
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, you should at once hand this circular 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

**MAJOR TRANSACTION —
DISPOSAL OF CONVERTIBLE NOTE**

A notice convening the EGM (as defined herein) to be held on Thursday, 8th June, 2006 at 9:00 a.m. at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong is set out on pages 19 to 20 of this circular. If you are not 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 registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, 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 you from attending and voting in person at the EGM or any adjournment of it should Shareholders so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	10
APPENDIX II — GENERAL INFORMATION	11
NOTICE OF EXTRAORDINARY GENERAL MEETING	19

DEFINITIONS

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

“Agreement”	the conditional agreement dated 21st April, 2006 and a supplemental agreement dated 2nd May, 2006 entered into between Yearwise and Equity Spin relating to the Transaction;
“Associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;
“Completion”	completion of the Transaction under the Agreement;
“Connected Person(s)”	the meaning ascribed thereto in the Listing Rules;
“Conversion”	the proposed exercise of conversion rights under the Convertible Note by Equity Spin to convert into shares in HMIL;
“Conversion Price”	the conversion price of the Convertible Note of HK\$0.15 per HMIL Share;
“Convertible Note”	a 8% convertible note issued by HMIL in the outstanding principal amount of HK\$131 million due on 20th September, 2015, which is the subject of the sale under the Agreement;
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 8th June 2006 at 9:00 a.m. at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong to approve matters related to the Transaction;
“Equity Spin”	Equity Spin Investments Limited, a wholly-owned subsidiary of Inner Mongolia;
“Group”	the Company and its subsidiaries;
“HMIL”	Hennabun Management International Limited, a company incorporated in the British Virgin Islands;
“HMIL Shares”	shares of par value of US\$0.01 each in HMIL;
“Inner Mongolia”	Inner Mongolia Development (Holdings) Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange of Hong Kong;
“Latest Practicable Date”	18th May, 2006;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the proposed sale of the Convertible Note pursuant to the Agreement; and
“Yearwise”	Yearwise Finance Limited, a wholly-owned subsidiary of the Company.



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

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

Independent Non-executive Directors

Mr. Lam Ping Cheung
Mr. Miu Frank H.
Mr. Nakajima Toshiharu
Ms. Lin Wai Yi
Mr. Liu Jian

23rd May, 2006

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION — DISPOSAL OF CONVERTIBLE NOTE

INTRODUCTION

On 21st April, 2006, Equity Spin and Yearwise entered into the Agreement whereby Equity Spin agreed to purchase and Yearwise agreed to sell its rights, title and interests in the Convertible Note.

The Transaction contemplated under the Agreement constitutes a major transaction of the Company under the Listing Rules and is subject to the approval of Shareholders at the EGM. This circular sets out the details of the Transaction required pursuant to Chapter 14 of the Listing Rules.

Terms of the Agreement

Date: 21st April, 2006

Parties: (i) Vendor: Yearwise
(ii) Purchaser: Equity Spin

LETTER FROM THE BOARD

- (iii) Guarantor of Vendor: the Company.
- (iv) Guarantor of Purchaser: Inner Mongolia. To the best of the directors' knowledge, information and belief having made all reasonable enquiries, Inner Mongolia and the ultimate beneficial owners of Inner Mongolia are third parties independent of the Company.

Terms: Subject to satisfaction of the Conditions described below:-

- (i) Yearwise agreed to sell to Equity Spin all Yearwise's rights, title and interests in the Convertible Note for a consideration of HK\$100,000,000; and
- (ii) the consideration shall be satisfied wholly by cash in the following manner:
 - (a) a refundable deposit of HK\$25,000,000, representing 25% of the total consideration has been paid by Equity Spin upon execution of the Agreement; and
 - (b) the balance of HK\$75,000,000 shall be paid by cash upon Completion.

The Consideration payable by Equity Spin was fixed after arm's length negotiation by Yearwise and Equity Spin having taken into account of the development of HMIL and the consolidated net asset value of HMIL after Completion.

