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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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

RESULTS

The Board of Directors (the “Board”) of Willie International Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2013 (the “Year”) together with the comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Turnover	2 & 3	45,346	27,880
Other income		1,555	6,746
Employee benefits expenses		(10,919)	(10,188)
Depreciation		(1,115)	(1,279)
Reversal (Provision) of allowance for doubtful debts, net		7,488	(9,952)
Gain on disposal of interest in a subsidiary		—	4,916
Impairment loss on available-for-sale financial assets		—	(130,397)
Loss on deemed disposal of interest in associates		—	(12,788)
Loss on disposal of available-for-sale financial assets		(3,750)	—
Gain on early redemption of notes receivable		—	3,844
Net fair value gain (loss) on investments held for trading		72,798	(41,011)
Net fair value (loss) gain on investments designated as at fair value upon initial recognition		(4,453)	4,878

	<i>Notes</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
Gain arising from changes in fair value of investment properties		300	2,172
Other operating expenses		(24,159)	(15,351)
Finance costs		(212)	(385)
Share of results of associates		(443)	<u>17,325</u>
Profit (Loss) before taxation	4	82,436	(153,590)
Taxation	5	<u>(43)</u>	<u>40</u>
Profit (Loss) for the year		<u>82,393</u>	<u>(153,550)</u>
Other comprehensive income (loss): <i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>			
Net fair value gain (loss) on available-for-sale financial assets		4,844	(116,918)
Reclassification to profit or loss upon impairment of available-for-sale financial assets		—	116,918
Derecognition of foreign currency translation reserve upon deemed disposal of associates		—	148
Foreign currency translation reserve arising from investment in an associate		<u>(2,585)</u>	<u>—</u>
Other comprehensive income for the year		<u>2,259</u>	<u>148</u>
Total comprehensive income (loss) for the year		<u>84,652</u>	<u>(153,402)</u>
Profit (Loss) for the year attributable to:			
Equity holders of the Company		82,393	(153,586)
Non-controlling interests		<u>—</u>	<u>36</u>
		<u>82,393</u>	<u>(153,550)</u>
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		84,652	(153,438)
Non-controlling interests		<u>—</u>	<u>36</u>
		<u>84,652</u>	<u>(153,402)</u>
			<i>(Restated)</i>
Earnings (Loss) per share			
— Basic and diluted	7	<u>HK\$0.11</u>	<u>(HK\$0.34)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Non-current assets			
Investment properties		11,100	10,800
Property, plant and equipment		419	1,235
Interest in associates	8	35,785	—
Available-for-sale financial assets	9	590,947	624,371
Other investments		4,580	4,580
Loans receivable	10	<u>—</u>	<u>1,614</u>
		<u>642,831</u>	<u>642,600</u>
Current assets			
Available-for-sale financial assets	9	13,673	—
Financial assets at fair value through profit or loss		988,198	917,660
Loans receivable	10	120,219	21,163
Other receivables		2,945	23,191
Cash and cash equivalents		<u>50,470</u>	<u>103,091</u>
		<u>1,175,505</u>	<u>1,065,105</u>
Current liabilities			
Other payables		2,617	1,955
Interest-bearing borrowing		<u>4,362</u>	<u>4,536</u>
		<u>6,979</u>	<u>6,491</u>
Net current assets		<u>1,168,526</u>	<u>1,058,614</u>
Total assets less current liabilities		<u>1,811,357</u>	<u>1,701,214</u>
Non-current liabilities			
Deferred tax liabilities		<u>43</u>	<u>—</u>
NET ASSETS		<u><u>1,811,314</u></u>	<u><u>1,701,214</u></u>
Capital and reserves			
Share capital		1,505	1,254
Reserves		1,809,809	1,699,960
TOTAL EQUITY		<u><u>1,811,314</u></u>	<u><u>1,701,214</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2012 consolidated financial statements except for the adoption of the new / revised Hong Kong Financial Reporting Standards (“HKFRSs”) effective from the current year that are relevant to the Group which are the Amendments to HKAS 1: *Presentation of Items of Other Comprehensive Income*, HKFRS 10: *Consolidated Financial Statements*, HKFRS 12: *Disclosure of Interests in Other Entities* and HKFRS 13: *Fair Value Measurement*. The adoption of these amendments does not have significant effect on these consolidated financial statements.

