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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Willie International Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

**(1) MAJOR TRANSACTIONS IN RELATION TO
DISPOSAL OF CONVERTIBLE NOTE ISSUED BY CORDOBA LEADING
TO THE POSSIBLE DEEMED DISPOSAL OF CORDOBA AND
PROVISION OF FINANCIAL ASSISTANCE TO CORDOBA;**

**(2) PROPOSALS FOR THE GRANTING OF ISSUE MANDATE AND
REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME; AND**

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders of Willie International Holdings Limited in respect of
the proposal for the granting of Issue Mandate**

VINCO  **城高**
Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Board is set out on pages 5 to 22 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 23 of this circular. A letter of advice from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 34 of this circular.

A notice convening the EGM to be held at 9:00 a.m. on Friday, 24 December 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong is set out on pages 69 to 73 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, **Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong** as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

9 December 2010

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DEFINITIONS

In this circular unless the context requires otherwise the following terms have the meanings set opposite them:-

“Board”	the board of Directors of the Company;
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which banks are open for business in Hong Kong;
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Cordoba”	Cordoba Homes Limited, a company incorporated in the British Virgin Islands and directly held as to approximately 55.27% by the Company;
“Cordoba Group”	Cordoba and its subsidiaries;
“Corporate Guarantee Facilities”	a total of 16 corporate guarantees provided by the Company for securing the bank loan facilities granted to the Cordoba Group and currently in an aggregate amount of approximately HK\$360 million committed excluding HK\$58 million to be released by December 2010;
“Corporate Guarantee Facilities Letter”	a letter dated 15 November 2010 between the Company and Cordoba in relation to the Corporate Guarantee Facilities;
“Consideration”	HK\$120 million in cash for the Disposal;
“Convertible Note”	a redeemable convertible note in the principal amount of HK\$120 million issued by Cordoba to the Company on 9 October 2009;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of Convertible Note by the Company to the Purchaser pursuant to the Sale and Purchase Agreement;
“Draw Down Date”	the day on which the loan will be drawn down by Cordoba under the Loan Agreement;

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9.00 a.m. on Friday, 24 December 2010 or any adjournment thereof for the purpose of approving (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note; (iii) the provision of the Financial Assistance upon the Possible Deemed Disposal; (iv) the granting of Issue Mandate; and (v) the refreshment of scheme mandate limit of Share Option Scheme;
“Financial Assistance”	the provision of the Loan and the Corporate Guarantee Facilities by the Company to Cordoba upon the Possible Deemed Disposal;
“General Mandate”	the issue mandate granted by Shareholders at the extraordinary general meeting of the Company held on 21 September 2010 to allot, issue and deal with up to a maximum of 246,869,966 new Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors of the Company to advise the Independent Shareholders in respect of the granting of Issue Mandate;
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders of the Company and their associates or, if there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates;
“Issue Mandate”	the mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal value of share capital of the Company in issue as at the date of the EGM;
“Latest Practicable Date”	6 December 2010, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan of HK\$150 million granted by the Company to Cordoba under the Loan Agreement;
“Loan Agreement”	a conditional loan agreement dated 15 November 2010 between the Company and Cordoba for the purpose of converting the Shareholder’s Loan provided to Cordoba by the Company into the Loan;
“Mr. Suen”	Mr. Suen Cho Hung, Paul, who wholly owns the Purchaser;
“Possible Deemed Disposal”	possible deemed disposal of Cordoba by the Company as a result of the Disposal which, assuming conversion of the Convertible Note at an initial conversion price of HK\$0.60 per share in the share capital of Cordoba by the Purchaser, may result in Cordoba ceasing to be a non wholly-owned subsidiary of the Company;
“Prime Rate”	a prime lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time;
“Purchaser”	Supreme Castle Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Suen;
“Ristora”	Ristora Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Ms. Lo Ki Yan, Karen;
“Sale and Purchase Agreement”	a conditional sale and purchase agreement dated 15 November 2010 entered into between the Company and the Purchaser in relation to the Disposal;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) of the Company;
“Shareholder’s Loan”	an interest-free shareholder’s loan of HK\$150 million advanced by the Company to Cordoba for general working capital of Cordoba;
“Share Option Scheme”	the share option scheme adopted and approved by the Company on 20 November 2002;

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“Vinco Capital”

Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed under the SFO to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the granting of Issue Mandate; and

“%”

percent.

LETTER FROM THE BOARD



Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

Executive Directors:

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

Registered Office:

32/F., China United Centre
28 Marble Road
North Point
Hong Kong

Independent Non-Executive Directors:

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

9 December 2010

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTIONS IN RELATION TO
DISPOSAL OF CONVERTIBLE NOTE ISSUED BY CORDOBA LEADING
TO THE POSSIBLE DEEMED DISPOSAL OF CORDOBA AND
PROVISION OF FINANCIAL ASSISTANCE TO CORDOBA;**

**(2) PROPOSALS FOR THE GRANTING OF ISSUE MANDATE AND
REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME; AND**

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement of the Company dated 15 November 2010 in relation to, amongst others, the Company's intention to (i) the disposal of the Convertible Note issued by Cordoba which may result in the Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note by the Purchaser; and (ii) the provision of Financial Assistance to Cordoba.

The Company also intends to put forward the proposals for the granting of Issue Mandate and the refreshment of scheme mandate limit of Share Option Scheme for approval by the Shareholders or the Independent Shareholders (as applicable) at the EGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with notice of the EGM and information regarding resolutions to be proposed at the EGM, relating to (i) the disposal of the Convertible Note issued by Cordoba; (ii) the Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note by the Purchaser; (iii) the provision of Financial Assistance to Cordoba; (iv) the granting of Issue Mandate and the refreshment of scheme mandate limit of Share Option Scheme; (v) the recommendation from the Independent Board Committee regarding the granting of Issue Mandate; and (vi) the advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders regarding the granting of Issue Mandate.

The Disposal of Convertible Note

On 15 November 2010, the Company entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Company agreed to dispose of the Convertible Note issued to it by Cordoba, a non wholly-owned subsidiary of the Company, in the principal amount of HK\$120 million to the Purchaser for a consideration of HK\$120 million in cash. Further details of the principal terms of the Sale and Purchase Agreement are set out in the section headed “2. The Disposal — (a) The Sale and Purchase Agreement” in this letter.

The Disposal constitutes a major transaction for the Company as the applicable percentage ratio is more than 25% but less than 75% and accordingly, shall be subject to Shareholders’ approval at the EGM by the way of poll.

The Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note

Assuming conversion of the Convertible Note by the Purchaser, Cordoba may cease to be a non wholly-owned subsidiary of the Company and will become an associated company of the Company. Assuming full conversion of the Convertible Note at the initial conversion price of HK\$0.60 per share in the share capital of Cordoba and assuming no other change in the issued share capital and shareholding in Cordoba, the shareholding in Cordoba held by the Company will be diluted from approximately 55.27% to 49.38%. When Cordoba ceases to be a subsidiary of the Company, the financial results, assets, liabilities and cash flows of the Cordoba Group will no longer be consolidated into the Company’s consolidated financial statements but will be treated as an associated company of the Company using the equity accounting method.

The possible deemed disposal of the shareholding in Cordoba by approximately 5.89% assuming full conversion of the Convertible Note by the Purchaser constitutes a major transaction for the Company as the applicable percentage ratios are more than 25% but less than 75% and accordingly, shall be subject to Shareholders’ approval at the EGM by way of poll.

The provision of Financial Assistance

The Company has currently advanced an interest-free Shareholder’s Loan to Cordoba and has provided the Corporate Guarantee Facilities in favour of certain banks for the Cordoba Group to obtain bank loan facilities for their investment properties without charging any guarantee fees. On 15 November 2010, the Company entered into (i) the Loan Agreement with Cordoba pursuant to which

LETTER FROM THE BOARD

the Company agreed to grant the Loan of HK\$150 million to Cordoba for the purpose of repayment of the Shareholder's Loan so that the Shareholder's Loan would be converted into the Loan and (ii) the Corporate Guarantee Facilities Letter with Cordoba pursuant to which the Company agreed to provide the Corporate Guarantee Facilities of approximately HK\$360 million committed in favour of certain banks for securing bank loan facilities to Cordoba Group in return for a guarantee fee, both effective from Cordoba ceasing to be a non wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, the provision of the Shareholder's Loan and the provision of Corporate Guarantee Facilities to Cordoba are not regarded as notifiable transactions under Chapter 14.04(1)(e) of the Listing Rules. However, when Cordoba ceases to be a non wholly-owned subsidiary of the Company and becomes an associated company of the Company upon the Possible Deemed Disposal, the provision of the Financial Assistance at such time will constitute a major transaction for the Company under Chapter 14 of the Listing Rules as the applicable percentage ratio is more than 25%, and should be subject to Shareholders' approval at the EGM by way of poll.

2. THE DISPOSAL

(a) The Sale and Purchase Agreement

Date: 15 November 2010

Parties to the Disposal

- (1) **Vendor** : the Company
- (2) **Purchaser** : Supreme Castle Investments Limited

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Suen.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner, Mr. Suen, are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Assets disposed of

The Convertible Note was issued by Cordoba to the Company on 9 October 2009 pursuant to the subscription agreement dated 6 October 2009 with a summary of the principal terms set out as follows:

Principal Amount	:	HK\$120 million
Maturity Date	:	8 October 2011
Interest	:	non-interest bearing
Conversion Price	:	HK\$0.60 per share in the share capital of Cordoba (subject to adjustments)

LETTER FROM THE BOARD

- Conversion Period : from the date of issue up to (and excluding) the commencement of the 7 calendar days period ending on (and including) the maturity date
- Redemption : Cordoba may redeem the whole or part of the then outstanding principal amount of the Convertible Note at an amount equal to 100% of the principal amount of the Convertible Note sought to be redeemed at any time by written notice to the noteholder

Consideration

The Purchaser shall pay the consideration of HK\$120 million in cash upon completion. The Consideration was determined based on the arm's length negotiations between the Company and the Purchaser based on a preliminary review on the business performance and prospects of Cordoba by the Purchaser. The Consideration is equal to the principal amount of the Convertible Note of HK\$120 million.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser with reference to (i) unaudited consolidated net assets value of Cordoba as at 30 June 2010; (ii) the historical performance and future prospects of Cordoba; and (iii) Cordoba being a private company having illiquid shares.

