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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)**

**(Warrant Code: 614)**

**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 9 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 10 to 15 of this circular.

A notice convening the EGM to be held on Thursday, 20 March 2008 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 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.

29 February 2008

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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
“Capital Reorganization”	the share consolidation and capital reduction of the Company effective on 31 December 2007
“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 Thursday, 20 March 2008 at 9:00 a.m., a notice of which is set out on pages 16 to 18 of this circular
“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 New 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 issue mandate granted by Shareholders of the Company at its extraordinary general meeting held on 10 September 2007 to issue or deal with up to a maximum of 303,586,259 new Shares (adjusted by the Capital Reorganization)
“Latest Practicable Date”	27 February 2008, 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)
“New 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
“Placing”	the placement of 303,580,000 new Shares by the placing agent to the placees at HK\$0.17 per Placing Share under the Placing Agreement dated 15 February 2008
“Placing Agreement”	the placing agreement dated 15 February 2008
“Placing Share(s)”	303,580,000 new Shares placed under the Placing
“PRC”	the People’s Republic of China which, for the purpose of this circular, 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
“Warrantholder(s)”	holder(s) of the warrants listed on the Stock Exchange conferring rights on the holders to subscribe for the Shares of the Company at the subscription price of HK\$0.67 per Share
“%”	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)**

**(Warrant Code: 614)**

*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

29 February 2008

*To the Shareholders and the Warrantholders,*

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 15 February 2008 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 extraordinary general meeting of the Company held on 10 September 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Issue Mandate to allot up to a maximum of 303,586,259 Shares (adjusted by the Capital Reorganization). As announced by the Company on 15 February 2008, the Company has entered into the Placing Agreement pursuant to which 303,580,000 Placing Shares were issued and allotted under the Issue Mandate. The Placing Shares were issued and allotted on 21 February 2008, representing approximately 100% of the Issue Mandate. As at the Latest Practicable Date, the number of issued Shares of the Company was 3,339,442,596. The Company intends to apply the net proceeds of approximately HK\$50 million raised by the Placing for general working capital and any future potential investments.

Since the last annual general meeting of the Company held on 30 May 2007, the Company has refreshed the general mandate to issue and allot shares. The following table summarizes the history of the general mandate and the refreshment of general mandate since the Company's last annual general meeting:

Date of grant	Limit of general mandate	Date of announcement	Transaction	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
Annual general meeting held on 30 May 2007	1,946,218,998 Shares	6 June 2007	Placing of 1,946,218,000 new Shares	HK\$239 million	To be used for general working capital and/or possible investment in the future	HK\$39.50 million — general working capital  HK\$136 million — acquisition of 100% interest in Allied Loyal International Investments Limited (details of which were set out in the announcement of the Company dated 28 June 2007)  HK\$63.50 million — investment properties and other investments
Extraordinary general meeting held on 4 July 2007	2,335,462,597 Shares	5 July 2007	Placing of 2,335,000,000 new Shares	HK\$252 million	To be used for general working capital and/or possible investment in the future	HK\$179 million — general working capital  HK\$73 million — other investments in artworks

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## LETTER FROM THE BOARD

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Date of grant	Limit of general mandate	Date of announcement	Transaction	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
Extraordinary general meeting held on 10 September 2007	3,035,862,597 shares (or 303,586,259 Shares adjusted by the Capital Reorganization)	15 February 2008	Placing of 303,580,000 new Shares	HK\$50 million	To be used for general working capital and/or possible investment in the future	HK\$50 million — not yet utilized as at the Latest Practicable Date

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 New 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 New 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. In the event that before the EGM any party is required to abstain from voting in favour thereon, such party will abstain from voting.

Based on the 3,339,442,596 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 New Issue Mandate at the EGM, the Directors will be authorized to allot and issue up to a limit of 667,888,519 Shares under the New Issue Mandate. The Directors consider that the New Issue Mandate will enhance the flexibility for the Company to manage its business and therefore the New Issue Mandate is fair and reasonable and the granting of the New Issue Mandate are in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee, comprising 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 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

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## LETTER FROM THE BOARD

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“refreshed”. 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 151,793,129 Shares (adjusted by the Capital Reorganization), representing 10% of the issued share capital of the Company as at the date of the extraordinary general meeting of the Company held on 10 September 2007 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 10 September 2007 and up to the Latest Practicable Date, the Company has not granted any share options. As at the Latest Practicable Date, there are 151,793,129 share options (adjusted by the Capital Reorganization) 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 3,339,442,596 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 333,944,259 Shares, representing 10% of the total number of Shares in issue as at the date of EGM. The 151,793,129 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 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 schemes 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.