At the date of authorisation of these consolidated financial statements, the Hong Kong Institute of Certified Public Accountants has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted. The directors do not anticipate that the adoption of these new / revised HKFRSs in the future periods will have material impact on the result of the Group.

2. TURNOVER

Turnover recognised from the principal activities of the Group during the year including trading of investments, provision of financial services, property investment and investment holding is as follows:

	2013 HK\$'000	2012 HK\$'000
Net gain from the sale of investments at fair value through profit or loss*	17,322	6,319
Interest income from loans and other receivables	8,624	6,924
Dividend income from investments	11,567	5,068
Interest income from investments	7,411	9,272
Rental income	<u>422</u>	<u>297</u>
	<u>45,346</u>	<u>27,880</u>

* Represents the proceeds from the sale of investments at fair value through profit or loss of HK\$287,620,000 (2012: HK\$327,072,000) less cost of sales and carrying value of the investments sold of HK\$270,298,000 (2012: HK\$320,753,000).

3. SEGMENT INFORMATION

The directors consider trading of investments, provision of financial services, property investment and investment holding are the Group's major operating segments.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by operating segments:

Year ended 31 December 2013

	Trading of investments	Provision of financial services	Property investment	Investment holding	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>36,300</u>	<u>8,624</u>	<u>422</u>	<u>—</u>	<u>—</u>	<u>45,346</u>
Profit for the year before following items	89,235	14,834	555	8,370	(26,153)	86,841
Loss on disposal of available-for-sale financial assets	—	—	—	(3,750)	—	(3,750)
Share of results of associates	—	—	—	(443)	—	(443)
Finance costs	<u>(91)</u>	<u>—</u>	<u>(121)</u>	<u>—</u>	<u>—</u>	<u>(212)</u>
Profit before taxation	89,144	14,834	434	4,177	(26,153)	82,436
Taxation	<u>—</u>	<u>—</u>	<u>(43)</u>	<u>—</u>	<u>—</u>	<u>(43)</u>
Segment results	<u>89,144</u>	<u>14,834</u>	<u>391</u>	<u>4,177</u>	<u>(26,153)</u>	<u>82,393</u>

Year ended 31 December 2012

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>20,659</u>	<u>6,924</u>	<u>297</u>	<u>—</u>	<u>—</u>	<u>27,880</u>
Loss for the year before following items	(12,337)	(4,517)	2,317	(126,717)	(21,404)	(162,658)
Gain on disposal of interest in a subsidiary	—	—	—	4,916	—	4,916
Loss on deemed disposal of interest in associates	—	—	—	(12,788)	—	(12,788)
Share of results of associates	—	—	—	17,325	—	17,325
Finance costs	<u>(375)</u>	<u>—</u>	<u>(10)</u>	<u>—</u>	<u>—</u>	<u>(385)</u>
Loss before taxation	(12,712)	(4,517)	2,307	(117,264)	(21,404)	(153,590)
Taxation	<u>—</u>	<u>—</u>	<u>—</u>	<u>40</u>	<u>—</u>	<u>40</u>
Segment results	<u>(12,712)</u>	<u>(4,517)</u>	<u>2,307</u>	<u>(117,224)</u>	<u>(21,404)</u>	<u>(153,550)</u>

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in both years.

(b) Segment assets and liabilities

An analysis of the Group's assets and liabilities by operating segments is set out below.

At 31 December 2013

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets					
Segment assets	1,012,670	135,349	11,383	619,598	1,779,000
Interest in associates	—	—	—	35,785	35,785
Unallocated assets					<u>3,551</u>
Total assets					<u><u>1,818,336</u></u>
Liabilities					
Segment liabilities	(93)	(60)	(4,489)	(647)	(5,289)
Unallocated liabilities					<u>(1,733)</u>
Total liabilities					<u><u>(7,022)</u></u>

At 31 December 2012

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets					
Segment assets	954,370	60,963	11,096	673,948	1,700,377
Unallocated assets					<u>7,328</u>
Total assets					<u><u>1,707,705</u></u>
Liabilities					
Segment liabilities	(111)	(60)	(4,620)	(1,609)	(6,400)
Unallocated liabilities					<u>(91)</u>
Total liabilities					<u><u>(6,491)</u></u>

(c) **Geographical information**

The Group's operations are located in Hong Kong and Kingdom of Bhutan.