Conditions: Completion of the Agreement is conditional upon the following conditions (the "Conditions"):-

- (i) Inner Mongolia, the ultimate holding company of Equity Spin having obtained the approval of its shareholders (as required by the Listing Rules) for the purchase of the Convertible Note as contemplated under the Agreement and the subsequent exercise of conversion rights under the Convertible Note in full by Equity Spin to convert into shares of HMIL;
- (ii) the Company, the ultimate holding company of Yearwise having obtained the approval of its shareholders (as required by the Listing Rules) for the sale of the Convertible Note as contemplated under the Agreement;
- (iii) Equity Spin having completed and being satisfied with the results of the legal and financial due diligence on HMIL and its subsidiaries and as to status of compliance by HMIL with the terms of the Convertible Note; and

LETTER FROM THE BOARD

(iv) all necessary approvals being obtained from the Securities and Futures Commission, the Stock Exchange, the Hong Kong Futures Exchange Limited and any other relevant authorities to the extent required under the relevant laws and regulations for the change in shareholding structure of Radland International Limited, CU Corporate Finance Limited, Chung Nam Commodities Limited and Chung Nam Securities Limited as a result of the purchase and conversion of the Convertible Note by Equity Spin.

If the conditions are not satisfied or waived (in the case of (iii) and (iv) above) on or before 5:00 p.m. on 17 July, 2006 (or such later date as Equity Spin and Yearwise may agree) then the deposit shall be refunded without interest to Equity Spin and the Agreement shall terminate and the parties shall have no further claims against each other save for claims in respect of antecedent breaches.

Radland International Limited, CU Corporate Finance Limited, Chung Nam Commodities Limited and Chung Nam Securities Limited are all indirect wholly-owned subsidiaries of HMIL.

Completion: Completion shall take place on the third business day after the satisfaction or waiver of the Conditions (in the case of (iii) and (iv) above), or such other date as the parties may agree. If Completion does not take place in accordance with the Agreement, the deposit shall be refunded without interest to Equity Spin.

Terms of the Convertible Note

The terms of the Convertible Note are set out as follows:-

Issuer

HMIL, currently held approximately 35.55% by the Company as at the Latest Practicable Date.

Outstanding Principal amount of the Convertible Note

HK\$131 million

Issue Date

21st September, 2005

Maturity

The Convertible Note will mature on the day immediately preceding the tenth anniversary from the date of issue. On maturity, to the extent that the Convertible Note is not redeemed or converted, HMIL will repay the Convertible Note.

LETTER FROM THE BOARD

Interest

The Convertible Note bears interest at 8% per annum, payable monthly.

Conversion

The outstanding principal amount of the Convertible Note may be converted into HMIL Shares by the holder of the Convertible Note in amounts or integral multiples of HK\$500,000 at any time from the date of issue up to seven days before (and excluding) the maturity date of the Convertible Note. There is no automatic conversion on maturity of the Convertible Note.

Conversion Price

The initial conversion price of the Convertible Note was HK\$0.25 per HMIL Share. In January 2006, the Conversion Price was adjusted to HK\$0.15 per HMIL Share as a result of an issue of HMIL Shares to third parties.

Early Redemption

The Convertible Note is redeemable at 100% of its outstanding principal amount together with accrued interest at any time from the date of issue up to seven days before (and excluding) the maturity date of the Convertible Note at the option of HMIL. To the extent that the Convertible Note is not redeemed or converted on maturity, HMIL will repay the Convertible Note.

Shares to be issued upon conversion

The HMIL Shares to be issued upon conversion of the Convertible Note will when issued rank equally in all respects among themselves and with the HMIL Shares in issue on the relevant date of conversion.

If the Convertible Note is converted in full at the Conversion Price of HK\$0.15 per HMIL Share, a total of 873,333,333 HMIL Shares will be issued. These HMIL Shares represent approximately 100.27% of the existing issued share capital of HMIL, and approximately 50.07% of the issued share capital of HMIL as enlarged by the new HMIL Shares to be issued upon conversion of the Convertible Note (assuming no further shares are issued by HMIL from the date of this circular till the date of conversion).

HMIL is indirectly held as to approximately 35.55% by the Company and approximately 1.15% by Inner Mongolia as at the Latest Practicable Date. The balance of the shareholdings in HMIL are indirectly held by eight other companies, the shares of each of which are listed on the main board of the Stock Exchange, one independent financial institution and two independent third parties.