### **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 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 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.

### **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.

### **RECOMMENDATION**

Your attention is drawn to the letter from the Independent Board Committee as set out on page 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 Menlo 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 New Issue Mandate.

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## LETTER FROM THE BOARD

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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.

### 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.

### 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.

Yours faithfully,  
By Order of the Board  
**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)**

**(Warrant Code: 614)**

29 February 2008

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 New 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 10 to 15 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 3 to 8 of the Circular.

Having considered the terms of the New Issue Mandate and the advice of Menlo, we are of the opinion that the terms of the New Issue Mandate are fair and reasonable so far as the Independent Shareholders are concerned and that the grant of the New 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 New Issue Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

**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**  
3rd Floor, AIE Building  
33 Connaught Road Central  
Hong Kong

29 February 2008

*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 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 the refreshment of the Issue Mandate are set out in the Letter from the Board contained in the circular (the "Circular") issued by the Company to the Shareholders dated 29 February 2008 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.

The Board announced on 15 February 2008 to seek the approval of the Shareholders to refresh the Issue 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 investment opportunities arise.

The New Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to the Listing Rules, the New Issue Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM. The Independent Board Committee, comprising 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 New Issue Mandate, we have taken the following principal factors and reasons into consideration:

#### I. Background

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.

At the extraordinary general meeting of the Company held on 10 September 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Issue Mandate to allot up to a maximum of 303,586,259 Shares (adjusted by the Capital Reorganization). As announced by the Company on 15 February 2008, the Company has entered into the Placing Agreement pursuant to which 303,580,000 Placing Shares were issued and allotted under the Issue Mandate. The Placing Shares were issued and allotted on 21 February 2008, representing approximately 100% of the Issue Mandate. As at the Latest Practicable Date, the number of issued Shares of the Company was 3,339,442,596. The Company intends to apply the net proceeds of approximately HK\$50 million raised by the Placing for general working capital and any future potential investments.

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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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Since the last annual general meeting of the Company held on 30 May 2007, the Company has refreshed the general mandate to issue and allot shares. The following table summarizes the history of the general mandate and the refreshment of general mandate since the Company's last annual general meeting:

Date of grant	Limit of general mandate	Date of announcement	Transaction	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
Annual general meeting held on 30 May 2007	1,946,218,998 Shares	6 June 2007	Placing of 1,946,218,000 new Shares	HK\$239 million	To be used for general working capital and/or possible investment in the future	HK\$39.50 million — general working capital  HK\$136 million — acquisition of 100% interest in Allied Loyal International Investments Limited  HK\$63.50 million — investment properties and other investments
Extraordinary general meeting held on 4 July 2007	2,335,462,597 Shares	5 July 2007	Placing of 2,335,000,000 new Shares	HK\$252 million	To be used for general working capital and/or possible investment in the future	HK\$179 million — general working capital  HK\$73 million — other investments in artworks
Extraordinary general meeting held on 10 September 2007	3,035,862,597 shares (or 303,586,259 Shares adjusted by the Capital Reorganization)	15 February 2008	Placing of 303,580,000 new Shares	HK\$50 million	To be used for general working capital and/ or possible investment in the future	HK\$50 million — not yet utilized as at the Latest Practicable Date

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.

### II. Current resources and financial flexibility

As set out above, since the last annual general meeting of the Company held on 30 May 2007, the Company has raised an aggregated amount of approximately HK\$541 million under the general mandate and the refreshment of general mandate among which the utilization is distributed as follows: (i) approximately HK\$ 218.5 million as the general working capital, (ii) approximately HK\$ 272.5 million for investment projects; and (iii) approximately HK\$ 50 million not yet utilized.

