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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)

This Announcement is made pursuant to Rule 13.09 of the Listing Rules. On 21st July 2006, the Purchaser and the Company issued a letter to China Capital Advisors Corporation and Mr. Wang Sing agreeing that China Capital Advisors Corporation and Mr. Wang Sing shall be released from their respective obligations under clause 6(D) of the Agreement on conditions set out below.

Reference is made to the Company's announcement dated 17th January 2006 ("January Announcement") and 22nd March 2006 (together the "Announcements"). Terms used in this announcement shall have the same meaning as ascribed thereto in the Announcements. This Announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

It was stated in the January Announcement that the Company has entered into the conditional agreement dated 12th January 2006 (the "Agreement") with Smart Way Resources Limited as the Purchaser and China Capital Advisors Corporation as the Vendor in relation to the sale and purchase of 2,500 issued shares of Amerinvest Coal Industry Holding Limited (the "Amerinvest"). Pursuant to clause 6(D) of the Agreement, the Vendor undertakes to procure the agreement of Mr. Wang Sing to give the Purchaser a right of first refusal in the event that Mr. Wang Sing wishes to transfer or otherwise dispose of all or part of his direct or indirect interest in the shares of Amerinvest and to offer to sell such shares to the Purchaser on terms to be agreed prior to selling such interest to other parties. The Vendor shall procure that in the event that Amerinvest wishes to issue new shares, Amerinvest will offer and will procure that Mr. Wang Sing offers to the Purchaser a right to subscribe for such new shares on terms to be agreed prior to such offer having been made to third parties with a view to the Purchaser or its nominees becoming the controlling shareholder of Amerinvest.

On 21st July 2006, the Purchaser and the Company issued a letter ("Letter") to China Capital Advisors Corporation and Mr. Wang Sing agreeing that China Capital Advisors Corporation and Mr. Wang Sing shall be released from their respective obligations under clause 6(D) of the Agreement so that (i) Mr. Wang Sing may dispose of all or part of his direct or indirect interest in Amerinvest and (ii) Amerinvest may issue new shares both to third parties (the "Investor(s)") freely provided that:-

- (i) the Investor(s) will provide not less than US\$50 million and not more than US\$100 million equity funding (the "Equity Funding") to Amerinvest for its investment in West China Coking & Gas Company Limited ("West China Coking") and/or other projects entered or to be entered into by Amerinvest and/or West China Coking;

- (ii) Investor(s) shall have the absolute right to decide the application of the Equity Funding to invest in any or all the projects available; and
- (iii) the dilution of the Purchaser's and the Company's interest in the total enlarged issued share capital of Amerinvest shall depend on the amount of Equity Funding with reference to the Purchaser's and Willie's cost of investment of HK\$136.15 million for the 50% equity interest in Amerinvest.

Accordingly, Mr. Wang Sing may freely dispose of all or part of his direct or indirect interest in Amerinvest and Amerinvest may issue new shares to Investors if the above conditions are satisfied. The effect issuing the Letter is that as and when new investors are located and if such investors complete their equity investment in Amerinvest, the Company's shareholding in Amerinvest will be diluted. As the date hereof, Amerinvest is held as to 50% by the Purchaser, a wholly-owned subsidiary of the Company, 49.65% by Mr. Wang Sing and 0.35% by China Capital Advisors Corporation on trust for Mr. Li. The Company understands that Mr. Wang Sing is in discussions with one or more international direct investment funds which indicated an interest in taking up a significant equity stake in Amerinvest. Although no consideration has been paid to the Company to issue the Letter, the Company believes that it is in its interest and its shareholder as a whole to issue the Letter because (i) Amerinvest will be able to raise funds for its investments and the Company will be able to share in the growth and profits of Amerinvest without having to take up any financial obligations; (ii) maintain a reasonable stake in Amerinvest which will have a larger asset base; and (iii) the Company can team up with international direct investment funds to complete the projects that held and/or will be invested by Amerinvest.

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Lo Kan Sun, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and four independent non-executive directors, namely Mr. Miu Frank H., Mr. Nakajima Toshiharu, Ms. Lin Wai Yi and Mr. Liu Jian.

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

Hong Kong, 21st July 2006