Voting rights of holders of the Convertible Note

The holder of the Convertible Note does not have any right to attend or vote at any meetings of HMIL by virtue of it being the holder of the Convertible Note.

LETTER FROM THE BOARD

Transferability

The Convertible Note is transferable in authorised denominations of HK\$500,000.

CONVERSION OF CONVERTIBLE NOTE

The Company understands that Equity Spin will exercise its conversion rights in full under the Convertible Note to convert into shares in HMIL as soon as practicable after Completion subject to all necessary approvals from the regulatory authorities being obtained, to the extent required.

GENERAL INFORMATION

HMIL through its subsidiaries is engaged in investment holding, provision of financial services including brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment.

The shares of HMIL are not listed on any stock exchange.

The audited consolidated net losses of HMIL for the two financial years ended 31st December, 2004 and 31st December, 2005 were approximately HK\$421.2 million and HK\$222.6 million respectively. The net asset value of HMIL based on the unaudited management account for the period ended 28th February, 2006 was approximately HK\$108.6 million. The audited net asset value of HMIL as at 31st December, 2005 was approximately HK\$62.7 million.

The Company, through various subsidiaries, is engaged in the businesses of property investments, investment in trading securities, provision of brokerage and financial services and investments in coke and related gas chemical business. Yearwise is a wholly-owned subsidiary of the Company and an investment holding company.

Inner Mongolia, through various subsidiaries, is engaged in trading of goods, provision of finance, trading of securities, property holding and investment activities. Equity Spin is a wholly-owned subsidiary of Inner Mongolia and an investment holding company.

The consideration of HK\$100 million for the disposal of the HK\$131 million Convertible Note was arrived at after arms length negotiation between Yearwise and Equity Spin and represents an effective conversion price of HK\$0.1145 per HMIL Share which represents (i) 13.37% premium to the audited net asset value per HMIL Share of HK\$0.101 as at 31st December, 2005; (ii) 8.4% discount to the unaudited net asset value per HMIL Share of HK\$0.125 as at 28th February, 2006; and (iii) 16.42% discount to the pro-forma net asset value per HMIL Share of HK\$0.137 after Equity Spin fully converts the Convertible Note.

There will be a deemed gain on the dilution of the Company's interest in HMIL from 35.55% to 17.75% by approximately HK\$3.9 million, calculated based on the net asset value of HMIL per its

LETTER FROM THE BOARD

unaudited management accounts as at 28th February, 2006 and adjusted for the effect of the conversion of the Convertible Note. On the other hand, the disposal of the Convertible Note will result in a loss of HK\$31 million. As a result, the net effect of the disposal of the Convertible Note is a net loss of HK\$27.1 million.

After completion of the Agreement, there will be a decrease in amount due from an associate of HK\$131 million and an increase in cash of HK\$100 million (before expenses) of which HK\$25 million has been received from Equity Spin by way of a refundable deposit under the Agreement. The deficit of the consideration over the net book value of the Convertible Note is approximately HK\$31 million. Completion of the Agreement should have no material impact on the liabilities of the Group.

REASONS OF AND BENEFITS FOR THE TRANSACTION

The Convertible Note was issued to the Company on 21st September, 2005 as referred in the Company's announcement dated 3rd August, 2005 and circular dated 24th August, 2005. The principal amount of the Convertible Note was initially HK\$146 million. As at the Latest Practicable Date, the outstanding principal amount is HK\$131 million.

The Board considers notwithstanding that the disposal of the Convertible Note results in a loss of HK\$31 million due to the deficit of the consideration over the net book value of the Convertible Note, it nonetheless increases the Group's cash position by approximately HK\$99.5 million (net of expenses) for working capital and other investment opportunities. Moreover, the Company's interest in HMIL will be diluted from 35.55% to 17.75% after the conversion of the Convertible Note and will record an unaudited deemed disposal gain in the approximate amount of HK\$3.9 million. Hence, the Board is of the view that the terms of the disposal of the Convertible Note are in the interest of the Company and its shareholders.