The Group's revenue from external customers by locations of operations and information about the non-current assets (excluding financial instruments) by locations of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	45,346	27,880	16,099	16,615
Kingdom of Bhutan	—	—	35,785	—
	<u>45,346</u>	<u>27,880</u>	<u>51,884</u>	<u>16,615</u>

4. PROFIT (LOSS) BEFORE TAXATION

	2013	2012
	HK\$'000	HK\$'000
This is stated after charging:		
Finance costs		
Interest on:		
Bank and other borrowings wholly repayable within five years	91	375
Bank and other borrowings wholly repayable over five years	<u>121</u>	<u>10</u>
	<u>212</u>	<u>385</u>
Other items		
<i>Employee benefits expenses (excluding directors' emoluments)</i>		
Salaries, allowances and benefits in kind	5,579	5,859
Contributions to defined contribution retirement scheme	143	226
Employees' share-based payment	<u>354</u>	<u>—</u>
	<u>6,076</u>	<u>6,085</u>
Auditor's remuneration	820	840
Operating lease payments on equipment	85	81
Operating lease payments on premises	2,157	2,196
Direct operating expenses arising from investment properties	<u>88</u>	<u>71</u>

5. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for both years.

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
Over provision in prior year	—	(40)
Deferred taxation		
Origination of temporary differences	<u>43</u>	<u>—</u>
Total tax expenses (credit) for the year	<u><u>43</u></u>	<u><u>(40)</u></u>

6. DIVIDEND

The directors of the Company do not recommend the payment of a dividend for the year (2012: *nil*).

7. EARNINGS (LOSS) PER SHARE

The calculation of the earnings (loss) per share is based on profit attributable to equity holders of the Company for the year of 2013 of HK\$82,393,000 (2012: *loss of HK\$153,586,000*) and the weighted average number of 749,791,818 (2012 (*restated*): 449,958,105) ordinary shares in issue during the year.

There was an anti-dilutive effect after adjusting for the effect of all dilutive potential ordinary shares in 2013. In 2012, the Company had no dilutive potential ordinary shares. Accordingly, the diluted earnings (loss) per share was same as the basic earnings (loss) per share for both years.

The calculations of the basic and diluted earnings (loss) per share for the current and prior reporting period have been adjusted as a result of share subdivision effected on 13 March 2014.

8. INTEREST IN ASSOCIATES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Share of net assets	16,392	572,514
Reclassified to available-for-sale financial assets	<u>—</u>	<u>(572,514)</u>
	16,392	—
Deposits for subscription of shares in an associate	<u>19,393</u>	<u>—</u>
	<u>35,785</u>	<u>—</u>

In December 2012, the Group entered into an agreement with two independent parties for hotel development and other hospitality-related business in the territory of Bhutan. Each party agreed to contribute US\$5,000,000 (equivalent to approximately HK\$39,000,000) and an entity incorporated in the Kingdom of Bhutan was formed under the name of Bhutan Ventures Hospitality Private Limited (“BVHP”) in 2013. The Group made a payment of US\$2,500,000 (equivalent to HK\$19,420,000) in January 2013 as its first half of the capital contribution. As at 31 December 2013, investment in associates represents the Group’s interest in 33.33% of the issued ordinary share capital of BVHP.

In the second half of 2013, the Group made payments in the sum of US\$2,500,000 (equivalent to HK\$19,393,000) to BVHP as its second half of the capital contribution. Before completion of the allotment and the issue of additional ordinary shares of the associate upon approval by the associate’s board of directors, the Group’s payment of the second half of the capital contribution has been treated as deposits for subscription of shares in an associate.

In 2012, investment in associate represents the Group’s equity interest in Cordoba Homes Limited (“Cordoba”), which underwent a reorganisation under which each of the then shareholders of Cordoba exchanged its Cordoba shares for the same number of shares in HEC Capital Limited (“HEC”), a special purpose vehicle formed as the holding company of Cordoba. Immediately after the reorganisation, the Company’s 24.35% direct equity interest in Cordoba changed to 24.35% equity interest in HEC, representing also 24.35% indirect equity interest in Cordoba. At the end of April 2012, HEC issued further shares to other investors, resulting in the Company’s shareholding in HEC decreased to 14.72% and since then, investment in HEC has been reclassified as an available-for-sale financial asset of the Company.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Equity securities, listed in Hong Kong, at fair value	<i>(a)</i>	<u>13,673</u>	<u>33,424</u>
Unlisted investments, at cost	<i>(b)</i>	594,514	594,514
Impairment loss	<i>(c)</i>	<u>(15,967)</u>	<u>(15,967)</u>
		<u>578,547</u>	<u>578,547</u>
Club membership, at cost		13,920	13,920
Impairment loss	<i>(c)</i>	<u>(1,520)</u>	<u>(1,520)</u>
		<u>12,400</u>	<u>12,400</u>
		<u>604,620</u>	<u>624,371</u>
Analysed as:			
Non-current		590,947	624,371
Current		<u>13,673</u>	<u>—</u>
		<u>604,620</u>	<u>624,371</u>