Conditions precedent

The respective obligations of the parties to effect completion of the sale and purchase of the Convertible Note shall be conditional upon the followings:-

- (i) a due diligence investigation on Cordoba and its assets to be carried out to the reasonable satisfaction of the Purchaser in its sole discretion;
- (ii) the approval of the Sale and Purchase Agreement and transactions contemplated thereunder by the Shareholders of the Company in a general meeting in accordance with the Listing Rules, if required;
- (iii) the approval of the possible exercise of the conversion rights attaching to the Convertible Note by the Purchaser or its nominee;
- (iv) the approval of the Loan Agreement and transactions contemplated thereunder by Shareholders of the Company in accordance with the Listing Rules, if required;
- (v) the approval of the Corporate Guarantee Facilities Letter and transactions contemplated thereunder by Shareholders of the Company in accordance with the Listing Rules, if required;

LETTER FROM THE BOARD

- (vi) the compliance with all the necessary requirements under the Listing Rules; and
- (vii) if applicable, the obtaining of all consents by the Company from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Sale and Purchase Agreement and transactions contemplated hereunder.

If the above conditions have not been fulfilled (or waived in respect of condition (i) by the Purchaser) on or before 31 December 2010 (or such other date as the Company and the Purchaser may agree in writing), the Sale and Purchase Agreement shall thereupon terminate, the parties shall have no further claims against each other under the Sale and Purchase Agreement for costs, damages compensation or otherwise, save in respect of antecedent breaches and claims. No conditions precedent have been fulfilled as at the Latest Practicable Date.

Completion

Completion of the sale and purchase of the Convertible Note shall take place on the third Business Day after the date on which all of above conditions shall have been satisfied or waived (as applicable) by the Purchaser (or such other time and date as the parties hereto may agree).

(b) Use of proceeds from the Disposal

The proceeds from the Disposal of HK\$120 million will be used by Group for its general working capital purpose and, where appropriate, future expansion of existing business or development of new business where suitable opportunities may arise in future.

(c) Reasons for and benefits of the Disposal

The Disposal of the Convertible Note would strengthen the financial position and liquidity of the Company by HK\$120 million in cash, which will enhance the ability of the Company to fund its potential acquisitions or expansion of its existing business.

The Board considers that the terms of the Sale and Purchase Agreement were negotiated on an arm's length basis, made on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(d) Information on Cordoba

Cordoba is incorporated in the British Virgin Islands with limited liability and through its subsidiaries principally engaged in property investment, investment in securities trading, money lending and investment holding.

LETTER FROM THE BOARD

The Company currently holds 926,878,606 shares in the share capital of Cordoba, representing approximately 55.27% of Cordoba's issued share capital and the remaining approximately 44.73% of Cordoba's issued share capital is held by Ristora. Upon completion of the Disposal and assuming full conversion of the Convertible Note at the initial conversion price of HK\$0.60 per share in the share capital of Cordoba and assuming no other change in the issued share capital and shareholding in Cordoba, Cordoba will be held as to approximately 49.38% by the Company, approximately 39.96% by Ristora and approximately 10.66% by the Purchaser. In this event, Cordoba will cease to be a non wholly-owned subsidiary of the Company.

The Group applied the principles of merger accounting with reference to Accounting Guideline 5 "Merger accounting for common control combinations" issued by the Hong Kong Institute of Certified Public Accountants in the preparation of unaudited consolidated financial statements of Cordoba Group for the year ended 31 December 2008 and 2009 and the six months ended 30 June 2010, as if such combination had occurred from the date when the combining entities first came under common control of the Company and Cordoba had been in existence throughout the reported periods. As a result, the net assets value of Cordoba Group as set out in its unaudited consolidated management accounts as at 30 June 2010 was amounted to approximately HK\$1,241 million. Further financial information of Cordoba Group is set out as below:

	For the year ended	
	31 December	
	2008	2009
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Turnover	13	43
(Loss) Profit before taxation	(87)	81
(Loss) Profit after taxation	(98)	77

(e) Financial effect of the Disposal and Possible Deemed Disposal of Cordoba

The Disposal of the Convertible Note would strengthen the financial position and liquidity of the Company by HK\$120 million in cash, which will enhance the ability of the Company to fund its potential acquisitions or expansion its existing business.

Assuming full conversion of the Convertible Note at the initial conversion price of HK\$0.60 per share in the share capital of Cordoba and assuming no other change in the issued share capital and shareholding in Cordoba, the shareholding in Cordoba held by the Company will be diluted from approximately 55.27% to 49.38%, Cordoba will cease to be a non wholly-owned subsidiary of the Company and will become an associated company of the Company. At such time, the financial results, assets, liabilities and cash flows of the Cordoba Group will no longer be consolidated into the Company's consolidated financial statements but will be treated as an associated company of the Company using the equity accounting method. Based on the unaudited consolidated net assets value of the Cordoba Group of approximately HK\$1,241 million as at 30 June 2010, the possible deemed

LETTER FROM THE BOARD

disposal of the shareholding in Cordoba by approximately 5.89% assuming full conversion of Convertible Note by the Purchaser would give rise to an estimated loss of approximately of HK\$23 million, representing the difference between the Group's 55.27% share of the Cordoba Group's unaudited consolidated net assets value as at 30 June 2010 before the full conversion of the Convertible Note and the Company's 49.38% share of Cordoba Group's unaudited consolidated net assets value as at 30 June 2010 as enlarged by the full conversion of the Convertible Note. However, the actual gains or losses as at the completion of the Disposal and the Possible Deemed Disposal are subject to change upon the finalisation of the consolidated financial statements of the Cordoba Group as at the date of completion and upon the final determination of the fair value of the identifiable assets and liabilities of Cordoba Group as at the date when the Possible Deemed Disposal is effective or materialised.

Upon the Disposal of the Convertible Note, the Company would recognise a loss on disposal of approximately HK\$2 million.

As at the Latest Practicable Date, the Company does not have any plan to sell its shares in Cordoba.

3. THE PROVISION OF FINANCIAL ASSISTANCE

(a) The Loan Agreement and the Corporate Guarantee Facilities

The Company has currently advanced an interest-free Shareholder's Loan to Cordoba and has provided Corporate Guarantee Facilities in favour of certain banks for Cordoba Group to obtain bank loan facilities for their investment properties without charging any guarantee fees.

As at the Latest Practicable Date, the Company granted a total of 16 corporate guarantees, excluding an amount of HK\$58 million to be released by December 2010 when the respective mortgage loan of a disposed property (property number 4 in Appendix II) was fully settled upon completion of the disposal by December 2010, for securing the bank loan facilities to the Cordoba Group to fund its acquisition of (i) 15 investment properties in Hong Kong; and (ii) a parcel of rural land in Australia. The corporate guarantee in respect of the acquisition of a parcel of rural land in Australia will expire in two years from the Latest Practicable Date. Apart from this corporate guarantee, the terms of the remaining corporate guarantees will expire ranging from around 8 years to 17 years from the Latest Practicable Date. The total amount of these 16 corporate guarantees

LETTER FROM THE BOARD

committed in favour of the banks is approximately HK\$360 million and the total amount of the outstanding loan balance under these corporate guarantees is approximately HK\$318 million as at the Latest Practicable Date. Set out below are details of the Corporate Guarantee Facilities provided by the Company:

Date of the Corporate Guarantee Facilities	In favour of the banks	Underlying assets secured by the Corporate Guarantee Facilities	Property number in Appendix II	Amount secured by the Corporate Guarantee Facilities (HK\$ million)	Outstanding loan balance secured by the Corporate Guarantee Facilities as at the Latest Practicable Date (HK\$ million)
10 May 2007	BEA	Investment property in Hong Kong	3	40	32
4 July 2007	HSBC	Investment property in Hong Kong	5	8	6
18 October 2007	Wing Hang	Investment property in Hong Kong	6	10	9
23 December 2008	ICBC	Investment property in Hong Kong	8	10	8
29 January 2009	ICBC	Investment property in Hong Kong	7	10	8
13 July 2010	HSBC	Investment property in Hong Kong	15	31	31
28 April 2008	BEA	Investment property in Hong Kong	9	15	12
23 March 2010	ICBC	Investment property in Hong Kong	16	38	36
30 May 2007	HSBC	Investment property in Hong Kong	10	28	22
14 November 2008	Chong Hing	Investment property in Hong Kong	11	30	27
5 March 2009	ICBC	Investment property in Hong Kong	12	25	21
19 May 2010	HSBC	Investment property in Hong Kong	13	34	32
19 May 2010	HSBC	Investment property in Hong Kong	2	34	32
12 November 2009	BEA	Investment property in Hong Kong	14	20	18
22 October 2010	NAB	A parcel of rural land in Australia	18	14	14
14 May 2007	BEA	Investment property in Hong Kong	1	13	10
				<u>360</u>	<u>318</u>

LETTER FROM THE BOARD

<i>BEA</i>	:	<i>The Bank of East Asia, Limited</i>
<i>Chong Hing</i>	:	<i>Chong Hing Bank Limited</i>
<i>HSBC</i>	:	<i>The Hongkong and Shanghai Banking Corporation Limited</i>
<i>ICBC</i>	:	<i>Industrial and Commercial Bank of China (Asia) Limited</i>
<i>Wing Hang</i>	:	<i>Wing Hang Bank Limited</i>
<i>NAB</i>	:	<i>National Australia Bank Limited</i>

On 15 November 2010, the Company entered into:

- (i) the Loan Agreement with Cordoba pursuant to which the Company agreed to grant the Loan of HK\$150 million to Cordoba for the purpose of repayment of the Shareholder's Loan. The grant of the Loan is conditional upon the approval of the Loan Agreement by the Shareholders when Cordoba ceasing to be a non wholly-owned subsidiary of the Company so that the Shareholder's Loan would then be converted into the Loan. The Loan bears interest at Prime Rate per annum payable quarterly in arrears commencing from the Draw Down Date and is repayable on a day falling twelve months commencing from the Draw Down Date (or such later date as the parties may agree); and
- (ii) the Corporate Guarantee Facilities Letter with Cordoba pursuant to which the Company agreed to provide the Corporate Guarantee Facilities of approximately HK\$360 million committed in favour of certain banks for securing bank loan facilities to Cordoba Group. Cordoba agreed to pay the Company a corporate guarantee fee of 1.5% per annum payable monthly in arrears on the average daily amount of the aggregate principal of bank loans so covered under the Corporate Guarantee Facilities commencing from Cordoba ceasing to be a non wholly-owned subsidiary of the Company.