The Board has undertaken a review and evaluation on the existing investments of the Group as well as available investment opportunities. The disposal of the Convertible Note is one of the measures to adjust the size of the Company's investment in HMIL which will enable the Company to apply the sale proceeds for working capital and other investment opportunities. The Board is of the view that readily available cash of approximately HK\$99.5 million (net of expenses) to be used for other investment opportunities is likely to be more beneficial to the Company and its shareholders than to wait for the repayment of the Convertible Note in 2015.

LISTING RULES IMPLICATION

The Transaction contemplated under the Agreement constitutes a major transaction of the Company under the Listing Rules and is therefore subject to the approval of Shareholders at the EGM.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 81 of the Articles sets out the following procedure by which Shareholders may demand a poll.

LETTER FROM THE BOARD

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

The Board (including the independent non-executive directors) is of the opinion that the terms of the Agreement are fair, reasonable and in the best interests of the Company and the Shareholders as a whole, and recommends you to vote in favour of the resolution to be proposed at the EGM to approve the Transaction.

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 registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, 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.

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

By order of the Board
Willie International Holdings Limited
King Phillip
Managing Director

1. STATEMENT OF INDEBTEDNESS

At the close of business on 31st March, 2006, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this circular, the total indebtedness of the Group amounted to approximately HK\$41.9 million. The Group had outstanding bank borrowings of approximately HK\$16.9 million, secured by certain land and buildings and investment properties of the Group and corporate guarantee provided by the Company.

The Group has pledged all its listed investments to secure margin financing facilities obtained from regulated securities dealers.

The Company also had given corporate guarantee to the extent of HK\$30 million for banking facilities granted to an associate.

Save as aforesaid and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31st March, 2006 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material liabilities.

2. FINANCIAL AND TRADING PROSPECTS

During the year ended 31st December, 2005, turnover of the Group amounted to HK\$124.5 million, loss attributable to equity holders was HK\$131.7 million and loss per share was HK\$0.064. As at 31st December, 2005, the Group's total equity amounted to HK\$311.6 million and net current assets of HK\$47.6 million including cash and cash equivalents of HK\$11.4 million.

The Group is principally engaged in investment holding. Upon completion of the disposal of the Convertible Note, the Group through various subsidiaries will engage in the (i) property investments; (ii) investment in trading securities; (iii) provision of brokerage and financial services; and (iv) investments in coke and related gas chemical business.

The Board will continue to review and evaluate the performance of the existing investments as well as other available investment opportunities. The Board may take necessary measures to adjust the size of each investment so as to enable each investment to have contribution to the Group within the expected time schedule. The Board will further recruit relevant experienced professionals to participate in the management team and to monitor the relevant business progress and development.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available financial resources, the borrowings and the cash consideration to be received from the Transaction, the Group has sufficient working capital for its present requirements in the absence of unforeseen circumstances.

1. 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 not contained herein the omission of which would make any statement contained in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO were as follows:

Long positions in Shares

Name	Capacity	Total number of Shares	Approximate % shareholding
Wong Ying Seung, Asiong	Personal	78,948,000	2.31

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO.

(b) Interests of Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group.

Name	Number of Shares	% shareholding
Heritage International Holdings Limited	626,560,000	18.31%
Radford Capital Investment Limited <i>Note 1</i>	182,959,363	5.35%
Wang Sing	250,000,000	7.31%

Note 1: Mr. Nakajima Toshiharu, an independent non-executive director of the Company, is also an executive director of Radford Capital Investment Limited.

Save as disclosed above, the Directors and the chief executives of the Company are not aware that there is any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company 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 is, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any other member of the Group.

As at the Latest Practicable Date:-

- (i) none of the Directors had any direct or indirect interests in any assets which have since 31st December, 2005 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group;
- (ii) none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any members of the Group.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) has been entered into by members of the Group within the two years preceding the date of this circular and is or may be material.