Notes:

- (a) During the year, the Company disposed of part of its equity interest in Freeman Financial Corporation Limited (“Freeman”). When disposing of part of the equity interest in Freeman, the Board also decided that the remaining shares in Freeman held by the Company might be disposed of within the following twelve months; therefore, the remaining shares in Freeman were then classified as current assets.

During the year, a fair value gain of HK\$4,844,000 in respect of the remaining Freeman shares classified as available-for-sale financial assets held by the Company was recognised as a reserve.

- (b) As at 31 December 2013, the Company held interests in 10.38% (2012: 10.43%) of the issued share capital of HEC.

The remaining balance represents the Group’s interests in 21% (2012: 21%) of the nominal value of the issued non-voting, redeemable participating share capital of VMS Private Investment Partners VI Limited (“VMS”). This investment is not treated as an associate because the Group did not have the right to exercise significant influence over VMS.

(c) Movement in the provision for impairment loss is as follows:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of reporting period	17,487	5,808
Increase in provision	—	13,479
Derecognition upon disposal of a subsidiary	—	<u>(1,800)</u>
At end of reporting period	<u>17,487</u>	<u>17,487</u>

10. LOANS RECEIVABLE

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loans receivable from:

	<i>Notes</i>	2013	2012
		<i>HK\$'000</i>	<i>HK\$'000</i>
Third parties	<i>(a)</i>	125,523	35,569
Allowance for doubtful debts	<i>(b)</i>	<u>(5,304)</u>	<u>(12,792)</u>
		120,219	22,777
Less: Balances due within one year included in current assets		<u>(120,219)</u>	<u>(21,163)</u>
Non-current portion		<u>—</u>	<u>1,614</u>
Short term loans, net of allowance		116,053	19,675
Instalment loans, net of allowance		<u>4,166</u>	<u>3,102</u>
		<u>120,219</u>	<u>22,777</u>

Notes:

- (a) At the end of the reporting period, loans receivable (i) carry at variable and fixed interest rates and have effective interest rates ranging from around 5% to 24% per annum (2012: from around 5% to 24% per annum); (ii) include balances of HK\$3,616,000 (2012: HK\$2,447,000) which are past due within one year (2012: within one year); (iii) include balances of HK\$121,907,000 (2012: HK\$33,122,000) which are within the respective maturity dates and (iv) no loan receivable (2012: HK\$19,933,000) is secured by personal guarantees and share charges of various private companies.

(b) Movement in the allowance for doubtful debts is as follows:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of reporting period	12,792	20,271
Increase in allowance	3,616	23,944
Reversal of allowance	(11,104)	(13,992)
Written off	<u>—</u>	<u>(17,431)</u>
At end of reporting period	<u>5,304</u>	<u>12,792</u>

The directors assessed the collectability of loans receivable at the end of the reporting period individually with reference to borrowers' past collection history and current creditworthiness. HK\$5,304,000 (2012: HK\$12,792,000) in respect of two (2012: two) borrowers were determined to be impaired as a result of the assessment. In the directors' opinion, there was no indication of deterioration in the collectability of the remaining amount of HK\$120,219,000 (2012: HK\$22,777,000) and thus no additional allowance was considered necessary.

No loans receivable was past due but not impaired as at 31 December 2013 and 2012. Loans receivable that were neither past due nor impaired related to a wide range of borrowers for whom there was no history of default.

Amounts charged to the allowance account are generally written off when there is no expectation of collectability.

CHAIRMAN'S STATEMENT

DIVIDEND

The Board does not recommend the payment of a dividend for the Year (*2012: nil*).

FINAL RESULTS

The Group reported a turnover of approximately HK\$45 million for the year compared to approximately HK\$28 million last year. The increase in turnover was mainly attributable to the increase in net gain from the sale of investments at fair value through profit or loss by approximately HK\$11 million and the increase in dividend income from investments by more than HK\$6 million.