(b) Reasons for and benefits of the provision of Financial Assistance

The HK\$150 million Shareholder's Loan and the approximately of HK\$360 million Corporate Guarantee Facilities have been advanced and provided to Cordoba and the Cordoba Group respectively whilst the Cordoba Group was a member of the Group. It will affect the business operation and future expansion of Cordoba if such Financial Assistance ceases to be provided upon the Possible Deemed Disposal. The Company has entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Purchaser may exercise the conversion rights of the Convertible Note at any time after the completion of the Disposal which in turn may cause the Company's shareholding in Cordoba to be diluted from approximately 55.27% to 49.38% assuming full conversion of the Convertible Note by the Purchaser and assuming no other change in the share capital and shareholding in Cordoba which causing Cordoba to cease to be a non wholly-owned subsidiary of the Company and become an associated company of the Company. As such, the Company entered into the Loan Agreement and the Corporate Guarantee Facilities Letter with Cordoba so as to govern the Financial Assistance to Cordoba when it becomes an associated company of the Company.

The other shareholders of Cordoba will not provide pro-rata financial assistance to Cordoba. The provision of Financial Assistance from the Company to Cordoba upon the Possible Deemed Disposal of Cordoba is one of the conditions precedent for the Purchaser entered into the Sale and Purchase Agreement with the Company.

LETTER FROM THE BOARD

The Company can, in return, receive an interest income and corporate guarantee fee from Cordoba, which will be charged at the then outstanding Loan at the Prime Rate per annum and the then average daily amount of the aggregate principal of bank loans at 1.5% per annum respectively. The provision of the Financial Assistance enables Cordoba and the Cordoba Group to continuously obtain the Loan from the Company and bank loan facilities from certain banks without adversely affect the financial positions and liquidity of the Cordoba Group in which the Company is still holding an approximately 49.38% shareholding in Cordoba and shares its financial results into the Company's consolidated financial statements after the full conversion of the Convertible Note by the Purchaser.

The Board considers that the provision of the Financial Assistance to Cordoba through which the Company can earn additional interest income and corporate guarantee fee from Cordoba when it becomes an associated company of the Company is on arm's length basis, made on normal or better commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

4. GRANTING OF ISSUE MANDATE

At the extraordinary general meeting of the Company held on 21 September 2010, the Shareholders approved an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 246,869,966 new Shares, which is equivalent to 20% of the then issued share capital of the Company as at the date of the said extraordinary general meeting.

Since the extraordinary general meeting of the Company held on 21 September 2010, the Company entered into a placing agreement on 29 October 2010, in relation to the placing of up to 246,000,000 Shares which was completed on 11 November 2010. Accordingly, 246,000,000 Shares had been successfully placed and the net proceeds from the placing amounted to approximately HK\$42.93 million which has not yet been utilised and has been maintained at bank. As a result, the General Mandate was substantially utilised as to 246,000,000 Shares. As at the Latest Practicable Date, the issued share capital of the Company was 1,480,349,830 Shares.

Before conducting the previous fund raising exercise in October 2010, the Company did explore other forms of fund raising methods, including open offer and rights issue of Shares. The management of the Company considered that open offer and rights issue of Shares entail negotiations with underwriter(s) which takes more time to complete with uncertainty. As a result, the Company did not choose pre-emptive fund raising methods (e.g. rights issue) which takes a longer period of time. By way of the placing arranged in October 2010, the Company did successfully raise net proceeds of approximately HK\$42.93 million and such amount of money has strengthened the Company's financial position.

The Company may have a cash inflow from the disposal of the Convertible Note which is subject to the Shareholders' approval at the EGM; hence, such possible cash inflow is not yet certain. In addition, the cash resources generated by Cordoba Group (such as the net proceeds from disposal of a property to be completed by late December 2010) need to be used for the business of Cordoba (which is currently a non wholly-owned subsidiary and may become an associated company of the Company after completion of the disposal of the Convertible Note and assuming the conversion of the Convertible Note by the Purchaser) and cannot be applied to invest in any possible investment

LETTER FROM THE BOARD

opportunities not involving other shareholders of Cordoba. In view of the uncertainty on whether the Shareholders would vote in favour of the proposed disposal of the Convertible Notes at the EGM and the constraint in using Cordoba's cash resources, the Board did not take into account of those funds in calculating the cash available on hand as at the Latest Practicable Date. Although the Group (excluding Cordoba Group) has cash of approximately HK\$280 million available on hand as at the Latest Practicable Date (including the net proceeds of approximately HK\$42.93 million which received from the placing of new Shares announced on 29 October 2010), the Board is of the view that in order to maintain a strong cash flow for its potential future developments and enhance the bargaining power of the Group in negotiation of large scale investments or acquisition in sizeable investment projects including but not limited to the existing businesses like investment in securities trading, money lending, property investment and other sectors like natural resources sector and environmental related sectors, it is necessary to propose the granting of Issue Mandate at the EGM. The Directors have also considered raising funds under a specific mandate once there is a sizeable investment project arises. However, the Directors are of the opinion that (i) granting of specific mandate requires the Independent Shareholders' approval which is a time-consuming process; (ii) the granting of Issue Mandate can effectively enhance the bargaining power of the Company by almost 20% of its existing market capitalisation because the potential vendors will consider the Company has that readily available equity capital through equity fund raising; and (iii) potential vendors may require the Company issuing Shares as consideration instead of cash as part of initial deposit. In order to give the Company greater flexibility in issue of new Shares and/or convertible instruments in future as and when the Company considers desirable for the benefit of the development of the Company as well as the Group as a whole, the Board considers that the Issue Mandate can provide flexible means to the Company to fulfill partial payments of sizeable investment projects if and when the opportunities arise.

The Group takes a conservative and cautious approach in investing and conducting its core businesses. As such, the Company wishes to put in place more flexible measures which will allow the Company to raise funds in a timely manner when any possible investment opportunities arise and as well as having additional working capital for conducting its existing businesses.

The Group has continually been looking for appropriate opportunities in financial services, property investments and other sectors. The Company has continually received sizable investment proposals in relation to natural resources projects and the consideration under such investment proposals are expected to be substantive and may exceed HK\$100 million, however some of the potential investment proposals have been declined after preliminary due diligence and feasibility studies, as a result no investment plan has been materialised and the net proceeds of the General Mandate was then retained for future potential investments if and when opportunities arise.

Further, although the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements, the Company considers that by having additional fund for future potential investments of the Group is in line with its conservative and cautious approach in conducting its business for future planning ahead. Therefore, the use of proceeds from the placing completed in November 2010 had been intended for future potential investments. Having considered that (i) the Group has been conservatively assessing its financial position and due diligence on potential project investments; (ii) the possible investment which may proceed require substantive funding; (iii) the financial position of the Group that recorded

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a loss for the six months ended 30 June 2010 mainly due to the effects of fair value adjustments; (iv) the Issue Mandate would enhance the financial flexibility for the Group to raise funds for future investments and business development if necessary and hence to strengthen the capital base and financial position of the Company; and (v) the strong capital base of the Company may enhance the bargaining position and secure sizeable investments of the Group, the Directors consider that it is necessary to request for Independent Shareholders' approval for the granting of Issue Mandate at the EGM.

In order to provide a flexible mean for the Company to raise further funds through the issue of new Shares for its future potential investments, if and when an opportunity arises, the Board proposes the granting of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM.

The Company believes that appropriate investment opportunities may arise at any time and investment decisions may have to be made within a short period of time. Therefore, the Board considers that it is important for the Company to be able to raise funds quickly in order to seize the investment opportunities that may arise. To this end, the Directors believe that the granting of Issue Mandate will give the Company the flexibility to raise funds and to expand and develop the business of the Company and therefore, is in the interests of the Company and the Independent Shareholders as a whole. The Board would consider other means of fund-raising such as a rights issue or open offer, or to seek for a specific mandate when a specific usage requiring further funds can be identified. However, as at the Latest Practicable Date, the Company has no specific plan for further fund raising exercise.

Based on the 1,480,349,830 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, subject to the passing of the relevant ordinary resolution to approve the granting of Issue Mandate at the EGM, the Directors will be authorised to allot and issue up to 296,069,966 new Shares under the Issue Mandate. As such, the full utilisation of the Issue Mandate may result in possible future dilution effect in the shareholding upon issue of new Shares under the Issue Mandate. However, having balanced the benefits of the granting of Issue Mandate discussed above, the Company considers such potential future dilution of shareholding to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The Independent Board Committee, comprising Mr. Cheung Wing Ping, Mr. Liu Jian, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond, being the independent non-executive Directors, has been formed to consider the granting of Issue Mandate. Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

Fund raising activities of the Company in the past twelve months

Set out below are the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of the net proceeds	Actual use of net proceeds as at the Latest Practicable Date
28 December 2009	Placing of 200,000,000 new Shares at the placing price of HK\$0.45 each	HK\$87.25 million	(i) Approximately HK\$75 million to be applied to fund the capital injection in the Group's money lending business; and (ii) the balance of the net proceeds for payment of the Group's acquisition of a commercial premise	(i) Approximately HK\$75 million was applied to fund the capital injection in the Group's money lending business, in which the money was lent to reputable independent third parties and the loans were repaid in accordance with the terms and conditions in the loan agreements (note 1); and (ii) approximately HK\$12.25 million was applied to the Cordoba Group's acquisition of a commercial premise as investment property, which was completed on 29 March 2010

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Date of announcement	Event	Net proceeds raised (approximately)	Intended use of the net proceeds	Actual use of net proceeds as at the Latest Practicable Date
9 June 2010	Placing of 171,437,476 new Shares at the placing price of HK\$0.255 each	HK\$42.50 million	For the general working capital of the Group	(i) Approximately HK\$38 million (note 2) was applied to the investment in securities trading business; and (ii) approximately HK\$4.5 million was applied to the repayment of mortgage loans
3 August 2010	Placing of 205,724,971 new Shares at the placing price of HK\$0.165 each	HK\$32.89 million	For the general working capital of the Group	(i) Approximately HK\$2 million was applied to operating expenses; (ii) approximately HK\$3.5 million was applied to the repayment of mortgage loans; and (iii) approximately HK\$27.39 million (note 2) was applied to the investment in securities trading business
29 October 2010	Placing of 246,000,000 new Shares at the placing price of HK\$0.18 each	HK\$42.93 million	For future potential investments of the Group	Not yet utilised and has been maintained at bank

LETTER FROM THE BOARD

Notes:

1. *All proceeds from repayment amounts were lent to other borrowers to earn interest income within money lending business.*
2. *Regarding the investment in securities trading business, the net proceeds of approximately HK\$38 million announced on 9 June 2010 was invested in securities relating to consumer and industrial goods and material whereas net proceeds of approximately HK\$27.39 million announced on 3 August 2010 was invested in financial and support services stocks. The Board made their investment decisions by reference to the advice from its stockbrokers and other securities advisors, global economic market and prevailing securities market condition. As securities trading forms part of the Company's normal business activities, the profit or loss in this segment will be disclosed in the Company's annual and interim reports.*

As at the Latest Practicable Date, the Group (excluding Cordoba Group) had cash of approximately HK\$280 million available on hand (including the net proceeds of approximately HK\$42.93 million which received from the placing of new Shares announced on 29 October 2010).

