued and allotted under the Existing General Mandate on 6 March 2007, representing approximately 99.96% of the Existing General Mandate. As at the Latest Practicable Date, the number of issued Shares of the Company was 5,947,494,988.

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 5,947,494,988 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 1,189,498,997 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 are 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. REXCAPITAL 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 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

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## LETTER FROM THE BOARD

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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 342,149,498 Shares, representing 10% of the issued share capital of the Company as at the date of annual general meeting of the Company held on 30 May 2006 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 30 May 2006 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 342,000,000 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 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 5,947,494,988 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 594,749,498 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
- (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.

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## LETTER FROM THE BOARD

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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 investments, investment in trading securities, brokerage and financial services, investments in coke and natural gas chemical business.

### EGM

The notice of the EGM is set on pages 16 to 18 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not Shareholders are able to attend the EGM, Shareholders 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 Shop 1712-1716, 17/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 Shareholders from attending and voting in person at the EGM (or any adjourned meeting) should Shareholders 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 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.

### 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.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 8 to 9 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 REXCAPITAL as set out on pages 10 to 15 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*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

9 March 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.

REXCAPITAL 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 10 to 15 of the Circular.

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the terms of the Issue Mandate and the advice of REXCAPITAL, 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 REXCAPITAL

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*The following is the text of a letter of advice from REXCAPITAL to the Independent Board Committee in respect of the refreshment of the Issue Mandate, and is prepared for inclusion in this circular.*



**REXCAPITAL (Hong Kong) Limited**

34th Floor, COSCO Tower  
Grand Millennium Plaza  
183 Queen's Road Central  
Hong Kong

9 March 2007

*The Independent Board Committee and  
the Independent Shareholders*

**Willie International Holdings Limited**

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

Dear Sirs,

### REFRESHMENT OF ISSUE MANDATE

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, details of which are set out in this circular, of which this letter forms a part. We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the refreshment of the Issue Mandate is fair and reasonable and whether the grant of the Issue Mandate to the Board to exercise the power of the Company to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM is fair and reasonable and is in the interests of the Company and its Shareholders as a whole, and to advise Independent Shareholders on how to vote. Unless the context otherwise requires, terms used in this letter have the same meanings as those defined in this circular.

As at the Latest Practicable Date, there is no controlling Shareholder as defined under the Listing Rules. We are further advised that to the best knowledge of the Directors, none of the Directors and chief executive of the Company and their respective associates held any personal or corporate interests (long or short position) in the Company as at the Latest Practicable Date and, therefore, none of them is required to abstain from voting in favor of the relevant resolution for approving the Issue Mandate at the EGM. If on the date of the EGM, the Company has any controlling Shareholder(s), the controlling Shareholder(s) and their associates or, where there are no controlling Shareholder(s), the Directors (excluding independent non-executive Directors) and the chief executive of the Company

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## LETTER OF ADVICE FROM REXCAPITAL

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and their respective associates, if they hold any Shares, shall abstain from voting in favor of the relevant resolution for approving the Issue Mandate pursuant to Rule 13.36(4)(a) of the Listing Rules, and voting of the Independent Shareholders at the EGM shall be taken by poll according to Rule 13.39(4)(b) of the Listing Rules.

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

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in this circular and information provided to us by the Company and its Director(s). We have assumed that all statements and representations made or referred to in this circular were true at the time they were made and continue to be true at the date of the EGM. We have also assumed that all statements of belief, opinion and intention made by the Director(s) in this circular were reasonably made after due enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Director(s) and have been confirmed by the Directors that no material facts and representations the omission of which would make any statement in this circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Director(s) and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in this circular and to provide a reasonable basis for our recommendation regarding the refreshment of the Issue Mandate.

### PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, we have taken into consideration the following factors and reasons:

#### 1. Background and Reasons for the Issue Mandate

The Group is principally engaged in the business of property investments, investment in trading securities, brokerage and financial services, investments in coke and natural gas chemical business.

The grant to the Directors of the Existing General Mandate was approved at the annual general meeting of the Company held on 30 May 2006 (the “AGM”) pursuant to Rule 13.36(2)(b) of the Listing Rules and as at 30 May 2006, the Company had an aggregate of 3,421,494,988 Shares in issue and 20% of which, being 684,298,997 Shares were granted to the Directors to allot and issue under the Existing General Mandate.

