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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)

**(1) DISCLOSEABLE TRANSACTION —
ACQUISITION OF 100% INTEREST IN A COMPANY HOLDING A PROPERTY;
AND
(2) PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL**

ACQUISITION

The Board is pleased to announce that on 15 June 2007, the Purchaser has entered into the S&P Agreement with the Vendor, 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 in cash. The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

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 additional 30,000,000,000 new Shares of HK\$0.10 each.

GENERAL

A circular containing, among other things, details of (i) the Acquisition; (ii) the proposed increase in authorized share capital of the Company and (iii) a notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

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;
- (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.

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, 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.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

As at the date of this announcement, 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.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, among other things, details of (i) the Acquisition; (ii) the proposed increase in authorized share capital of the Company and (iii) a notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

DEFINITIONS

In this announcement, 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”	an extraordinary general meeting of the Company to be convened to approve the proposed increase in authorized share capital of the Company
“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
“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 announcement, 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
“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

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

Hong Kong, 15 June 2007

As at the date of this announcement, 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.

Please also refer to the published version of this announcement in China Daily.