Save as disclosed above, the Company has not conducted any other fund raising activities during the past twelve months immediately prior to the Latest Practicable Date.

5. REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Board also proposes to seek the approval of the Shareholders to refresh the 10% scheme mandate limit of the Share Option Scheme. The Share Option Scheme was approved on 20 November 2002 by the Shareholders and it is valid and effective for a period of ten years. Pursuant to Rule 17.03(3) of the Listing Rules, the Company may seek approval by its Shareholders in general meeting for “refreshing” the 10% limit under the Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limits as “refreshed”. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares of the Company in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

The existing limit of the Share Option Scheme was refreshed to 123,434,983 Shares, being 10% of the Shares in issue on the day the scheme mandate limit was refreshed on 21 September 2010. As at the Latest Practicable Date, the Company has not yet granted any share options thereunder. However, subsequent to the completion of the placing of 246,000,000 new Shares on 11 November 2010, the Company's issued share capital has been enlarged to 1,480,349,830 Shares. As at the Latest Practicable Date, the Company was allowed to grant 123,434,983 share options carrying rights to subscribe for up to 123,434,983 new Shares, representing approximately 8.34% of the issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

In order to provide the Company with greater flexibility in granting share options to eligible persons (including but not limited to employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM. The Directors consider that such refreshment of the scheme mandate limit of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

In the past twelve months from the Latest Practicable Date, share options were granted to eleven grantees in March 2010 and each of them was granted with options to subscribe for about 5.4 million Shares in the Company. Ten grantees are employees of the Group who have demonstrated satisfactory performance, loyalty and dedication. The remaining grantee is not an employee of the Group but has assisted the Group in implementing office automation, which is important to staff efficiency.

As at the Latest Practicable Date, the total number of Shares in issue was 1,480,349,830 Shares. Assuming no further Shares are repurchased and issued prior to the EGM, and no share options are being granted prior to the EGM, upon the approval of the refreshment of the scheme mandate limit of the Share Option Scheme, the Directors will be authorised to issue share options to subscribe for a total of 148,034,983 new Shares, representing 10% of the total number of Shares in issue as at the date of EGM. The 123,434,983 share options allowed to be granted but not previously granted under the Share Option Scheme will entirely be superseded by the refreshed scheme mandate limit upon Shareholders' approval of the proposed refreshment of the scheme mandate limit of the Share Option Scheme at the EGM.

As at the Latest Practicable Date, there are no outstanding options granted under the Share Option Scheme or any other scheme(s) of the Company which remain unexercised. No outstanding share options of the Company (if any) will lapse as a result of the refreshment of the scheme mandate limit of the Share Option Scheme and the aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date. Save for the Share Option Scheme, the Company has no other share option schemes as at the Latest Practicable Date.

The refreshment of the scheme mandate limit is conditional upon:

- (a) the Shareholders' approval at the EGM; and
- (b) the Listing Committee granting approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit of the Share Option Scheme.

Application will be made to the Listing Committee for obtaining the approval mentioned in paragraph (b) above.

GENERAL

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities trading, money lending, property investment and investment holdings.

LETTER FROM THE BOARD

Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

EGM

The notice of the EGM is set out on pages 69 to 73 of this circular.

The EGM will be convened and held for the purpose of considering, and, if thought fit, obtaining approval from the Shareholders or the Independent Shareholders (as applicable) for (i) the Disposal; (ii) the Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note; (iii) the provision of Financial Assistance to Cordoba; (iv) the granting of Issue Mandate; and (v) the proposed refreshment of scheme mandate limit of Share Option Scheme. Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions at the EGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(4) of the Listing Rules.

Proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed proxy form to Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

As the applicable ratios for the Disposal, and the Possible Deemed Disposal of Cordoba upon full conversion of the Convertible Note by the Purchaser are more than 25% but less than 75% and the applicable ratio for the provision of Financial Assistance is more than 25%, each of them constitutes a major transaction of the Company and is therefore subject to the Shareholders' approval be obtained at the EGM by way of poll.

So far as the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser and its associates did not hold any Shares. The Purchaser or its associates (to the extent they hold any Shares at the time of the EGM) are required to abstain from voting on the Sale and Purchase Agreement and transactions contemplated thereunder. Insofar as the Company is aware, no Shareholder has any material interests in the Disposal, the Possible Deemed Disposal and the provision of Financial Assistance and is required to abstain from voting at the EGM on these resolutions to approve (i) the Sale and Purchase Agreement relating to the Disposal and the transactions thereunder; (ii) the Possible Deemed Disposal of Cordoba upon the conversion of the Convertible Note; and (iii) the provision of Financial Assistance to Cordoba upon the Possible Deemed Disposal.

Pursuant to Rule 13.36(4) of the Listing Rules, the granting of Issue Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM. As at the Latest Practicable Date, Dr. Chuang Yuecheng, Henry, being the chairman and executive Director of the Company, held 23,353,440 Shares representing approximately of 1.58% of the then issued share capital of the Company. Save as disclosed, none of the executive Directors of the Company and their respective

LETTER FROM THE BOARD

associates hold any Shares. Since there is no controlling Shareholder of the Company, the executive Directors of the Company and their respective associates (to the extent they hold any Shares at the time of the EGM) are required to abstain from voting in favour at the EGM in respect of the resolution relating to the granting of Issue Mandate.

Further, no Shareholder will be required to abstain from voting at the EGM in respect of the resolution relating to the proposed refreshment of the scheme mandate limit of the Share Option Scheme.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 23 of this circular and the letter from Vinco Capital containing its advice and the principal factors which it has considered in arriving at its advice with regard to the granting of Issue Mandate, as set out on pages 24 to 34 of this circular.

The Board is of the opinion that (i) the disposal of the Convertible Note issued by Cordoba; (ii) the Possible Deemed Disposal of Cordoba resulting from the conversion of the Convertible Note; (iii) the provision of Financial Assistance to Cordoba; (iv) the granting of Issue Mandate and (v) the proposed refreshment of scheme mandate limit of Share Option Scheme, are in the best interests of the Company and Shareholders as a whole and recommends the Shareholders or the Independent Shareholders (as applicable) to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,

By Order of the Board

WILLIE INTERNATIONAL HOLDINGS LIMITED

Dr. Chuang Yueheng, Henry

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



WILLIE INTERNATIONAL

Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

9 December 2010

To the Independent Shareholders

Dear Sir or Madam,

PROPOSAL FOR THE GRANTING OF ISSUE MANDATE

We refer to the circular from the Company to the Shareholders dated 9 December 2010 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the granting of Issue Mandate which will enable the Board to exercise the power of the Company to allot, issue and deal with the new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM.

Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the granting of Issue Mandate is fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Independent Shareholders as a whole. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 24 to 34 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 22 of the Circular.

Having considered the granting of Issue Mandate and the advice of Vinco Capital, we consider that the granting of Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the granting of Issue Mandate is in the interests of the Company and its Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the granting of Issue Mandate.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Cheung Wing Ping
Independent
Non-Executive Director

Mr. Liu Jian
Independent
Non-Executive Director

Mr. Wen Louis
Independent
Non-Executive Director

Mr. Yau Yan Ming, Raymond
Independent
Non-Executive Director

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the granting of the Issue Mandate, which has been prepared for the purpose of incorporation in this circular.



Grand Vinco Capital Limited
Units 4909-4910, 49/F, The Center
99 Queen's Road Central, Hong Kong

9 December 2010

To the Independent Board Committee and the Independent Shareholders of
Willie International Holdings Limited

Dear Sirs,

PROPOSAL FOR THE GRANTING OF ISSUE MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the granting of the Issue Mandate, details of which are set out in the circular (the "Circular") issued by the Company to the Shareholders dated 9 December 2010 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Since the extraordinary general meeting of the Company held on 21 September 2010, the Company entered into a placing agreement on 29 October 2010, in relation to the placing of up to 246,000,000 Shares which was completed on 11 November 2010. Accordingly, 246,000,000 Shares had been successfully placed under the General Mandate, representing approximately 99.65% of the General Mandate. As at the Latest Practicable Date, the General Mandate was substantially utilised as to 246,000,000 Shares, which were issued under the General Mandate. If the General Mandate is not renewed, only 869,966 new Shares may be further issued under the General Mandate. In order to provide a flexible mean for the Company to raise further funds through the issue of new Shares for its future business development if and when opportunities arises, the Board proposes the granting of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company at the date of EGM.

In accordance with Rule 13.36(4)(a) of the Listing Rules, the granting of Issue Mandate requires the approval of the Independent Shareholders at the EGM at which the controlling Shareholders and their associates or if there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the EGM) are required to abstain from voting in favour of the relevant resolution to be proposed in respect of the granting of Issue Mandate at the EGM. Accordingly, save for Dr. Chuang Yueheng, Henry who is beneficially interested in 23,353,440 Shares

LETTER FROM VINCO CAPITAL

(representing approximately 1.58% of the issued share capital of the Company) and his respective associates shall abstain from voting in favour of the relevant resolution to be proposed in respect of the granting of Issue Mandate at the EGM. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Company does not have any controlling Shareholders, the executive Directors (including Dr. Chuang Yueheng, Henry) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the EGM) are thus required to abstain from voting in favour of the relevant resolution approving the granting of Issue Mandate at the EGM.