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## LETTER OF ADVICE FROM REXCAPITAL

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On 26 February 2007, the Company also announced that the Placing Agreement was entered into by the Company and pursuant to which, a total of 684,000,000 Shares were allotted and issued upon the completion of the Placing on 6 March 2007. Details of the Placing are set out in the announcement of the Company dated 26 February 2007. As such, pursuant to the Placing, the Existing General Mandate was utilized up to approximately 99.96%. And subsequent to the exercise of the conversion rights by the holders of the Share options of the Company and by the convertible notes holders pursuant to the placing of convertible notes of the Company (the “CN Placing”) (details regarding the CN Placing has been set out in the announcement of the Company dated 5 December 2006) and the allotment and issue of the Placing Shares during the period from the date of the AGM up to and including the Latest Practicable Date, as at the Latest Practicable Date, the total number of issued Shares amounted to 5,947,494,988.

The Board proposed to pass an ordinary resolution at the EGM to approve the Issue Mandate in accordance with Rule 13.36(4)(a) of the Listing Rules, which will allow the Board to exercise the power of the Company to allot and issue not exceeding 20% of the issued share capital of the Company as at the date of the EGM. Based on the total number of issued Shares of 5,947,494,988 as at the Latest Practicable Date and on the assumption that no further issue of new Shares from the Latest Practicable Date to the date of the EGM (both dates inclusive), the Board will be granted the power to allot and issue further 1,189,498,997 Shares, being 20% of the total number of issued shares of the Company of 5,947,494,988, under the Issue Mandate when it is approved by the Independent Shareholders at the EGM.

### 2. History of usage of the Existing General Mandate since the AGM

The following table summarizes the information relating to the history of usage by the Company of the Existing General Mandate granted at the AGM:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Use of proceeds</b>
26 February 2007	Placing of 684,000,000 new Shares	Approximately HK\$80 million	The whole amount has not been utilized as at the Latest Practicable Date; the intended use is for general working capital purposes and/or possible investments purposes

The cash and cash equivalents of the Group was approximately HK\$2,603,000 as at 30 June 2006 and approximately HK\$11,420,000 as at 31 December 2005 according to the latest 2006 interim report of the Company. In addition, according to the Directors, the net proceeds from the CN Placing of approximately HK\$146 million has not been utilized and is retained as general working capital. The Directors confirm that the existing cash and facility resources of the Group are sufficient for it to conduct its daily operations and that the Group has sufficient working capital to meet its present investment requirements.

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## LETTER OF ADVICE FROM REXCAPITAL

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We are advised by the Directors that the Company is studying various projects including, without limitation, the oil recovery project as announced by the Company on 8 February 2007, and some other oil field and forestry projects. Though the current cash level has further increased by approximately HK\$80 million, being the net proceeds of the Placing, upon the completion of the Placing on 6 March 2007, there is still no certainty that such cash level will be adequate for any appropriate investments that may be identified by the Company and may materialize in the future. Additional funding may still be needed for financing future investments should suitable investment opportunities arise. In such circumstances, the Issue Mandate will then provide the Group with the financial flexibility and serve as one of the financing alternatives to raise additional capital, through placing of new Shares as consideration, for funding such investments in the future as the Directors think fit. Further discussion on the financial flexibilities that the Issue Mandate can bring about is detailed under the paragraphs headed “*Financial Flexibility*” and “*Other Financing Alternatives*” below. On such basis, we consider that the refreshment of the Issue Mandate is fair and reasonable and is in the interests of the Company so far as the Shareholders as a whole are concerned.

### 3. Financial Flexibility

The Directors believe that the refreshment of the Issue Mandate will enable the Company to take advantage of the market condition to raise additional funds for the Company through the issue of new Shares when investment opportunities are identified and when the Directors think fit and appropriate.

We consider that the granting of the Issue Mandate could enhance the financing flexibility of the Company to raise capital, if and when required, through placing of Shares for further development of the Group and further strengthen the Company’s capital base. While the Directors consider that investment decisions may have to be made immediately should suitable investment opportunities arise, we agree that the Issue Mandate would then provide the Group with the maximum flexibility allowed under the Listing Rules to take advantage of market conditions to raise additional capital, through placing of new Shares as consideration, for funding such investments in the future when opportunities are identified and as Directors think appropriate. As such, we consider that the additional capital which may be raised under the Issue Mandate will provide more financing resources to the Group and will enable the Group to grasp future investment opportunities in a timely manner. As at the Latest Practicable Date, the Board indicated that the Company has no current plan to issue securities.

