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

If you have sold or transferred all your shares in Willie International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale 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)

PROPOSED CAPITAL REORGANISATION

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held on Thursday, 4 December 2008 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 8 to 9 of this circular. Whether or not shareholders of the Company (“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 share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, 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. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM should Shareholders so wish.

4 November 2008

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EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below:

Latest time for lodging the proxy form for the EGM	9:00 a.m. on Tuesday, 2 December 2008
Time and Date of EGM	9:00 a.m. on Thursday, 4 December 2008
Effective date of the Capital Reorganisation	After 4:30 p.m. on Thursday, 4 December 2008
Dealings in Adjusted Shares commence	Friday, 5 December 2008
Original counter for trading in Shares (in board lots of 10,000 Shares) closes	9:30 a.m. on Friday, 5 December 2008
Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates in green colour) opens	9:30 a.m. on Friday, 5 December 2008
Free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Friday, 5 December 2008
Original counter for trading in Adjusted Shares (in board lots of 10,000 Adjusted Shares) re-opens	9:30 a.m. on Friday, 19 December 2008
Parallel trading in Adjusted Shares (in form of new share certificates in red colour and existing share certificates in green colour) begins	9:30 a.m. on Friday, 19 December 2008
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares	9:30 a.m. on Friday, 19 December 2008
Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates in green colour) closes	4:10 p.m. on Tuesday, 13 January 2009

EXPECTED TIMETABLE

Parallel trading in Adjusted Shares (in form of new share certificates in red colour and existing share certificates in green colour) ends4:10 p.m. on Tuesday, 13 January 2009

Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares4:10 p.m. on Tuesday, 13 January 2009

Free exchange of existing share certificates for new share certificates for the Adjusted Shares endsThursday, 15 January 2009

Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as and when appropriate.

DEFINITIONS

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

“Adjusted Share(s)”	new ordinary shares of HK\$0.10 each in the capital of the Company to be created upon the Capital Reorganisation becoming effective
“Announcement”	the announcement of the Company dated 22 October 2008 in relation to the Capital Reorganisation
“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\$0.09 of each Share in issue from HK\$0.10 to HK\$0.01 and the reduction of the nominal value of all the issued and unissued Shares
“Capital Reorganisation”	the Capital Reduction and the Share Consolidation
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Willie International Holdings Limited 威利國際控股有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Convertible Note(s)”	the zero coupon convertible notes due 2011 in the aggregate principal amount of HK\$86,882,392.88 issued by the Company to Dollar Group Limited that is subject to termination pursuant to the termination deed entered into between the Company and Dollar Group Limited as described in the announcement of the Company dated 17 September 2008 and the circular of the Company dated 30 September 2008
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 4 December 2008 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. for the purpose of approving the Capital Reorganisation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Latest Practicable Date”	30 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reduced Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company immediately after the Capital Reduction but before the Share Consolidation becoming effective
“Settlement Shares”	650,000,000 new Shares of par value of HK\$0.10 each in the Company to be issued to Dollar Group Limited pursuant to the termination deed as described in the Company’s announcement dated 17 September 2008 and the Company’s circular dated 30 September 2008
“Share Consolidation”	the proposed consolidation of every ten 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 Shares(s) or Adjusted Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	the warrants listed on the Stock Exchange conferring rights on the holders to subscribe for the Shares at the subscription price of HK\$1.82 per Share, subject to adjustments

LETTER FROM THE BOARD



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. Wong Ying Seung, Asiong
Mr. Wang Lin

Registered Office

32nd Floor, China United Centre
28 Marble Road
North Point
Hong Kong

Independent Non-executive Directors

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

4 November 2008

To the Shareholders and, for information only, holders of the Warrants

Dear Sir/Madam,

PROPOSED CAPITAL REORGANISATION

INTRODUCTION

It was disclosed in the Announcement that the Directors propose to put forward a proposal to the Shareholders to effect the Capital Reorganisation.

The purpose of this circular is to give you further information on the Capital Reorganisation and to give notice of the EGM to the Shareholders at which resolution will be proposed to consider and, if thought fit, to approve the proposed Capital Reorganisation.