- (i) On 11th June, 2004, the Company, CU Corporate Finance Limited and Chung Nam Securities Limited entered into a placing agreement whereby, inter alia, the Company appointed (i) Chung Nam Securities Limited as placing agent to place a series of convertible redeemable notes up to an aggregate principal amount of HK\$80,000,000 (subsequently reduced by agreement dated 23rd July, 2004 to HK\$55,000,000) at a conversion price of HK\$0.5 per share, subsequently adjusted to HK\$0.45 per share (subject to adjustment) issued by the Company on a best efforts basis; and (ii) CU Corporate Finance Limited as financial adviser to the Company in relation to the placing of convertible notes;
- (ii) On 23rd July, 2004, the Company, CU Corporate Finance Limited and Chung Nam Securities Limited entered into a placing agreement whereby, inter alia, the Company appointed (i) Chung Nam Securities Limited as placing agent to place 90,000,000 new ordinary shares of the Company on a best efforts basis at a price of HK\$0.30 per share and (ii) CU Corporate Finance Limited as financial adviser to the Company in relation to the placing of shares;
- (iii) On 19th November, 2004, the Company entered into an agreement with Kingston Securities Limited (not a Connected Person) whereby, inter alia, the Company appointed Kingston Securities Limited as placing agent to place 17,640,000 new shares at a price of HK\$0.24 per share;
- (iv) On 22nd November, 2004, Chau Tuk Shun (“Mr. Chau”) (not a Connected Person) as vendor and Pleasure Developments Limited (“Pleasure Developments”), a wholly-owned

subsidiary of the Company, as purchaser entered into an agreement (“Wide Asia S/P Agreement”) whereby, inter alia, Mr. Chau agreed to sell and Pleasure Developments agreed to purchase 28 shares in Wide Asia Shipping S.A. (“Wide Asia”) for a consideration of HK\$17,472,000;

- (v) On 7th December, 2004 Wide Asia as grantor entered into an agreement with Pleasure Developments as grantee whereby, inter alia, Wide Asia agreed to grant of a call option over shares in Wide Asia for a consideration of HK\$1.00 to Pleasure Developments at an exercise price of US\$5,000,000;
- (vi) An instrument of transfer dated 9th December, 2004 entered into between Alpha Aim International Limited (“Alpha Aim”) and the subscriber whereby Alpha Aim acquired 1 share in Found Macau Investments International Limited (“Found Macau”) at a consideration of US\$1;
- (vii) A subscription letter dated 9th December, 2004 from Alpha Aim to Found Macau agreeing to subscribe for 9 shares in Found Macau at a consideration of US\$9;
- (viii) On 14th December, 2004, the Company (as borrower) entered into a loan agreement with Double Smart Finance Limited (as lender) in relation to a loan in the amount of HK\$12,000,000 which loan is unsecured, bears interest at the fixed rate of 2% and matured on 13th January, 2005 and as at the Latest Practicable Date has been fully repaid;
- (ix) On 3rd January, 2005, Wide Asia entered into a first termination deed with Pleasure Developments, inter alia, terminating a conditional call option agreement entered into by the same parties dated 7th December, 2004;
- (x) On 3rd January, 2005, Pleasure Developments entered into a second termination deed with Mr. Chau to terminate certain undertakings given by Mr. Chau to Pleasure Developments in the Wide Asia S/P Agreement;
- (xi) On 3rd January, 2005, Pleasure Developments entered into a disposal agreement with Ms. Ng Chor Har (not a Connected Person) whereby Pleasure Developments agreed, inter alia, to dispose of 28 shares in Wide Asia to Ms. Ng Chor Har for a cancellation fee of HK\$38,000,000;
- (xii) On 11th January, 2005, Alpha Aim entered into a bought and sole note and instrument of transfer with Filipe Lau to acquire 10 shares of Found Macau at a consideration of US\$10;
- (xiii) On 11th January, 2005, Lao Hin Chun, Filipe Lau, Lourenco Cheong, Alpha Aim and Found Macau entered into a termination deed in relation to the shareholders’ agreement of Found Macau dated 9th December, 2004;