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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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Based on the latest unaudited accounts of the Company, we have noted that there was a net profit of approximately HK\$136 million for the six months ended 30 June 2007 compared with a net loss of approximately HK\$42.4 million for the six months ended 30 June 2006. The substantial improvement of the profitability of the Company for the six months ended 30 June 2007 from the same period in 2006 is mainly attributable to the substantial increase of the trading of investments. Accordingly, we are of the view that the sufficiency in financial resources for the potential investments is necessary for the profitability of the Company.

In the event that the Group identifies a suitable investment opportunity but does not have sufficient cash resources on hand, and it cannot find other alternatives to finance the investment projects in a timely manner, the Group may lose its opportunity for a potential favourable investment. We are of the view that the New Issue Mandate will enhance the capability and flexibility for the Company to manage its business.

In view of the above, we consider that the granting of the New 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 for funding such potential investments in the future as and when such opportunities arise. In addition to enhancing the capability and flexibility for the Company to manage its business, the increase in the amount of capital raised under the New Issue Mandate will further improve the overall financial position of the Group. We consider that the potential fund raising under the New Issue Mandate, if any, may provide more options for financing to the Group when assessing potential investments in a timely manner as well as will further improve the overall financial position of the Group. Accordingly, we are of the view that the refreshment of the Issue Mandate is in the 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 may also consider other financing methods, such as debt financing, to fund its future business development. However, we are of the view that it is reasonable for the Directors to consider the exercise of the New Issue Mandate if a debt financing is considered.

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

Based on the 3,339,442,596 Shares in issue as at the Latest Practicable Date, subject to the passing of the relevant ordinary resolutions to approve the New Issue Mandate at the EGM, the Directors will be authorized to allot and issue up to a limit of 667,888,519 Shares under the New Issue Mandate.

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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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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 New Issue Mandate (assuming that the New 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):

	<b>As at the Latest Practicable Date</b>		<b>Shareholding after full utilization of the New Issue Mandate</b>	
	<i>Shares</i>	<i>approximately</i> %	<i>Shares</i>	<i>approximately</i> %
Unity Investments Holdings Limited ( <i>note 1</i> )	170,000,000	5.09%	170,000,000	4.24%
Mr. Chuang Eugene Yue-chien and his associates ( <i>note 2</i> )	267,242,800	8.00%	267,242,800	6.67%
Others	2,598,619,796	77.82%	2,598,619,796	64.85%
The places of the Placing	303,580,000	9.09%	303,580,000	7.57%
The New Issue Mandate	<u>—</u>	<u>—</u>	<u>667,888,519</u>	<u>16.67%</u>
<b>Total</b>	<u><u>3,339,442,596</u></u>	<u><u>100%</u></u>	<u><u>4,007,331,115</u></u>	<u><u>100%</u></u>

*Notes:*

- (1) Unity Investments Holdings Limited (Stock code: 913) is a company listed on the Stock Exchange.
- (2) 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 77.82% as at the Latest Practicable Date to approximately 64.85% upon full utilization of the New Issue Mandate.

Having taken into account that (i) the New Issue Mandate will enhance the financial capability and flexibility for the Group to further develop its business and the potential investments; (ii) the exercise of the New Issue Mandate will raise new equity capital to further improve the overall financial position of the Group, and (iii) the shareholding of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilization of the New Issue Mandate, we consider that the above potential dilution to the shareholding of the Independent Shareholders is fair and reasonable.



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## LETTER OF ADVICE FROM MENLO CAPITAL LIMITED

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### V. Terms of the New 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 New 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 Issue Mandate (subject to the extent that such authority has not been exercised) will be revoked upon approval at the EGM of the New Issue Mandate and the New 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 Hong Kong to be held; or (iii) the revocation or variation of the authority given under the relevant resolution to approve the New Issue Mandate by ordinary resolution of the Shareholders in general meeting of the Company. We are of the view that the terms of the New Issue Mandate are fair and reasonable.

### RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the New 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 resolution to be proposed at the EGM to approve the New Issue Mandate.

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

**(Warrant Code: 614)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Willie International Holdings Limited (the “Company”) will be held on Thursday, 20 March 2008 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, passing 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, 29 February 2008

*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 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 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.