PROPOSED CAPITAL REORGANISATION

The proposed Capital Reorganisation involves:

- (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\$100,000,000 divided into 10,000,000,000 Reduced Shares of HK\$0.01 each and that such reduction be effected by cancelling HK\$0.09 of the paid up capital on each issued Share 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\$0.01 per Reduced Share; and

LETTER FROM THE BOARD

- (b) the Share Consolidation under which every ten Reduced Shares of HK\$0.01 each will be consolidated into one Adjusted Share of HK\$0.10.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares and the issued share capital of the Company was HK\$324,960,981.40 divided into 3,249,609,814 Shares. In order to facilitate the Share Consolidation, the Company will use its best effort to repurchase and cancel 4 Shares prior to the date of the EGM. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

Assuming 4 Shares will be repurchased and cancelled by the Company and no further Shares will be issued between the Latest Practicable Date and the EGM, immediately upon the Capital Reorganisation becoming effective, based on 3,249,609,810 Shares then in issue, the authorised capital of the Company will be reduced from HK\$1,000,000,000 to HK\$100,000,000 divided into 1,000,000,000 Adjusted Shares of HK\$0.10 each and the issued share capital of the Company will be reduced from HK\$324,960,981 to HK\$32,496,098.10 divided into 324,960,981 Adjusted Shares, giving rise to a total credit of approximately HK\$292,464,883 which will, in its entirety, be credited to the share premium account of the Company.

Assuming 4 Shares will be repurchased and cancelled by the Company and the Settlement Shares will be issued and allotted between the Latest Practicable Date and the EGM, based on 3,899,609,810 Shares then in issue as enlarged by the issue and allotment of the Settlement Shares, the issued share capital of the Company will be reduced from HK\$389,960,981 to approximately HK\$38,996,098.10 divided into 389,960,981 Adjusted Shares, giving rise to a total credit of approximately HK\$350,964,883 which will, in its entirety, be credited to the share premium account of the Company.

As at the Latest Practicable Date, (i) there were outstanding Warrants entitling the holders thereof to subscribe up to an aggregate of 60,000,000 Shares; and (ii) there were outstanding Convertible Notes (subject to termination) in the aggregate principal amount of HK\$86,882,392.88 carrying the rights to convert into 291,551,654 Shares at the conversion price of HK\$0.298, subject to adjustments. Save as disclosed above, 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

LETTER FROM THE BOARD

- (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 or around 4 December 2008.

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 sold for the benefit of the Company.

The Capital Reorganisation is expected to give rise to adjustments to the subscription price of the Warrants and the conversion price of the Convertible Notes. The Company will inform holder(s) of such instruments the details of the adjustments, if any, according to the terms of the instruments.

Trading Arrangement

The Shares are currently traded in board lots of 10,000 Shares each and as disclosed in the Announcement, the market value per board lot of the Shares was HK\$700 based on the closing price of HK\$0.070 per Share as quoted on the Stock Exchange on the date of the Announcement. As at the Latest Practicable Date, the market value per board lot of the Shares was HK\$420 based on the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Latest Practicable Date. Upon the Capital Reorganisation becoming effective, the Adjusted Shares will be traded in board lots of 10,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$7,000, based on the closing price of HK\$0.070 per Share as quoted on the Stock Exchange on the date of the Announcement or HK\$4,200, based on the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period from 5 December 2008 to 15 January 2009 (both dates inclusive), submit certificates for the Shares to the Company's share registrar, Computershare Hong Kong Investor Services Limited at

LETTER FROM THE BOARD

Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has appointed Chung Nam Securities Limited to stand in the market to provide matching services for odd lots of Adjusted Shares on a best effort basis during the period from 19 December 2008 to 13 January 2009 (both dates inclusive). Holders of odd lots of the Adjusted Shares who wish to take advantage of this facility either to dispose of their odd lots of the Adjusted Shares or to top up to board lot of 10,000 Adjusted Shares may contact Mr. Cecil Chan of Chung Nam Securities Limited at telephone number (852) 3198 0838 during this period. Shareholders should note that the above matching service is on a best effort basis only and successful matching of the sale and purchase of odd lots of Adjusted Shares is not guaranteed. Shareholders who are in any doubt about such matching service are recommended to consult their own professional advisers.