The Group reported a consolidated profit attributable to shareholders of approximately HK\$82 million for the Year as compared to a consolidated loss of approximately HK\$154 million last year. The improvements in the Group's profitability flowed in large part from: (1) the net fair value gain on financial assets at fair value through profit or loss for the Year in the amount of approximately HK\$73 million (*2012: a net fair value loss of approximately HK\$41 million*); and (2) the turn-around performance in the investment holding segment with a net gain on available-for-sale financial assets for the Year in the amount of approximately HK\$4 million versus a loss of approximately HK\$117 million in the year 2012. Earnings per share for the Year was HK\$0.11 (*2012 (restated): loss per share of HK\$0.34*).

BUSINESS REVIEW & PROSPECTS

Business Review & Prospect

During the Year, the Group was able to capture on opportunities arising from successful execution of our investment strategy. The Group performed favourably in the local stock market, resulting in a net gain of approximately HK\$89 million (*2012: a loss of approximately HK\$13 million*) before unallocated expenses for the Group's securities trading segment. Meanwhile, the investment holding segment registered a net gain of approximately HK\$4 million (*2012: a loss of approximately HK\$117 million*).

For the property investment segment, the Group was cautious of the measures introduced by the government to cool down the local property market and therefore had not acquired additional properties during the Year. The rental income remained at a relatively stable amount of approximately HK\$0.4 million for the Year (2012: *approximately HK\$0.3 million*). The fair value gain on investment property of approximately HK\$2 million recorded in the year 2012 reduced to approximately HK\$0.3 million during the Year, reflecting that local property market has stabilized as a result of the government's policies.

With strong working capital resources, the Group has expanded the money lending business. This segment generated an interest income of approximately HK\$9 million (2012: *approximately HK\$7 million*) and reported a profit of approximately HK\$15 million (2012: *a loss of approximately HK\$5 million*) with the net reversal of allowance for doubtful debts of approximately HK\$7 million during the Year (2012: *net provision of allowance for doubtful debts of approximately HK\$10 million*).

In accordance with the agreement relating to the Group's long-term investment in a hotel development project in the Kingdom of Bhutan, the Group injected a sum of US\$5 million (equivalent to approximately HK\$39 million) into the project company during the Year. The Group holds one-third of the equity capital of the project company incorporated in Bhutan under the name of "Bhutan Ventures Hospitality Private Limited", which has become an associate of the Group since August 2013. Development approvals for the planned five small luxury hotels in Bhutan have been obtained from the Bhutan government. The renowned hotel operator — Sustainable Luxury Management (Thailand) Limited trading as "Six Senses Resorts and Spas" has been appointed as the operator to assist in the design of the planned hotels and to manage daily operations in the future. The design of the planned hotels has been finalized by the architect together with our Bhutan partner (namely, Dasho Sangay Wangchuk) and construction work is expected to commence within the year 2014, ahead of the initial schedule date in year 2015. Apart from equity capital, the project company has planned to raise further funds by way of debt financing not requiring shareholders' guarantee.

After the end of the Year, the shareholders of the Company approved the subdivision of each issued share into five (5) subdivided shares effective on 13 March 2014; hence, the number of issued shares of the Company has increased from 150,554,164 shares to 752,770,820 shares. The Board considers that the reduction in the market value per board lot of 10,000 shares in the Company as a result of the share subdivision will improve the trading liquidity of the shares in the Company, apart from the enabling the Company to broaden its shareholders' base. Meanwhile, the new Companies Ordinance has come into operation from 3 March 2014 by which the

authorised shares capital and the nominal value of the shares of all companies incorporated in Hong Kong including the Company have been abolished, and this would not result in any material adverse impact to the Group's operations and financial conditions.

Global economic conditions remain mixed. The U.S. economy continues to improve gradually and the U.S. monetary policy has begun tightening liquidity in a modest pace so that its global impact is yet to be seen. The recent political crisis in Ukraine has cast uncertainty in the investment atmosphere across regions. Meanwhile, there are concerns about more defaults of financial products in China that may occur in the coming months. The Group continues to evaluate the impacts arising from global significant changes on the Hong Kong stock market as well as the local market sentiments to tune its portfolio for securities trading. While the Company will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, the Group will look for attractive investment opportunities that may crop out when there is a looming change in liquidity worldwide. The Group will continue developing its money lending business targeting at creditworthy borrowers. When the local property market is expected to consolidate in the coming year, the Group will monitor opportunities to strengthen the Group's rental property portfolio.

