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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt as to** any aspect of 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 (the “Company”), you should at once hand this circular and the accompanying 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 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)**

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

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A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at 9:00 a.m. on Wednesday, 16 March 2011 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong is set out on pages 9 to 11 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, **Computershare Hong Kong Investor Services Limited, at 17M 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 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 adjournment thereof should you so wish.

14 February 2011

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## EXPECTED TIMETABLE

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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 share certificate in green colour and existing share 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) closes	4:00 p.m. on Thursday, 21 April
Parallel trading in Adjusted Shares (in form of new share certificate in green colour and existing share certificate in red colour) ends	4:00 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 Shares	4:00 p.m. on Thursday, 21 April
Free exchange of existing share certificates for new share certificates in green colour ends	4:00 p.m. on Wednesday, 27 April

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## DEFINITIONS

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*In this circular, 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
“Announcement”	the announcement of the Company dated 1 February 2011 in relation to the Capital Reorganisation and the Change in Board Lot Size
“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
“CCASS”	The Central Clearing and Settlement System, established and operated by HKSCC
“Change in Board Lot Size”	the change in the board lot size for the trading in shares of the Company from 10,000 Shares to 4,000 Adjusted Shares upon the Capital Reorganisation becoming effective
“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 held at 9:00 a.m. on Wednesday, 16 March 2011 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong or any adjournment thereof for the purpose of approving the Capital Reorganisation, the notice of which is set out on pages 9 to 11 of this circular,
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Latest Practicable Date”	11 February 2011, 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\$0.002 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

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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:*

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

*Registered Office:*

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

*Independent Non-Executive Directors:*

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

14 February 2011

*To the Shareholders*

Dear Sir or Madam,

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

#### **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 a special resolution will be proposed to consider and, if thought fit, to approve the proposed Capital Reorganisation.

#### **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 share 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

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## LETTER FROM THE BOARD

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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 Latest Practicable Date, 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 Latest Practicable Date and the EGM, immediately after completion of the Capital Reorganisation, the authorized share 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 Latest Practicable Date, 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.

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## LETTER FROM THE BOARD

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Application has been 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.

No part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges.

### **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 Company has submitted application to the Stock Exchange 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.

Subject to the granting of listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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\$1,590, based on the closing price of HK\$0.159 per Share as quoted on the Stock Exchange as at the Latest Practicable Date. 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\$3,180, based on the closing price of HK\$0.159 per Share as quoted on the Stock Exchange as at the Latest Practicable Date. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders.



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## LETTER FROM THE BOARD

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### 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 in the future by means of the issue of new shares of the Company, although as at the Latest Practicable Date, the Company did not have any plan for or was not in any negotiation of any fund raising activities. The Share Consolidation will reduce the total number of Shares currently in issue and will reduce any trading costs or handling charges which are calculated on per board lot basis. The Change in Board Lot Size will tune down the market value of a board lot of Adjusted Shares to improve the liquidity in the trading of the Adjusted Shares, thereby enabling the Company to attract more investors and broaden its Shareholder base after taking account of the expected minimum board lot value under the guides of the Stock Exchange in determining the new board lot size for consolidated shares following a capital reorganisation exercise. The main purpose for implementing the Capital Reorganisation is to reduce the overall transaction costs for dealings in the Adjusted Shares as a result of the higher market value per board lot of Adjusted Shares when compared to that of existing board lot of Shares.

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, 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. Old certificates for the Shares will continue to be good evidence of legal title and may be exchanged for new certificates for Adjusted Shares at any time at the expense of the Shareholders; however, old certificates for the Shares will cease to be marketable and will not be accepted for dealing purpose.

### 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 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 31 March 2011 to 21 April 2011 (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

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## LETTER FROM THE BOARD

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lot of 4,000 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.

### 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.

### EGM

The notice of the EGM is set out on pages 9 to 11 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. The vote of the Shareholders at the EGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy to Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and 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 adjournment thereof should you 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.

Yours faithfully  
By order of the Board  
**WILLIE INTERNATIONAL HOLDINGS LIMITED**  
**Dr. Chuang Yueheng, Henry**  
*Chairman*

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## NOTICE OF 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 at 9:00 a.m. on Wednesday, 16 March 2011 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong 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 of the Company:

### **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 share 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\$20,000,000 divided into 10,000,000,000 shares of HK\$0.002 each and that such reduction be effected by cancelling share capital paid up or credited as paid up to the extent of HK\$0.098 per share upon each of the shares in issue and by reducing the nominal value of all the issued and unissued shares in the share capital of the Company from HK\$0.10 to HK\$0.002 per share (the “Capital Reduction”);
- (ii) subject to and forthwith upon the Capital Reduction taking effect, every 5 shares of such 10,000,000,000 shares of HK\$0.002 each be consolidated into one share of HK\$0.01 (the “Adjusted Share”) in the share 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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (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, the Share Consolidation and the application of credit arising from the Capital Reduction.”

By order of the Board  
**WILLIE INTERNATIONAL HOLDINGS LIMITED**  
**Dr. Chuang Yueheng, Henry**  
*Chairman*

14 February 2011

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 authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (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, **Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong** not less than 48 hours before the time for holding the meeting or any adjourned 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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*As at the date of this notice, 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