- (xiv) On 12th January, 2005, the Company entered into a placing agreement with Get Nice Investment Limited in relation to the placing of a series of non-interest bearing convertible redeemable notes in an aggregate principal amount of up to HK\$200 million due on the fifth anniversary from the date of issue;
- (xv) On 22nd February, 2005, Found Macau, Lao Hin Chun, Filipe Lau, Lourenco Cheong, Alpha Aim and Vision Gate Enterprises Limited (“Vision Gate”) entered into the shareholders’ agreement relating to Found Macau;
- (xvi) On 9th March, 2005, the Company, CU Corporate Finance Limited and Chung Nam Securities Limited entered into a placing agreement in relation to the placing of 274,000,000 Shares at HK\$0.168 per placing share;
- (xvii) On 31st March, 2005, Found Macau, Alpha Aim, Vision Gate and Next Method Limited entered into a supplemental agreement to change the long stop date;
- (xviii) On 7th April, 2005, Found Macau, Lao Hin Chun, Filipe Lau, Lourenco Cheong, Alpha Aim, Vision Gate, Next Method Limited and Rightmind Development Limited entered into a deed of adherence in relation to the shareholders’ agreement relating to Found Macau;
- (xix) On 8th April, 2005, Heritage International Holdings Limited (“Heritage”) (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$10 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xx) On 10th May, 2005, Heritage (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$5,000,000 and a letter of extension of repayment date of the Loan Facility dated 16th June, 2005. The loan has been fully repaid as at the Latest Practicable Date;
- (xxi) On 31st May, 2005, Leapfly Limited and Chuang Yue-Chien, Eugene entered into a conditional call option deed relating to the registered capital of Tianjin Kai Sheng Automobile Service Co., Ltd.;
- (xxii) On 16th June, 2005, Double Smart Finance Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$8 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxiii) On 8th July, 2005, 天津市寧發進口汽車維修服務中心 (Tianjin Ning Fa Automobiles Service Center) and Chuang Yue-Chien, Eugene entered into a joint venture agreement which superceded the previous joint venture agreement intent dated 28th May, 2005 between Zhuang You Dao and Chuang Yue-Chien, Eugene;
- (xxiv) On 19th July, 2005, Double Smart Finance Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$10 million. The loan has been fully repaid as at the Latest Practicable Date;

- (xxv) On 31st July, 2005, CU International Finance Limited and Supercapital Investments Limited entered into a deed of assignment;
- (xxvi) On 3rd August, 2005, the Company and Hennabun Management International Limited entered into an agreement in relation to the disposal of Supercapital Investments Limited and the assignment of a shareholder loan owed by Supercapital Investments Limited to Top Ultimate Limited for a consideration of HK\$7.8 million and HK\$41 million respectively;
- (xxvii) On 31st August, 2005, Double Smart Finance Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$2 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxviii) On 16th September, 2005, Chung Nam Finance Limited (as lender) and the Company (as borrower) entered into an agreement of unsecured standby credit facility in the amount of HK\$50 million. This credit facility has not been drawn down as at the Latest Practicable Date;
- (xxix) On 21st October, 2005, Double Smart Finance Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$2 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxx) On 24th November, 2005, Maxlord Enterprises Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$40 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxi) On 24th November, 2005, the Company (as lender) and Winning Horsee Limited (as borrower) entered into a loan agreement in the amount of HK\$10 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxii) On 8th December, 2005, the Company (as lender) and Inner Mongolia (as borrower) entered into a loan agreement in the amount of HK\$20 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxiii) On 13th December, 2005, the Company (as lender) and Winning Horsee Limited (as borrower) entered into a loan agreement in the amount of HK\$10 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxiv) On 13th December, 2005, the Company (as lender) and Unity Investments Holdings Limited (as borrower) entered into a loan agreement in the amount of HK\$5 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxv) On 12th January, 2006, China Capital Advisors Corporation and Smart Way Resources Limited entered into a conditional sale and purchase agreement in relation to sale and purchase of the shares in Amerinvest Coal Industry Holding Company Limited (“Amerinvest”);