FINANCIAL REVIEW

Liquidity and Capital Resources

As at 31 December 2013, the Group had a secured bank loan of approximately HK\$4 million (2012: approximately HK\$5 million) carrying floating interest rates calculated by reference to the Hong Kong Inter-bank Offer Rate and containing a repayment on demand clause, which is repayable over five years according to the repayment schedule of the loan facility and denominated in Hong Kong dollars.

As most of the Group's transactions and bank balances were denominated in Hong Kong dollars and US dollars, the Group's exposure to foreign exchange rate was minimal. The Group did not have any financial instruments used for hedging purpose.

During the Year, the Company issued 16,728,240 new shares to independent third party investors through a placing agent to raise net proceeds of approximately HK\$16 million in cash for the Group's general working capital. Moreover, 8,364,120 new shares were also issued during the Year upon the exercise of share options granted by the Company to certain eligible persons as incentives and rewards for their contribution to the Group and a sum of approximately HK\$9 million in cash was raised thereby for the Group's general working capital.

As at 31 December 2013, the Group's total equity amounted to approximately HK\$1,811 million (2012: approximately HK\$1,701 million) and had net current assets of approximately HK\$1,169 million including cash and cash equivalents of approximately HK\$50 million (2012: approximately HK\$1,059 million including cash and cash equivalents of approximately HK\$103 million). The Group had nil (2012: nil) gearing ratio as computed on the basis of net borrowings to total equity and with current ratio of 168 times (2012: 164 times).

PLEDGE OF ASSETS

As at 31 December 2013, the Group's financial assets at fair value through profit or loss, bank balances and certain available-for-sale financial assets with an aggregate carrying amount of approximately HK\$1,011 million (2012: approximately HK\$881 million) were pledged to certain financial institutions and brokers to secure certain margin financing and loan facilities amounting to approximately HK\$483 million (2012: approximately HK\$411 million) granted to the Group of which none of the amount (2012: none) was utilised.

As at 31 December 2013, the Group's investment properties were pledged to secure a bank loan facility of approximately HK\$5 million granted to the Group.

CAPITAL EXPENDITURE COMMITMENTS

As at 31 December 2013, the Group had capital expenditure commitments contracted but not provided (net of deposit paid) of approximately HK\$13,000 (2012: approximately HK\$39 million).

CONTINGENT LIABILITIES

As at 31 December 2013, the Company had provided corporate guarantees for banking facilities amounting to approximately HK\$14 million (2012: approximately HK\$91 million) granted to Cordoba Group and approximately HK\$5 million (2012: HK\$5 million) granted to a subsidiary, which were utilised to the extent of approximately HK\$14 million (2012: approximately HK\$89 million) and approximately HK\$4 million (2012: HK\$5 million) respectively.

EMPLOYEES

As at 31 December 2013, the Group employed 20 employees (2012: 23 employees) excluding directors. The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund and share option scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF FINAL RESULTS

The audit committee of the Company has reviewed and discussed the auditing, internal controls and financial reporting matters including a review of the audited consolidated results of the Group for the Year.

CORPORATE GOVERNANCE

Throughout the Year, the Company complied with all the code provisions set out in the Corporate Governance Code under Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by officers of the Group on terms meeting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") contained in Appendix 10 of the Listing Rules. The Directors confirmed that they were in compliance with the required standard set out in the Model Code throughout the Year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the Company's website at <http://www.willie273.com> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The annual report will be dispatched to shareholders who have selected to have a printed copy and will be available on the above websites in due course.

APPRECIATION

I would like to take this opportunity to thank Mr. Fung Yue Tak Derek and Mr. Tsui Hung Wai Alfred for their contributions to the Board until their resignation at the end of June 2013. Meanwhile, I welcome Mr. Cheung Wing Ping's re-designation from independent non-executive director to executive director of the Company and welcome Ms. Cheung Ka Yee as well as Mr. Man Wai Chuen to the Board from July 2013.

I would also like to take this opportunity to thank our shareholders for your continuing support and our employees for your dedications and hard work.

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

Hong Kong, 27 March 2014

As at the date of this announcement, the Board comprises:

Executive Directors:

Dr. Chuang Yueheng, Henry
Mr. Wong Ying Seung, Asiong
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-executive Directors:

Mr. Wen Louis
Mr. Yau Yan Ming, Raymond
Mr. Frank H. Miu
Dr. Antonio Maria Santos