
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

**DISCLOSEABLE TRANSACTION —
ACQUISITION OF 100% INTEREST IN A COMPANY HOLDING A PROPERTY;
PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held on Thursday, 12 July 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 11 to 12 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.

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Purchaser from the Vendor
“Apex Novel”	Apex Novel Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“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
“Completion”	the completion of the S&P Agreement
“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, 12 July 2007 at 9:00 a.m., a notice of which is set out on pages 11 to 12 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
“Latest Practicable Date”	21 June 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Unit 1, Sunshine Villa, No. 48 Mount Kellett Road, The Peak, Hong Kong
“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Cordoba Homes Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company

DEFINITIONS

“S&P Agreement”	the agreement for sale and purchase dated 15 June 2007 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Share”	1 share of USD1.00 each in the capital of Apex Novel, representing the entire issue share capital of Apex Novel
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholder’s Loan”	the loan due from Apex Novel to the Vendor as at Completion, which shall not be less than HK\$26,064,283 (outstanding amount as at 31 May 2007)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hero City Trading Limited, a company incorporated in the British Virgin Islands with limited liability
“USD”	United States dollars, the lawful currency of the United States of America



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

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

25 June 2007

To the Shareholders,

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION —
ACQUISITION OF 100% INTEREST IN A COMPANY HOLDING A PROPERTY;
PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL;
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The Board announced that the Purchaser entered into S&P Agreement with the Vendor on 15 June 2007, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell the entire issued share capital of Apex Novel at a consideration of HK\$88,000,000. The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

Also the Board would convene the EGM to seek the approval of the Shareholders to the proposed increase in authorized share capital of the Company.

The main purpose of this circular is to provide you with further particulars of the Acquisition, the proposed increase in authorized share capital and the notice of the EGM.

LETTER FROM THE BOARD

S&P AGREEMENT

Date : 15 June 2007

Parties : (1) Cordoba Homes Limited (歌德豪宅有限公司) a direct wholly-owned subsidiary of the Company, being the Purchaser; and
(2) Hero City Trading Limited, being the Vendor

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are not connected with any of the Directors, chief executive or substantial Shareholder(s) of the Company or its subsidiaries or their respective associate(s)

Interest to be acquired:

(1) Sale Share : 1 share of USD1.00 each in the capital of Apex Novel, representing 100% of the issued share capital of Apex Novel
(2) Shareholder's Loan : The loan due from Apex Novel to the Vendor as at Completion, which shall not be less than HK\$26,064,283

Consideration:

The consideration payable by the Purchaser to the Vendor for the Acquisition is HK\$88,000,000 in cash. The consideration shall be paid in cash by the Purchaser to the Vendor on Completion which will be financed by internal resources of the Group and/or bank financing.

The consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor taking into account a valuation report of an independent valuer in respect of the value of the Property at HK\$88,000,000 as at 31 May 2007 on the assumption that vacant possession of the Property will be available in the event of sale (according to the Vendor, the Property was vacant at the present) and having regard to market comparables wherever possible. The Directors consider the terms of the Acquisition to be fair and reasonable.

Conditions:

Completion is conditional upon, among other things:

(a) the Purchaser having completed its due diligence on the Apex Novel (including the Property), the results of which are, in the absolute opinion of the Purchaser, satisfactory and acceptable to the Purchaser in all respects;

LETTER FROM THE BOARD

- (b) the Vendor having settled the mortgage of the Property (the mortgage amount of approximately HK\$46,928,813 as at 31 May 2007); and
- (c) all the representations, warranties and undertakings and indemnities made or given by the Vendor to the Purchaser under the S&P Agreement remaining true and accurate as at Completion.

The Purchaser shall be entitled to waive any of the conditions set out above. If any of the conditions shall not have been satisfied (or as the case may be, waived by the Purchaser) on or before 31 July 2007 (or such other date as may be agreed by the Vendor and the Purchaser), the S&P Agreement shall automatically terminate and none of the parties to the S&P Agreement shall have any claim whatsoever against the other party (save for any antecedent breaches of the terms thereof).

Completion:

Subject to the fulfillment or waiver of the conditions set out above, Completion will take place on or before 31 July 2007 (or such other date as may be agreed by the Vendor and the Purchaser).

INFORMATION ON APEX NOVEL

According to the information provided by the Vendor, Apex Novel is a limited liability company incorporated under the laws of the British Virgin Islands on 6 October 2004. The Apex Novel is principally engaged in holding of investment property and the principal asset of the Apex Novel comprises the Property situated at Unit 1, Sunshine Villa, No. 48 Mount Kellett Road, The Peak, Hong Kong. According to the valuation report mentioned above, the Property comprises a 2-storey garden town house in a luxury residential development known as Sunshine Villa on the Peak Area on Hong Kong Island. The gross floor area of the Property is approximately 3,500 square feet. The Property was a quarter for the Vendor's director in the past and is currently vacant pending sale. The net book value of the Property as at 31 May 2007 was HK\$88,000,000.