The Independent Board Committee, comprising Mr. Cheung Wing Ping, Mr. Liu Jian, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond, all being independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the granting of Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether the granting of Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the granting of Issue Mandate, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

LETTER FROM VINCO CAPITAL

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the granting of Issue Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the granting of Issue Mandate, we have considered the principal factors and reasons set out below:

1. Background of and reasons for the granting of Issue Mandate

Background

The Group is principally engaged in the business of property investment, investment in securities trading, money lending and investment holding.

At the extraordinary general meeting of the Company held on 21 September 2010, the Shareholders approved, among other things, an ordinary resolution in respect of the General Mandate which enable the Directors to allot and issue up to 246,869,966 Shares (being 20% of the entire issued share capital of the Company as at the date of passing the resolution).

Since the extraordinary general meeting of the Company held on 21 September 2010, the Company entered into a placing agreement on 29 October 2010, in relation to the placing of up to 246,000,000 Shares which was completed on 11 November 2010. Accordingly, 246,000,000 Shares had been successfully placed under the General Mandate upon completion of such subscription on 11 November 2010. In order to maintain the financial flexibility to raise further capital to finance the Group's general working capital for its future business development, the Directors proposed to seek the approval of the Independent Shareholders at the EGM for the granting of Issue Mandate.

Based on the issued share capital of the Company of 1,480,349,830 Shares as at the Latest Practicable Date and there are no further changes in the issued share capital of the Company prior to the EGM, subject to the approval of the relevant resolution for the granting of Issue Mandate, the Directors will be authorised to issue and allot up to 296,069,966 new Shares under the Issue Mandate, representing 20% of the then issued share capital of the Company as at the date of the EGM.

Reasons

As advised by the Directors, the Directors consider that (i) the General Mandate has been substantially utilised as to 246,000,000 Shares out of 246,869,966 Shares under the General Mandate would be utilised for the issue of placing Shares under the placing agreement, leaving only 869,996 Shares eligible for being issued under the General Mandate; (ii) the granting of Issue Mandate will enable the Group to conduct fund raising activities as and when opportunities arise; and (iii) when there arises any potential investment opportunities, the Company may lose the opportunities as the grant of specific mandate is subject to the approval of the Independent Shareholders prior to the

LETTER FROM VINCO CAPITAL

issuance which may cause undue delay if the Group wishes to carry out timely investment or acquisitions, the Board thus proposes to pass an ordinary resolution at the EGM to approve the granting of Issue Mandate in accordance with Rule 13.36(4) of the Listing Rules so as to allow the Directors to issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM.

2. Fund raising activities in the past twelve months

The table set out below summarises the information relating to the Company's fund raising activities in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date
28 December 2009	Placing of 200,000,000 new Shares at the placing price of HK\$0.45 each	HK\$87.25 million	(i) Approximately HK\$75 million to be applied to fund the capital injection in the Group's money lending business ; and (ii) the balance of the net proceeds for payment of the Group's acquisition of a commercial premise	(i) Approximately HK\$75 million was applied to fund the capital injection in the Group's money lending business, in which the money was lent to reputable independent third parties and the loans were repaid in accordance with the terms and conditions in the loan agreements (note 1); and (ii) approximately HK\$12.25 million was applied to the Cordoba Group's acquisition of a commercial premise as investment property, which was completed on 29 March 2010

LETTER FROM VINCO CAPITAL

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date
9 June 2010	Placing of 171,437,476 new Shares at the placing price of HK\$0.255 each	HK\$42.50 million	For the general working capital of the Group	(i) Approximately HK\$38 million (note 2) was applied to the investment in securities trading business; and (ii) approximately HK\$4.5 million was applied to the repayment of mortgage loans
3 August 2010	Placing of 205,724,971 new Shares at the placing price of HK\$0.165 each	HK\$32.89 million	For the general working capital of the Group	(i) Approximately HK\$2 million was applied to operating expenses; (ii) approximately HK\$3.5 million was applied to the repayment of mortgage loans; and (iii) approximately HK\$27.39 million (note 2) was applied to the investment in securities trading business
29 October 2010	Placing of 246,000,000 new Shares at the placing price of HK\$0.18 each	HK\$42.93 million	For future potential investments of the Group	Not yet utilised and has been maintained at bank

Notes:

1. *All proceeds from repayment amounts were lent to other borrowers to earn interest income within money lending business.*

LETTER FROM VINCO CAPITAL

Notes: (cont'd)

- Regarding the investment in securities trading business, the net proceeds of approximately HK\$38 million announced on 9 June 2010 was invested in securities relating to consumer and industrial goods and material whereas net proceeds of approximately HK\$27.39 million announced on 3 August 2010 was invested in financial and support services stocks. The Board made their investment decisions by reference to the advice from its stockbrokers and other securities advisors, global economic market and prevailing securities market condition. As securities trading forms part of the Company's normal business activities, the profit or loss in this segment will be disclosed in the Company's annual and interim reports.*

Save as disclosed above, the Directors confirmed that the Company has not conducted any other fund raising activities during the twelve months immediately prior to the Latest Practicable Date. As advised by the Directors, we noted that other than the total net proceeds of approximately HK\$42.93 million which received from the placing of new Shares announced on 29 October 2010 has not yet utilised and has been maintained at bank, the net proceeds of approximately HK\$162.64 million which raised from other fund raising activities during the twelve months immediately prior to the Latest Practicable Date are fully utilised as to approximately (i) HK\$75 million which has been designated for its money lending business; (ii) HK\$12.25 million was raised for acquiring commercial premise; (iii) HK\$65.39 million was applied to the investment in securities trading business; (iv) HK\$8 million was used to repay the mortgage loans; and (v) HK\$2 million was for business operations purpose. As such, we are of the view that the actual use of proceeds was in line with the intended use of proceeds as stated in their respectively announcements of the abovementioned fund raising activities.

After reviewing the relevant fund raising activities of the Company during the twelve months immediately prior to the Latest Practicable Date, we noted that the fund raising activities of the Company were generated under the general mandate and the discount on placing price were determined after arm's length negotiation with reference to the prevailing market price and in comply with the Listing Rules. Although, most of the fund raised did not have specific purpose as at the time of the relevant placing, the Company had already fully disclosed to its Shareholders that the use of proceeds were applied for general purpose to provide sufficient capital supports to the Company's operations and without any specific use in particular investment projects, to which the Shareholders had approved at the corresponding extraordinary general meetings. As discussed with the Directors, we also note that the actual use of net proceeds from the fund raising activities during the past twelve months were used for the business developments and operations and as general working capital of the Group, which are in line with the intention of such fund raising activities. In light of the series of financial problems encountered by many of the world's top financial institutions in the last few years, the financial market was facing an unprecedented downward trend and the listed investment performance of the Company is also adversely impacted by such volatile market situation. Therefore we believe it is acceptable for the Company to raise sufficient working capital to maintain its day-to-day operation.

As stated in the unaudited interim report of the Group for the six months ended 30 June 2010 ("2010 Interim Report"), cash and cash equivalents of approximately HK\$232,811,000 and interest-bearing borrowings of approximately HK\$393,901,000 are observed as at 30 June 2010. As discussed with the Directors and with reference to the latest financial record of the Group for the six months ended 30 June 2010, the estimated working capital requirements of the Group for the coming twelve months would be approximately HK\$15 million.

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On the other hand, as set out in the Letter from the Board, we noted that the Company may have a cash inflow from the disposal of the Convertible Note which is subject to the Shareholders' approval at the EGM; hence, such possible cash inflow is not yet certain. In addition, as confirmed by the Directors, cash resources generated by Cordoba Group (such as the net proceeds from disposal of a property to be completed by late December 2010) need to be used for the business of Cordoba (which is currently a non wholly-owned subsidiary and may become an associated company of the Company after completion of the disposal of the Convertible Note and assuming the conversion of the Convertible Note by the Purchaser) and cannot be applied to invest in any possible investment opportunities not involving other shareholders of Cordoba. In view of the uncertainty on whether the Shareholders would vote in favour of the proposed disposal of the Convertible Notes at the EGM and the constraint in using Cordoba's cash resources, we did not take into account of those funds in forming our analysis. Although the Group (excluding Cordoba Group) had cash of approximately HK\$280 million available on hand as at the Latest Practicable Date (including the net proceeds of approximately HK\$42.93 million which received from the placing of new Shares announced on 29 October 2010), we are of the view that in order to maintain a strong cash flow for its potential future developments and enhance the bargaining power of the Group in negotiation of large scale investments or acquisition in sizeable investment projects including but not limited to the existing businesses like investment in securities trading, money lending, property investment and other sectors like natural resources sector and environmental related sectors, it is reasonable for the Directors to propose the granting of Issue Mandate at the EGM. As discussed with the Directors, we also noted that the Company had considered raising funds under a specific mandate once there is a sizeable investment project arises. However, the Directors are of the opinion that (i) granting of specific mandate requires the Independent Shareholders' approval which is a time-consuming process; (ii) the granting of Issue Mandate can effectively enhance the bargaining power of the Company by almost 20% of its existing market capitalisation because the potential vendors will consider the Company has that readily available equity capital through equity fund raising; and (iii) potential vendors may require the Company issuing Shares as consideration instead of cash as part of initial deposit. In order to give the Company greater flexibility in issue of new Shares and/or convertible instruments in future as and when the Company considers desirable for the benefit of the development of the Company as well as the Group as a whole, we consider that the Issue Mandate can provide flexible means to the Company to fulfill partial payments of sizeable investment projects if and when the opportunities arise.

As set out in the 2010 Interim Report, we also noted that the Group takes a conservative approach in investing and conducting its core businesses. As confirmed by the Directors, the conservative approach is mainly in relation to treasury management and due diligence of potential project investments. It is the top priority of the Directors to ensure that the Group's financial position is healthy and there are sufficient internal resources for potential project investments before investing and conducting the respective investments. Due to several financial crisis emerged since 2000, the performance of the Group's listed and unlisted investments had adversely impacted by the downturns of the global economy. As confirmed by the Directors, the loss recognised by the Company was mainly led by the unrealised losses in fair value adjustments of the Group's investments as a result of several rounds of worldwide financial crisis. Thus, we considered that the Group has applied conservative approach in assessing its financial position and due diligence on potential project investments.