Reasons

As disclosed in the Announcement, based on the closing price of HK\$0.070 per Share as quoted on the Stock Exchange on the date of the Announcement, the value per board lot of 10,000 Shares and 10,000 Adjusted Shares would be HK\$700 and HK\$7,000 respectively. After the Share Consolidation, the transaction costs per dollar value of each Adjusted Share will be significantly lower. The Directors therefore consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Since 8 October 2008, Shares have been trading at prices below their nominal value of HK\$0.10 each. As mentioned above, the closing prices of the Share on the Stock Exchange on the date of the Announcement and the Latest Practicable Date were HK\$0.070 and HK\$0.042 per Share respectively. Under the Companies Ordinance, it is not permissible for a company to issue shares at a discount to the nominal value of its share unless, amongst other things, it is authorized by the Shareholders and sanctioned by the court. This would involve considerable expense and time to go through the procedures for each capital raising exercise. With a view to facilitating any capital raising exercise when circumstances arise in the future, the Board proposes the Capital Reorganisation, which has the effect of consolidating ten Shares of HK\$0.10 each to one Adjusted Share of HK\$0.10 by way of the Capital Reorganisation. Therefore, the Directors consider that the Capital Reorganisation to be in the interests of the Company and the Shareholders.

GENERAL

The Group is principally engaged in the business of property investment, investment in securities trading, money lending and the acquiring, exploring and developing of natural resources.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Article 81 of the Company's articles of association provides that 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; or
- (ii) by at least three members present in person or by proxy and entitled to vote at the meeting; or
- (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.

EGM

The notice of the EGM is set out on page 8 to page 9 of this circular. A form of proxy for use at the EGM is enclosed. At the EGM, resolution will be proposed for Shareholders to consider and, if thought fit, to approve the Capital Reorganisation. No Shareholder is required to abstain from voting at the EGM.

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 share registrar of the Company, Computershare Hong Kong Investors Services Limited at Rooms 1712-1716, 17th Floor, 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. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM should Shareholders so wish.

RECOMMENDATION

The Directors believe that the proposal for the Capital Reorganisation is in the interests of the Company and Shareholders as a whole and recommend Shareholders to vote in favour of the resolution proposed at the EGM to approve the Capital Reorganisation.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. on Thursday, 4 December 2008 for the purpose of considering and, if thought fit, passing with or without amendments the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

“**THAT** conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant the listing of, and permission to deal in, the Adjusted Shares (as defined below) and (ii) the Capital Reduction (as defined below) becoming effective on the registration by the Registrar of Companies in Hong Kong of a copy of resolution passed by the holders of the shares of the Company, a copy of a minute containing the particulars required under section 61A of the Companies Ordinance (Laws of Hong Kong, Cap 32) (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:

- (i) the authorised capital of the Company be reduced from HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each and that such reduction be effected by cancelling capital paid up or credited as paid up to the extent of HK\$0.09 per share upon each of the shares in issue and by reducing the nominal value of all the issued and unissued shares in the capital of the Company from HK\$0.10 to HK\$0.01 per share (the “Capital Reduction”);
- (ii) subject to and forthwith upon the Capital Reduction taking effect, every ten shares of such 10,000,000,000 shares of HK\$0.01 each be consolidated into one share of HK\$0.10 each (the “Adjusted Share”) in the capital of the Company (the “Share Consolidation”);
- (iii) subject to the Capital Reduction taking effect, the credit arising from the Capital Reduction be credited to the share premium account of the Company;
- (iv) all of the Adjusted Shares resulting from the Capital Reduction and the Share Consolidation shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, Share Consolidation and application of credit arising from the Capital Reduction.”

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

4 November 2008

Registered Office:
32nd Floor, China United Centre
28 Marble Road
North Point
Hong Kong

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 1712-1716, 17th Floor, 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.

As at the date of this notice, the Board comprises four executive Directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and four independent non-executive Directors, namely, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.