Since the Property was a quarter for the Vendor's director, there was no profit attributable to the Property for the period from 6 October 2004 to 31 December 2005 ("Year 2005") and the year ended 31 December 2006 ("Year 2006"). Based on the audited accounts of Apex Novel, the audited net assets of Apex Novel for Year 2005 and Year 2006 was HK\$22,867,608 and HK\$15,164,386 respectively. The audited net loss of Apex Novel for Year 2005 and Year 2006 was HK\$3,132,400 and HK\$7,703,222 respectively. In addition, based on the unaudited accounts of Apex Novel, the unaudited net assets of Apex Novel as at 31 May 2007 ("Accounts Date") amounted to approximately HK\$15,142,996 and the unaudited net profit of Apex Novel for the period from 1 January 2007 and ended on the Accounts Date amounted to approximately HK\$1,783,518 including approximately HK\$2,383,253 from increase in fair value of the Property. For the said periods, the earnings of Apex Novel were nil.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION

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.

With reference to the announcement dated 12 April 2007, the Company has incorporated a wholly-owned subsidiary in the British Virgin Islands, “**Cordoba Homes Limited**” (歌德豪宅有限公司), the Purchaser which is the holding company for the property investment. The Board is considering the Acquisition for either holding for trading or rental income. The Acquisition allows the Group to enlarge its properties portfolio with high quality assets.

The Board would like to seize this opportunity by building up its property portfolio and prepare to lease out of the properties so as to provide a stable source of rental income to the Group. The Board considers that the terms of the S&P Agreement are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, Apex Novel will become a wholly-owned subsidiary of the Company and the accounts of the Apex Novel will be consolidated into the accounts of the Group. As the Property is currently vacant and does not generate any income. The unaudited net assets of the Apex Novel as at the Accounts Date amounted to approximately HK\$15,142,996, representing approximately 4.59% of the audited consolidated net assets of the Group as at the 31 December 2006. Therefore, the Directors consider that the Acquisition would not have a material impact on the earnings and assets and liabilities of the Group. However, based on the luxury properties market, the Directors expect that the Acquisition will have a positive impact on the overall earnings of the Group in the medium to long run. Also the Directors believe that the Acquisition can enhance the property portfolio of the Group and is in the interests of the Company and its Shareholders as a whole.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

As at the Latest Practicable Date, the existing authorized share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Shares of which 11,677,312,988 Shares are in issue. In order to accommodate further expansion and growth of the Group, the Board proposes to increase the authorized share capital of the Company from HK\$2,000,000,000 divided into 20,000,000,000 Shares to HK\$5,000,000,000 divided into 50,000,000,000 Shares by the creation of an additional 30,000,000,000 new Shares of HK\$0.10 each.

The proposed increase in authorized share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

LETTER FROM THE BOARD

Effect of the proposed increase in authorized share capital of the Company

The following table shows the authorized share capital of the Company as at the Latest Practicable Date and immediately after the proposed increase in the authorized share capital of the Company.

	As at the Latest Practicable Date		Immediately after the proposed increase in authorized share capital of the Company	
	<i>Number of existing Shares</i>	<i>HK\$</i>	<i>Number of existing Shares</i>	<i>HK\$</i>
Authorized	20,000,000,000	2,000,000,000.00	50,000,000,000	5,000,000,000.00
Total issued	11,677,312,988	1,167,731,298.80	11,677,312,988	1,167,731,298.80
Total un-issued	8,322,687,012	832,268,701.20	38,322,687,012	3,832,268,701.20

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.

EGM

The notice of the EGM is set on pages 11 to 12 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 an 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 THE 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;

LETTER FROM THE BOARD

- (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

The Board considers that the proposed increase in authorized share capital of the Company is the interest of the Company and the Shareholders as a whole, and accordingly, recommends all Shareholders to vote in favour of the resolution set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

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

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.

DISCLOSURE OF INTERESTS**(a) Interests of Directors**

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer.

(b) Interests of Shareholders

As at the Latest Practicable Date, according to the register of interests maintained by the Company pursuant to section 336 of the SFO and to the best knowledge of the Directors or chief executive of the Company, none of parties (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more or the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there is no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

CORPORATE INFORMATION

- (a) The company secretary of the Company is Ms. Lee Pui Shan who is an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. She is also a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The qualified accountant of the Company is Ms. Lee Kwan Ching who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (c) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, of Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The English text of the Prospectus Documents shall prevail over the Chinese text in the case of any inconsistency.



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 on Thursday, 12 July 2007 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, pass the following resolution:

ORDINARY RESOLUTION

“**THAT** the authorized share capital of the Company be increased from HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.10 each to HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each by creation of 30,000,000,000 new shares of HK\$0.10 each.”

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

Hong Kong, 25 June 2007

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.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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.