As discussed with the Directors, we noted that the Group has continually been looking for appropriate opportunities in existing businesses and/or other sectors. Also, the Company has

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continually received sizable investment proposals in relation to natural resources projects and the consideration under such investment proposals are expected to be substantive and may exceed HK\$100 million, however some of the potential investment proposals have been declined after preliminary due diligence and feasibility studies, as result no investment plan has been materialised and the net proceeds of the General Mandate was then retained for future potential investments if and when opportunities arise. If the Issue Mandate has been granted, the capital base of the Group will be further enlarged. As a result, the Group will be in a better bargaining position in the negotiation of large scale investments or acquisitions and will be able to secure sizeable investments of the Group. Having considered that (i) the Group has been conservatively assessing its financial position and due diligence on potential project investments; (ii) the possible investment which may proceed require substantive funding; (iii) the financial position of the Group that recorded a loss for the six months ended 30 June 2010 mainly due to the effects of the fair value adjustments; (iv) the Issue Mandate would enhance the financial flexibility for the Group to raise funds for future investments and business development if necessary and hence to strengthen the capital base and financial position of the Company; and (v) the strong capital base of the Company may enhance the bargaining position and secure sizeable investments of the Group, we consider that it is reasonable for the Directors to propose the granting of Issue Mandate at the EGM.

The Directors confirmed that the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, the Directors cannot preclude the possibilities that additional funding may still be needed for investment development as well as other opportunities arise in the future. In the event the Company identifies a suitable investment opportunity but does not have sufficient financial resources on hand, or is unable to obtain loan financing on acceptable terms, or cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Company may lose its opportunities in an otherwise favourable investment and a favourable opportunity to expand its business portfolio. In view of the gradual recovery in the economy and the stock market, we are advised by the Directors that they have been actively seeking potential investment opportunities and business developments of the Group. Additionally, the Directors confirmed that they have considered the possibility of seeking a specific mandate when specific project is identified. However, the Directors considered that timely decision making is critical to grasp opportunities arising from the prevailing market condition. As such, they considered the granting of specific mandate which is subject to the approval of the Independent Shareholders may be posed as a hindrance to the Group to grasp the opportunities in a timely manner. In view of the above, we consider that it is reasonable for the Directors to propose the granting of Issue Mandate at the EGM in order to provide the Company with necessary financing flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

In view of the foregoing, we concur with the Directors' view that the granting of Issue Mandate is fair and reasonable to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

3. Financing flexibility

The General Mandate has been substantially utilised as to 246,000,000 Shares out of the 246,869,966 Shares under the General Mandate for issue of placing Shares under the placing

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agreement. After such issue of Shares, the remaining number of Shares to be issued under the General Mandate has been reduced to 869,966. The Directors believe that the granting of Issue Mandate will provide the Company with additional flexibility in deciding the alternatives in funding for any investment opportunities that may arise in the future and for the purpose of additional funding requirements of the Group. The Directors advised that they have considered the possibility of seeking a specific mandate, however, there is no assurance that the granting of specific mandate would be sought in a timely manner. As confirmed by the Directors, no specific target has been identified as at the Latest Practicable Date and the scale of investment will be subject to investigation on the possible target investment and negotiation with the potential vendor. Also, the Directors confirmed that they have considered the possibility of seeking a specific mandate when specific project is identified. However, the Directors considered that timely decision making is critical to grasp opportunities arising from the prevailing market condition. As such, they considered granting of specific mandate which is subject to the approval of the Independent Shareholders may cause undue delay to the Group to grasp the opportunities in a timely manner. Based on the aforesaid, we are of the opinion that the granting of Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

4. Other financing alternatives

As advised by the Directors, apart from equity financing, we noted that the Directors will also consider other financing methods such as bank financing and debt financing so as to meet its financing requirements arising from any future development of the Group, depending on the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. As confirmed by the Directors, the Group has sufficient working capital to meet its present requirements, however, there is no certainty that such cash resources will be sufficient or be available for its future investments or business developments. Additionally, bank financing and debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks. The alternative options encompass certain uncertainties and are time-consuming as compared to equity financing. Further to our discussion with the Directors, they have also considered other forms of pro rata equity financing methods such as rights issue or open offer, however, most would result in substantial costs including but not limited to legal costs and underwriting commissions and there is the likely chance of a highly dilutive pricing of the offer established by an underwriter. The Company may also not be able to procure favourable terms in commercial underwriting. Accordingly, the Directors consider that the granting of Issue Mandate may provide an alternative to fund any possible business development or investment opportunities of the Group. Further, the Directors confirmed that they would exercise due and careful consideration when choosing the financing method available to the Group and would adopt the method which serves the best interest of the Group. Having considered that (i) investment opportunities which may arise at any time and require prompt decision by the Group; (ii) the loss-making performance for the six months ended 30 June 2010 which may find difficult in bank financing; and (iii) there is no guarantee on the sufficient number of invested participants if the Company engages rights issue or open offer which cause higher dilutive effect of shareholding, we thus concur with the Directors' view that the granting of Issue Mandate will provide the Company an additional financing alternative for the Company to raise funds for its future investments or business developments. Also, we considered that it is in the interest of the Company and the Independent Shareholders as a whole and is reasonable for the Company to have the flexibility in deciding the best financing methods for any future investments or business developments.

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5. Potential dilution to shareholding of the Independent Shareholders

Set out below is a table illustrating the shareholdings of the Company as at the Latest Practicable Date; and, for illustrative purpose, the potential dilution effect on the shareholdings of the Company immediately after full utilisation of the Issue Mandate (assuming there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM):

	As at the Latest Practicable Date		Immediately after full utilisation of the Issue Mandate (assuming no further Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the EGM)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Director and Substantial Shareholders				
Dr. Chuang Yueheng, Henry <i>(Note)</i>	23,353,440	1.58	23,353,440	1.31
Public Shareholders				
Shares that may be issued under the Issue Mandate	—	—	296,069,966	16.67
Other public Shareholders	<u>1,456,996,390</u>	<u>98.42</u>	<u>1,456,996,390</u>	<u>82.02</u>
Total	<u>1,480,349,830</u>	<u>100.00</u>	<u>1,776,419,796</u>	<u>100.00</u>

Note: Dr. Chuang Yueheng, Henry is the chairman and an executive Director of the Company.

The above figures were calculated on the assumption that (i) the granting of Issue Mandate is approved by the Independent Shareholders at the EGM; (ii) no Shares will be issued or repurchased by the Company after the Latest Practicable Date and up to the date of the EGM; and (iii) upon full utilisation of the Issue Mandate, 296,069,966 new Shares will be issued, representing 20% of the entire issued share capital of the Company as at the Latest Practicable Date, and approximately 16.67% of the issued share capital of the Company as enlarged by the Shares issued under the granting of Issue Mandate.

The aggregate shareholding of the other public Shareholders will decrease from approximately 98.42% to approximately 82.02% upon full utilisation of the Issue Mandate, indicating a potential maximum dilution of approximately 16.40%. Although during the past twelve months, several placing activities diluted the Shareholders' interests in the Company, we consider that (i) the Company had already informed its Shareholders by fully disclosing in the appropriate documents; (ii) the placings were approved by the Independent Shareholders at the corresponding extraordinary general meetings of the Company; (iii) the dilution effects are within the limit under the Listing Rules; and (iv) the subscription prices of the placings are set with reference to the prevailing market prices. Thus, the Shareholders' interests are diluted proportionally which is acceptable.

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In addition, in order to maintain the Company's business developments and operations, a healthy liquidity of the Company is required which provides a better bargaining position to the Company. The placing activities, therefore, provide flexibility means to the Company for its future business developments if and when the investment opportunities arise and will not deteriorate the financial position of the Company compared with using bank borrowing to raise fund which will give rise to the gearing ratio of and increase the interest burden to the Company. In fact, the placing activities have improved the capital base and the financial position of the Company. Taking into account that (i) the granting of Issue Mandate will provide an alternative to increase the amount of capital; (ii) the granting of Issue Mandate will provide more financing alternatives to the Group for potential investment and/or business development when such opportunities arise; (iii) the fact that the shareholding of all the Shareholders will be diluted proportionally according to their respective shareholdings upon any utilisation of the Issue Mandate; (iv) the dilution effect was within the limit under the Listing Rules; (v) the subscription prices of the placings are set with reference to the prevailing market prices; and (vi) the placing activities will not deteriorate the Company's financial position, we consider such potential maximum dilution to shareholdings of the Independent Shareholders to be acceptable.

CONCLUSION

Having taken into consideration the above principal factors and reasons, we are of the view that the granting of Issue Mandate is fair and reasonable, so far as the Independent Shareholders are concerned and that the proposed granting of Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the granting of Issue Mandate.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

1. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the present financial resources, the borrowings, the Disposal, the Possible Deemed Disposal and the provision of Financial Assistance, in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months following the date of this circular.

2. INDEBTEDNESS STATEMENT

At the close of business on 31 October 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total indebtedness of the Group amounted to approximately HK\$362 million, representing bank borrowings secured by certain land and building, investment properties and a yacht of the Group.

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

Subsequent to 31 October 2010, the Group has obtained a new bank borrowing of approximately HK\$13.7 million secured by an investment property of the Group for its general working capital purpose.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 October 2010, the Group did not have any outstanding 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, finance lease or hire purchase commitments, guarantees or other contingent liabilities.

Save as aforesaid, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 October 2010.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

During the six months ended 30 June 2010 (the "Period"), the Group took a conservative approach in its investment portfolio. With the slowdown in stock market growth and further weakening of investor sentiment in the second quarter of 2010, the securities trading and investments portfolio reported a loss of approximately HK\$101 million during the Period of which approximately HK\$155 million was related to net fair value losses.

Our property investment portfolio reported a profit of approximately HK\$30 million of which approximately HK\$27 million came from net fair value gains on investment properties. To consolidate the property portfolio in high quality and properties with investment potentials, the Group acquired the entire of 21st and 23rd floors of China United Centre in North Point, a residential property in Pinewood Garden and a rural land in Australia and disposed of its sole commercial premise in the PRC. The Group also grasped the property market boom to materialise the capital appreciation by selling a residential property in Cyberport. Except for the PRC property which was satisfied by consideration shares, all the considerations were satisfied by cash. Apart from the acquisition and disposal of residential properties and the acquisition of the rural land which were completed in July and August 2010, others were completed during the Period.

The money lending portfolio maintained a stable interest income and earned a profit of approximately HK\$2 million during the Period.

While the economy is still recovering although in a pace slower than originally anticipated and with an occasional jitter through the financial markets, the U.S. government and governments around the world are taking measures to regulate financial institutions and stabilise financial markets. We believe that general economic conditions will improve over time. The management will continue to take actions as necessary to manage through the current economic situation and to improve our operations for the long-term.