### 4. Other Financing Alternatives

Other than raising fund by way of issuing equity capital, the Board indicates that the Company will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future investment of the Group, depending on the then financial position, capital structure and cost of funding of the Group as well as the then market condition. As such, the Issue Mandate will serve as one of the alternatives for the Company to finance the Group’s investment and the Board will use the method that serves the best interests of the Company. We consider that it is sensible to make reference to the then financial position, capital structure and cost of funding of the Group as well as the then market condition in order to decide a suitable financing method for the future investment of the Group.

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## LETTER OF ADVICE FROM REXCAPITAL

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### 5. Potential Dilution to Shareholdings of the Shareholders

Shareholders should note that the Existing General Mandate will be revoked upon approval of the Issue Mandate at the EGM which will be and continue to be in force until the earlier of (i) the conclusion of the Company's next annual general meeting; and (ii) the revocation or variation of the authority given under the relevant resolution to be proposed by ordinary resolution of the Shareholders in general meeting. Such duration is in compliance with Rule 13.36(3) of the Listing Rules.

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) upon the full exercise of the Issue Mandate:

Shareholder(s)	Shareholding structure as at the Latest Practicable Date		Shareholding structure after the full exercise of the Issue Mandate	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Chuang Eugene Yue-chien	725,990,141	12.21	725,990,141	10.17
Other public Shareholders	5,221,504,847	87.79	5,221,504,847	73.16
Shares to be issued under the Issue Mandate	<u>—</u>	<u>—</u>	<u>1,189,498,997</u>	<u>16.67</u>
Total	<u>5,947,494,988</u>	<u>100.00</u>	<u>7,136,993,985</u>	<u>100.00</u>

Upon utilization in full of the Issue Mandate, 1,189,498,997 new Shares can be allotted and issued, representing approximately 20% of the total issued share capital of the Company of 5,947,494,988 as at the Latest Practicable Date. As shown in the above table, it is expected that the aggregate shareholding of the existing Shareholders upon full utilization of the Issue Mandate will, therefore, decrease from approximately 100.00% to approximately 83.33%, representing a potential maximum dilution of approximately 16.67%.

Taking into account that (i) the Issue Mandate will allow the increase in capital which may be raised by way of new equity issue under the Issue Mandate; (ii) the Issue Mandate will provide an alternative of financing to the Group for future development of its business and potential investments as and when such opportunities arise, and (iii) the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilization of the Issue Mandate, we consider that such maximum potential dilution to the shareholdings of the Shareholders to be justifiable.

### 6. Terms of the Issue Mandate

According to the Listing Rules, the Company will be required to seek prior consent of Shareholders for any allotment, issue or grant of Shares or securities convertible into Shares or other rights to subscribe for Shares or such convertible securities, unless such allotment, issue or grant falls under the circumstances provided under Rule 13.36(2) of the Listing Rules. Pursuant to Rule 13.36(4) of the Listing Rules, an ordinary resolution will be proposed at the EGM to obtain approval from the



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## LETTER OF ADVICE FROM REXCAPITAL

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Shareholders to refresh the Issue Mandate before the next annual general meeting so that the Directors will be entitled to exercise the powers 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.

We are advised that there was no controlling Shareholder as at the Latest Practicable Date. We are further advised that to the best knowledge of the Directors, none of the Directors and chief executive of the Company and their respective associates held any personal or corporate interests (long or short position) in the Company as at the Latest Practicable Date and, therefore, none of them is required to abstain from voting in favor of the relevant resolution for approving the Issue Mandate at the EGM. If on the date of the EGM, the Company has any controlling Shareholder(s), the controlling Shareholder(s) and their associates or, where there are no controlling Shareholder(s), the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, if they hold any Shares, shall abstain from voting in favor of the relevant resolution at the EGM.

### RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that the refreshment of the Issue Mandate is fair and reasonable and is in the interests of the Company so far as the Shareholders as a whole are concerned. Accordingly, we recommend the Independent Board Committee and the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Issue Mandate.

Yours faithfully,  
For and on behalf of  
**REXCAPITAL (Hong Kong) Limited**  
**Sam Lum**  
*Director*

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of **Willie International Holdings Limited** (the “Company”) will be held on Monday, 26 March 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, 9 March 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 six independent non-executive Directors, namely, Mr. Miu Frank H., 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 appointor 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 Shop 1712-1716, 17/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.