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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)

**PROPOSED CAPITAL REORGANISATION
AND
CHANGE IN BOARD LOT SIZE**

The Directors propose to put forward a proposal to the Shareholders to effect the Capital Reorganisation comprising (i) the Capital Reduction (i.e. the reduction of the nominal value of the Share of HK\$0.10 each to HK\$0.002 each by cancelling HK\$0.098 of the paid up capital on each Share and applying the credit arising from such reduction to the share premium account of the Company); and (ii) the Share Consolidation (i.e. the consolidation of 5 Reduced Shares of HK\$0.002 each into one Adjusted Share of HK\$0.01).

It is also proposed that following the Share Consolidation, the Consolidated Shares will be traded in board lots of 4,000 Adjusted Shares each.

A circular containing, among other things, further details of the Capital Reorganisation and the notice convening the EGM to approve the Capital Reorganisation will be despatched to Shareholders as soon as practicable.

PROPOSED CAPITAL REORGANISATION

The Directors propose to put forward a proposal to the Shareholders to effect the Capital Reorganisation pursuant to the Companies Ordinance which will involve:

- (a) the Capital Reduction under which the authorised capital of the Company will be reduced from HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each to HK\$20,000,000 divided into 10,000,000,000 Reduced Shares of HK\$0.002 each and that such reduction be effected by cancelling HK\$0.098 of the paid up capital on each issued Share of HK\$0.10 and reducing the nominal value of each issued or unissued share in the capital of the Company from HK\$0.10 per Share to HK\$0.002 per Reduced Share; and

- (b) the Share Consolidation under which every 5 Reduced Shares of HK\$0.002 each will be consolidated into one Adjusted Share of HK\$0.01.

As at the date of this announcement, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each and the issued share capital of the Company was HK\$148,034,983 divided into 1,480,349,830 Shares of HK\$0.10 each.

Assuming no further Shares will be issued between the date of this announcement and the EGM, immediately after completion of the Capital Reorganisation, the authorised capital of the Company will be reduced from HK\$1,000,000,000 to HK\$20,000,000 divided into 2,000,000,000 Adjusted Shares of HK\$0.01 each and the issued share capital of the Company will be reduced from HK\$148,034,983 to HK\$2,960,699.66 divided into 296,069,966 Adjusted Shares, giving rise to a total credit of HK\$145,074,283.34 which will, in its entirety, be credited to the share premium account of the Company.

As at the date of this announcement, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for the Shares.

Conditions of the Capital Reorganisation

The Capital Reorganisation will be conditional upon, inter alia, the following:

- (a) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reorganisation;
- (b) the registration by the Registrar of Companies in Hong Kong of a copy of resolution passed by the Shareholders, a copy of a minute containing the particulars required under section 61A of the Companies Ordinance and a statement in the prescribed form signed by an officer of the Company certifying that the relevant conditions under the Companies Ordinance have been satisfied; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares to be issued and allotted upon the Capital Reorganisation becoming effective.

Assuming all the conditions are fulfilled, the Capital Reorganisation will become effective upon the registration of the minute required under section 61A of the Companies Ordinance, which is expected to take place on 17 March 2011.

The Capital Reorganisation does not require confirmation by the court pursuant to section 58(3) of the Companies Ordinance.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares to be issued and allotted upon the Capital Reorganisation becoming effective.

Effect of the Capital Reorganisation

Implementation of the Capital Reorganisation would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Capital Reorganisation.

The Adjusted Shares will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the rights of the Shareholders. Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company.

CHANGE IN BOARD LOT SIZE

Currently, the Shares are traded on the Stock Exchange in board lots of 10,000 Shares each. The Board proposes to change the board lot size for trading in the Shares from 10,000 Shares to 4,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

The Shares are currently traded in board lots of 10,000 Shares each and the market value per board lot of the Shares is HK\$1,900, based on the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the date of this announcement. Assuming the Capital Reorganisation becomes effective, the Adjusted Shares will be traded in board lots of 4,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$3,800, based on the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the date of this announcement. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders.