Upon the completion of the Disposal, the Group will receive the consideration of HK\$120 million in cash from the Purchaser which will enhance the financial position and the liquidity of the Company.

Assuming full conversion of the Convertible Note by the Purchaser at the initial conversion price of HK\$0.60 per share, Cordoba will become an associated company of the Company. The Company's shareholding in Cordoba will be diluted from approximately 55.27% to 49.38%. Hence, the financial results, assets, liabilities and cash flows of the Cordoba Group will no longer be consolidated into the Company's consolidated financial statements but will be treated as an associated company by using the equity accounting method. In view of the tightening measures imposed by the government several times in 2010 to cool down the property market in Hong Kong, the Directors consider that the Disposal is a strategy to limit the risks in the property investment sector.

However, the Company has no intention to discontinue its investment in investment properties. The Company believes that Cordoba is fully valued and the investment property market has reached a mid-term high. As real estate goes into "cycles", the Company may enter the market again when the investment timing and environment become favourable again.

Apart from property investment, the Company has other business segments including investment in securities trading, money lending and investment holdings. Up to now, the Company intends to maintain these business segments. In the meantime, the Company is looking for other investment opportunities in financial services, property investments and other sectors in an attempt to generate positive return to the Group and the Shareholders and to diversify from the existing property investment business. The Directors note that any meaningful expansion or diversification of the Group's business generally involve significant amount of money. The Directors believe that the cash inflow from the Disposal will not only provide greater financial flexibility to the Company, but also enhance the credit-worthiness and bargaining power of the Group and potentially lead to greater chance of success. Furthermore, it will enable the Group to have readily available funds to scale up its operations promptly and efficiently in order to capture and benefit from fast changing market conditions. The exposure to the property investment sector will be reduced accordingly.

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation of the properties held by the Cordoba Group as at 31 October 2010.



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26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@roma-international.com
[http:// www.roma-international.com](http://www.roma-international.com)

9 December 2010

**The Board of Directors
Willie International Holdings Limited**

32/F, China United Centre,
28 Marble Road,
North Point,
Hong Kong

Dear Sirs/Madams,

Re: Valuation of property interests wholly-owned by the Cordoba Group, non wholly-owned subsidiaries of Willie International Holdings Limited

1. INSTRUCTION

In accordance with your instruction for us to value the property interests wholly-owned by Cordoba Homes Limited and its subsidiaries (together referred to as the “Cordoba Group”) located in Hong Kong and Australia, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 October 2010.

2. BASIS OF VALUATION

Our valuation is our opinion of the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

3. VALUATION METHODOLOGY

Unless otherwise stated, the property interests have been valued on the open market basis assuming sale with the benefit of vacant possession by the market approach whereby sales of property of nature and character similar to the property under consideration are collated and analysed in order to arrive at a value appropriate to the property interests and where appropriate on the basis of capitalization of the net rent income receivable with due allowance for reversionary potential. Comparisons are made in respect of the locations, sizes and characters between the property and the comparable property in order to arrive at a value appropriate to the property interests.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owners sell the property interests in the open market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of such property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interests and no allowance has been made for the property interests to be sold in one lot or to a single purchaser.

We have relied to a very considerable extent on the information provided by the Cordoba Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site and floor areas, ages of buildings and all other relevant matters which can affect the values of the property interests.

5. VALUATION CONSIDERATIONS

We have not carried out on-site measurement to verify the site and floor areas of the properties under consideration. We have assumed that the site and floor areas supplied to us or shown on the documents handed to us are correct. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

As instructed, we have conducted searches for Hong Kong and Australian properties at the Land Registry to ascertain ownership. All documents and title deeds, if provided, have been used as reference only. All dimensions, measurements and areas are approximate.

We have inspected the exterior and, where possible, the interior of certain property included in the valuation certificate attached, in respect of which we have been provided with such information as we have required for the purpose of our valuation.

No structural survey has been made in respect of the properties. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property in strata title is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In this valuation, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; and the HKIS Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors and effective from 1 January 2005.

Our summary of valuation and valuation certificates are attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Andy Wu
FRICS FHKIS RPS
Director

Note: Mr. Andy Wu has over 20 years of experience in the valuation of property located in Hong Kong and the People's Republic of China, and other overseas countries.

SUMMARY OF VALUATION

Property interests wholly-owned by the Cordoba Group in Hong Kong

No. Property	Capital value in existing state as at 31 October 2010
1. Flat B on 22nd Floor together with a portion of Roof immediately thereabove and Car Park No.22 on Car Park Floor Royalton No.118 Pok Fu Lam Road Hong Kong	HK\$26,000,000.
2. 32nd Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$55,500,000.
3. House No.6 Somerset Path The Royal Oaks No.8 Kam Tsin South Road North New Territories	HK\$90,000,000.
4. Unit 1 (also known as House No.A) Sunshine Villa No.48 Mount Kellett Road Hong Kong	HK\$98,000,000.
5. Flat A on 15th and 16th Floors and Car Parking Space No.1 on Ground Floor Formwell Garden Nos.46 & 48 Blue Pool Road Hong Kong	HK\$15,500,000.

Property interests wholly-owned by the Cordoba Group in Hong Kong (Cont'd)

No. Property	Capital value in existing state as at 31 October 2010
6. Unit A on 2nd Floor and Car Parking Space No.31 on Lower Ground Floor Hatton Place No.1A Po Shan Road Hong Kong	HK\$18,000,000.
7. Flat A on 40th Floor of Tower 5 and Private Cars Car Park No.107 on Car Park Level 5 Bel-Air No.8 Bel-Air on The Peak Island South No.8 Bel-Air Peak Avenue Hong Kong	HK\$22,500,000.
8. Flat B on 36th Floor of Tower 8B and Private Cars Car Park No.152 on Car Park Level 5 Bel-Air No.8 Bel-Air on The Peak Island South No.8 Bel-Air Peak Avenue Hong Kong	HK\$25,000,000.
9. Units 1-3 & Units 5-9 on 22nd Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$34,000,000.
10. 26th Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$53,000,000.

Property interests wholly-owned by the Cordoba Group in Hong Kong (Cont'd)

No. Property	Capital value in existing state as at 31 October 2010
11. 29th Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$54,000,000.
12. 30th Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$54,000,000.
13. 31st Floor China United Centre “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$54,000,000.
14. Space Nos.LB1, 1A, LB2, 2A, LB3, 3A, LB4, 4A, LB5 and 5A on 2nd Floor, Car Parking Space Nos.1-19 and Space Nos.1A, 5A, 6A, 9A, 12A, 13A and 16A on 3rd Floor and Car Parking Space Nos.1-15 and Space Nos.3A, 8A, 13A and 15A on 5th Floor, “No.28 Marble Road” No.28 Marble Road North Point Hong Kong	HK\$31,800,000.
15. 21st Floor China United Centre, “No.28 Marble Road” No. 28 Marble Road, North Point, Hong Kong.	HK\$52,000,000.

Property interests wholly-owned by the Cordoba Group in Hong Kong (Cont'd)

No. Property	Capital value in existing state as at 31 October 2010
16. 23rd Floor China United Centre, “No.28 Marble Road” No. 28 Marble Road, North Point, Hong Kong.	HK\$52,000,000.
17. Flat D on 2nd Floor And Car Parking Space No.18 Pinewood Garden No.39 Perkins Road Hong Kong	HK\$16,500,000.
Total: Hong Kong Properties	<u>HK\$751,800,000.</u>

Property interests wholly-owned by the Cordoba Group in Australia

No. Property	Capital value in existing state as at 31 October 2010
18. The Hermitage, 130 Hermitage Road, The Oaks 2570, New South Wales, Australia.	AUD3,700,000.
Total: Australian Property	<u>AUD3,700,000.</u>

VALUATION CERTIFICATE

Property interests wholly-owned by the Cordoba Group in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
1.	Flat B on 22nd Floor together with a portion of Roof immediately thereabove and Car Park No.22 on Car Park Floor, Royalton, No.118 Pok Fu Lam Road, Hong Kong 82/3444th shares of and in Rural Building Lot No.1114	<p>The property comprises a residential unit on 22nd floor together with a portion of roof immediately thereabove and a car parking space on car park floor of a 22-storeyed residential building.</p> <p>The building was completed in about 1997.</p> <p>The residential unit contains a gross floor area of about 200.7 sq.m. (or about 2,160 sq.ft.) and a saleable area of about 146 sq.m. (or about 1,572 sq.ft.).</p> <p>The roof contains a saleable area of about 113.4 sq.m. (or about 1,221 sq.ft.).</p> <p>The property is held under Conditions of Exchange No.12323 for a term commencing on 12 October 1994 and expiring on 30 June 2047.</p> <p>Annual government rent for the property is HK\$14,660.</p>	<p>The property is subject to a tenancy let to China United International Administrative Services Limited which is a wholly-owned subsidiary of Willie International Holdings Limited, for a term of 1 year from 15 July 2010 to 14 July 2011 at a monthly rent of HK\$75,000 exclusive of rates and management fees.</p>	HK\$26,000,000.

Notes:

1. The registered owner of the property is Bestford Properties Limited vide memorial no.UB7374945 dated 27 June 1997.
2. The residential unit comprised in the property is subject to a legal charge/mortgage in favour of The Bank of East Asia, Limited vide memorial no.06082201430220 dated 27 July 2006.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
2.	32nd Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong	<p>The property comprises the whole office floor on 32nd Floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,046.3 sq.m. (or about 11,262 sq.ft.) and a saleable area of about 683.94 sq.m. (or about 7,362 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$41,760.</p>	<p>A portion of the property (designated as Room 11 on the 32nd Floor) is subject to a tenancy let to China United International Administrative Services Limited which is a wholly-owned subsidiary of Willie International Holdings Limited, for a term of 2 years from 1 July 2010 to 30 June 2012 at a monthly rental of HK\$110,760 inclusive of rates, management fees and air conditioning charges. This portion has an area of 3,692 sq.ft.</p> <p>The remaining portion of the property is for own use. This portion has an area of 7,570 sq.ft.</p>	<p>HK\$55,500,000.</p> <p>HK\$18,800,000 for Room 3211 (the tenanted portion)</p> <p>HK\$36,700,000 for the remaining portion</p>

Notes:

1. The registered owner of the property is Wealth Champion Limited vide memorial no.05021602640112 dated 17 January 2005.
2. The property is subject to a mortgage and a rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos.08102002340072 and 08102002340083 respectively both dated 9 October 2008.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
3.	House No.6, Somerset Path, The Royal Oaks, No.8 Kam Tsin South Road, North, New Territories 77/2395th shares of and in Lot No.2543 in D.D. No.92	<p>The property comprises a 2-storeyed detached house together with a garden and a carport.</p> <p>The house was completed in about 2004.</p> <p>The house contains a gross floor area of about 710 sq.m. (or about 7,643 sq.ft.) and a saleable area of about 513.7 sq.m. (or about 5,529 sq.ft.).</p> <p>The garden area is about 1,152 sq.m. (or about 12,404 sq.ft.)</p> <p>The property is held under New Grant No.N12917 for a term commencing on 15 September 1995 and expiring on 30 June 2047.</p> <p>Annual government rent for the property is HK\$43,984.</p>	<p>The property is subject to a tenancy for a term of 1 year from 1 January 2010 to 31 December 2010 at a monthly rent of HK\$285,000 inclusive of rates, management fees and other outgoings.</p>	HK\$90,000,000.