- (xxxvi) On 13th January, 2006, Alpha Aim and Mr. Au Yeung Kai Chor entered into an agreement in relation to the sale of shares in Found Macau and the assignment of a shareholder loan;
- (xxxvii) On 17th January, 2006, the Company (as lender) and Unity Investments Holdings Limited (as borrower) entered into a loan agreement in the amount of HK\$5 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxviii) On 20th January, 2006, the Company (as lender) and Double Smart Finance Limited (as borrower) entered into a loan agreement in the amount of HK\$4.5 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xxxix) On 24th January, 2006, the Company (as lender) and Besuccess Investments Limited (as borrower) entered into a loan agreement in the amount of HK\$20 million. Loan amount of HK\$10 million has been repaid as at the Latest Practicable Date;
- (xl) On 15th February, 2006, the Company (as lender) and Unity Investments Holdings Limited (as borrower) entered into a loan agreement in the amount of HK\$8 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xli) On 7th March, 2006, the Company (as lender) and Double Smart Finance Limited (as borrower) entered into a loan agreement in the amount of HK\$15 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xlii) On 20th March, 2006, Honour Era Group Limited, Smart Way Resources Limited, the Company and Mr. Li Wai Lung entered into an agreement in relation to the sale and purchase of shares in Amerinvest;
- (xliii) On 23rd March, 2006, the Company (as lender) and Shimazaki, Koji (as borrower) entered into a loan agreement in the amount of HK\$15 million. Loan amount of HK\$5 million has been repaid as at the Latest Practicable Date;
- (xliv) On 23rd March, 2006, the Company (as lender) and Kitchell, Osman Bin (as borrower) entered into a loan agreement in the amount of HK\$22.5 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xlv) On 23rd March, 2006, the Company (as lender) and Chow Kam Wah (as borrower) entered into a loan agreement in the amount of HK\$25 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xlvi) On 27th March, 2006, Maxlord Enterprises Limited (as lender) and the Company (as borrower) entered into a loan agreement in the amount of HK\$25 million. The loan has been fully repaid as at the Latest Practicable Date;
- (xlvii) On 10th April, 2006, the Company and Freeman China Limited entered into a conditional agreement in relation to the sale and purchase of the entire issued share capital of Leapfly Limited; and
- (xlviii) the Agreement.

7. GENERAL

- (i) The secretary of the Company is Yung Mei Yee, holder of Master's degree in Language and Law, Fellow Member of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators.
- (ii) The qualified accountant of the Company is Lee Kwan Ching, who is a Fellow Member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (iii) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, of Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iv) The registered office and head office of the Company is at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong.
- (v) The English version of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including the date of the EGM:-

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts as disclosed in paragraph 6 of this Appendix II;
- (iii) the Annual Reports of the Company for the years ended 31st December, 2004 and 31st December, 2005;
- (iv) circular of the Company dated 7th February, 2006 in relation to acquisition of 25% interest in Amerinvest, disposal of interest in Found Macau and assignment of shareholder loan and proposals for renewal of general mandates; and
- (v) circular of the Company dated 12th April, 2006 in relation to acquisition of 25% interest in Amerinvest.

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)

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, 8th June, 2006 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:-

ORDINARY RESOLUTION

“THAT the entering into of the conditional agreement (“Agreement”) dated 21st April, 2006 and supplemental agreement dated 2nd May, 2006 between Yearwise Finance Limited (“Yearwise”), a wholly-owned subsidiary of the Company and Equity Spin Investments Limited (“Equity Spin”) pursuant to which Yearwise agreed to sell to Equity Spin all Yearwise’s rights, title and interests in the convertible note issued by Hennabun Management International Limited in the principal amount of HK\$131 million due on 20th September, 2015 for a consideration of HK\$100,000,000 (a copy of the Agreement has been produced to this meeting marked “A” and initialled by the chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed and that the directors of the Company be and are hereby authorised to implement the transaction referred to in the Agreement and to do all such acts and things and sign such documents as they shall in their absolute discretion consider necessary or desirable to give effect to the Agreement and the arrangements contemplated thereunder.”

By order of the Board
Willie International Holdings Limited
King Phillip
Managing Director

Dated 23rd May, 2006

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

NOTICE OF 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. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor 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 shall be deposited at the registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, 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.
6. As at the date of this circular, 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. Lam Ping Cheung, Mr. Miu Frank H., Mr. Nakajima Toshiharu, Ms. Lin Wai Yi and Mr. Liu Jian.