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

The Capital Reduction can help to increase the flexibility for raising new funds by means of the issue of new shares of the Company, whereas the Share Consolidation will reduce the total number of Shares currently in issue. In addition, the Change in Board Lot Size will improve the liquidity in the trading of the Adjusted Shares, thereby enabling the Company to attract more investors and broaden its Shareholder base. Following the implementation of the Capital Reorganisation and the Change in Board Lot Size, the market value of each board lot of Adjusted Shares will be higher

than the market value of each existing board lot of Shares. Any trading costs or handling charges, which are calculated on per board lot basis, will be lower. The main purpose for implementing the Capital Reorganisation is to reduce the overall transaction costs for dealings in the Adjusted Shares of the Company.

Accordingly, the Directors consider that the Capital Reorganisation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

EXCHANGE OF SHARE CERTIFICATES ARRANGEMENTS

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period from 17 March 2011 to 27 April 2011 (both dates inclusive), submit certificates for the Shares to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for exchange, at the expense of the Company, for certificates for the Adjusted Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. Certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders.

ODD LOT ARRANGEMENTS

Fractional Adjusted Shares will be disregarded and not issued to the Shareholders, but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Adjusted Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has agreed to procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of Adjusted Shares on the best effort basis. Further details in respect of the odd lots arrangement and the new share certificates will be set out in the circular of the Company to be despatched to the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Change in Board Lot Size is set out below:

2011

(Hong Kong time)

Latest time for lodging the proxy form for the EGM	9:00 a.m. on Monday, 14 March
Expected time and date of EGM	9:00 a.m. on Wednesday, 16 March
Effective date of the Capital Reorganisation	Thursday, 17 March
Dealings in Adjusted Shares commences	9:00 a.m. on Thursday, 17 March
Original counter for trading in Shares (in board lots of 10,000 Shares) closes	9:00 a.m. on Thursday, 17 March
Temporary counter for trading in Adjusted Shares in board lots of 2,000 Adjusted Shares (in form of existing share certificates in red colour) opens.....	9:00 a.m. on Thursday, 17 March
Free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Thursday, 17 March
Original counter for trading in Adjusted Shares (in board lots of 4,000 Adjusted Shares) re-opens	9:00 a.m. on Thursday, 31 March
Parallel trading in Adjusted Shares (in form of new certificate in green colour and existing certificate in red colour) begins	9:00 a.m. on Thursday, 31 March
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares.....	9:00 a.m. on Thursday, 31 March

Temporary counter for trading in
Adjusted Shares in board lots of
2,000 Adjusted Shares (in form of
existing share certificates in red colour)
closes4:00 p.m. on Thursday, 21 April

Parallel trading in Adjusted Shares
(in form of new certificate in green colour
and existing certificate in red colour)
ends4:00 p.m. on Thursday, 21 April

Designated broker ceases to stand in
the market to provide matching services for
the sale and purchase of odd lots of
Adjusted Shares4:00 p.m. on Thursday, 21 April

Free exchange of existing share
certificates for new share certificates
in green colour ends4:00 p.m. on Wednesday, 27 April

GENERAL

The Company was incorporated in Hong Kong with limited liability. The principal business activities of the Group are property investment, investment in securities trading, money lending and investment holding.

A circular containing, among other things, further details of the Capital Reorganisation and the notice convening the EGM to approve the Capital Reorganisation will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“Adjusted Share(s)” new ordinary shares of HK\$0.01 each in the capital of the Company to be created upon the Capital Reorganisation becoming effective

“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the capital of the Company including the cancellation of the paid up capital to the extent of HK\$0.098 of each Share in issue from HK\$0.10 to HK\$0.002 and the reduction of the nominal value of all the issued and unissued Shares
“Capital Reorganisation”	the Capital Reduction and the Share Consolidation
“Change in Board Lot Size”	the board lot size of the Adjusted Shares for trading on the Stock Exchange will be changed from 10,000 Shares to 4,000 Adjusted Shares
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Capital Reorganisation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Reduced Share(s)”	ordinary shares of HK\$0.002 each in the capital of the Company immediately after the Capital Reduction but before the Share Consolidation becoming effective
“Share Consolidation”	the proposed consolidation of every 5 Reduced Shares into one Adjusted Share
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company before the Capital Reorganisation becoming effective

“Shareholder(s)” registered holder(s) of the Share(s), Reduced Share(s) or Adjusted Share(s) (as the case may be)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

1 February 2011

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

Executive Directors

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

Independent non-executive Directors

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