Notes:

1. The registered owner of the property is Trade Well Investments Limited vide memorial no.07061801170334 dated 18 May 2007.
2. The property is subject to a legal charge/mortgage in favour of The Bank of East Asia, Limited vide memorial no.07061502300320 dated 18 May 2007.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
4.	Unit 1 (also known as House No.A), Sunshine Villa, No.48 Mount Kellett Road, Hong Kong 3279/28000th shares of and in Rural Building Lot No.96 and the Extensions Thereto	<p>The property is a 3-storeyed detached garden house erected on a podium and was completed in about 1996.</p> <p>The house contains a gross floor area of about 325.2 sq.m. (or about 3,500 sq.ft.) and a saleable area of about 236.6 sq.m. (or about 2,547 sq.ft.).</p> <p>The garden area and yard contain an area of about 149.4 sq.m. (or about 1,608 sq.ft.).</p> <p>The property is held under Government Lease for a term of 75 years renewable for 75 years commencing on 24 April 1899.</p> <p>Annual government rent for the property is HK\$29,340.</p>	The property is vacant.	HK\$98,000,000.

Notes:

1. The registered owner of the property is Apex Novel Limited vide memorial no.05021802700042 dated 31 January 2005.
2. The property is subject to a legal charge/mortgage in favour of The Bank of East Asia, Limited vide memorial no.07081402150370 dated 18 July 2007.
3. A provisional agreement for sale and purchase for acquisition of the property by Cassia Hill Limited at a consideration of HK\$128,000,000 vide memorial no. 10102600310013 dated 28 September 2010.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
5.	Flat A on 15th and 16th Floors and Car Parking Space No.1 on Ground Floor, Formwell Garden, Nos.46 and 48 Blue Pool Road, Hong Kong 210/5010th shares of and in Inland Lot Nos.8228, 8227 and 4843	<p>The property comprises a residential duplex unit on 15th and 16th floors and a car parking space on the ground floor of a 25-storeyed residential building over a basement.</p> <p>The building was completed in about 1982.</p> <p>The residential unit contains a gross floor area of about 148.6 sq.m. (or about 1,600 sq.ft.) and a saleable area of about 117.7 sq.m. (or about 1,267 sq.ft.).</p> <p>The property is held under Government Lease for a term of 75 years renewable for a further term of 75 years commencing on 30 November 1936.</p> <p>There is no government rent for the property.</p>	The property is subject to a monthly tenancy at a monthly rent of HK\$40,000 inclusive of rates and management fees.	HK\$15,500,000.

Notes:

1. The registered owner of the property is Startech Business Limited vide memorial no.05033101680015 dated 3 March 2005.
2. The property is subject to a mortgage and a rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos.07100503050060 and 07100503050071 respectively both dated 7 September 2007.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
6.	Unit A on 2nd Floor and Car Parking Space No.31 on Lower Ground Floor, Hatton Place, No.1A Po Shan Road, Hong Kong 406/16300th shares of Inland Lot No.3547	<p>The property comprises a residential unit on 2nd floor and a car parking space on lower ground floor of a 10-storeyed residential building over a 2-storeyed carport.</p> <p>The building was completed in about 1997.</p> <p>The residential unit contains a gross floor area of about 142.88 sq.m. (or about 1,538 sq.ft.) and a saleable area of about 109.3 sq.m. (or about 1,176.5 sq.ft.).</p> <p>The property is held under Government Lease for a term of 75 years renewable for a further term of 75 years commencing on 18 April 1933.</p> <p>Annual government rent for the property is HK\$12,290.</p>	The property is subject to a tenancy for a term of 1 year from 15 July 2010 to 14 July 2011 at a monthly rent of HK\$60,000 exclusive of rates and management fees.	HK\$18,000,000.

Notes:

1. The registered owner of the property is Earn Best Investments Limited vide memorial no.05110901970063 dated 12 October 2005.
2. The property is subject to a legal charge in favour of Wing Hang Bank Limited vide memorial no.05110901970071 dated 18 October 2005.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
7.	Flat A on 40th Floor of Tower 5, and Private Cars Car Park No.107 on Car Park Level 5, Bel-Air No.8, Bel-Air on The Peak, Island South, No.8 Bel-Air Peak Avenue, Hong Kong 128/553324th shares of and in Section B of Inland Lot No.8969	The property comprises a residential unit on 40th floor and a private car parking space on car park level 5 of a 34-storeyed residential building over a multi-storeyed carport. The building was completed in about 2008. The residential unit contains a gross floor area of about 144 sq.m. (or about 1,551 sq.ft.) and a saleable area of about 105.8 sq.m. (or about 1,139 sq.ft.). The property is held under Conditions of Grant No.UB12572 for a term of 50 years from 22 May 2000. Annual government rent for the property is HK\$13,700.	The property is vacant.	HK\$22,500,000.

Notes:

1. The registered owner of the property is Winsy Investments Limited vide memorial no.09031301650193 dated 18 February 2009.
2. The property is subject to a mortgage and a rent assignment in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial nos.09031301650209 and 09031301650214 respectively both dated 18 February 2009.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
8.	Flat B on 36th Floor of Tower 8B, and Private Cars Car Park No.152 on Car Park Level 5, Bel-Air No.8, Bel-Air on The Peak, Island South, No.8 Bel-Air Peak Avenue, Hong Kong 152/553324th shares of and in Section B of Inland Lot No.8969	<p>The property comprises a residential unit on 36th floor and a private car parking space on car park level 5 of a 34-storeyed residential building over a multi-storeyed carport.</p> <p>The building was completed in about 2008.</p> <p>The residential unit contains a gross floor area of about 174 sq.m. (or about 1,878 sq.ft.) and a saleable area of about 131.17 sq.m. (or about 1,412 sq.ft.).</p> <p>The property is held under Conditions of Grant No.UB12572 for a term of 50 years from 22 May 2000.</p> <p>Annual government rent for the property is HK\$17,264.</p>	The property is subject to a tenancy for a term of 1 year from 1 June 2010 to 31 May 2011 at a monthly rent of HK\$60,000 inclusive of rates, management fees and other outgoings.	HK\$25,000,000.

Notes:

1. The registered owner of the property is Longtop Enterprises Limited vide memorial no.09012002050018 dated 23 December 2008.
2. The property is subject to a mortgage and a rental assignment in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial nos.09012002050023 and 09012002050037 respectively both dated 23 December 2008.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
9.	Units 1-3 & Units 5-9 on 22nd Floor, China United Centre, "No. 28 Marble Road", No.28 Marble Road, North Point, Hong Kong 511/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises 8 office units on 22nd floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a total gross floor area of about 694 sq.m. (or about 7,472 sq.ft.) and a total saleable area of about 435 sq.m. (or about 4,682 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$26,100.</p>	<p>Unit Nos. 2201-2203 are vacant. This portion has an area of 4,051 sq.ft.</p> <p>Unit Nos. 2205-2209 are subject to a tenancy for a term of 2 years from 1 April 2010 to 31 March 2012 at a monthly rent of HK\$75,262 inclusive of rates, management fees and air conditioning charges. This portion has an area of 3,421 sq.ft.</p>	<p>HK\$34,000,000.</p> <p>HK\$18,800,000 for Unit Nos. 2201-2203 (the vacant portion)</p> <p>HK\$15,200,000 for Unit Nos. 2205-2209 (the tenanted portion)</p>

Notes:

1. The registered owner of the property is Hostbest Limited vide memorial nos.07092500670026 and 07092500670010 respectively both dated 27 August 2007.
2. The property is subject to a legal charge/mortgage and an assignment of rental in favour of The Bank of East Asia, Limited vide memorial nos.07100800490037, 07100800490041, 07100800490012 and 07100800490023 respectively all dated 3 October 2007.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
10.	26th Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 832/23400th shares of and in sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 26th floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,039.3 sq.m. (or about 11,187 sq.ft.) and a saleable area of about 678.54 sq.m. (or about 7,304 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$40,680.</p>	<p>The property is subject to a tenancy for a term of 1 year from 1 September 2010 to 31 August 2011 at a monthly rental of HK\$310,000 exclusive of rates, management fees and other outgoings.</p>	HK\$53,000,000.

Notes:

1. The registered owner of the property is Wealth Elegant Investments Limited vide memorial no.07081701830076 dated 20 July 2007.
2. The property is subject to a mortgage and a rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos.07081701830083 and 07081701830098 respectively both dated 20 July 2007.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
11.	29th Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 866/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 29th floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,039.3 sq.m. (or about 11,187 sq.ft.) and a saleable area of about 678.54 sq.m. (or about 7,304 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$41,400.</p>	<p>The property is subject to a tenancy for a term of 2 years from 16 February 2009 to 15 February 2011 at a monthly rent of HK\$337,860 inclusive of rates and management fees.</p>	HK\$54,000,000.

Notes:

1. The registered owner of the property is Bright Majestic Limited vide memorial no.09011201530023 dated 15 December 2008.
2. The property is subject to a mortgage and an assignment of rental in favour of Chong Hing Bank Limited vide memorial nos.09011201530033 and 09011201530047 respectively both dated 15 December 2008.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
12.	30th Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 875/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of Section A of sub-section 1 of Section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 30th Floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,046.3 sq.m. (or about 11,262 sq.ft.) and a saleable area of about 683.94 sq.m. (or about 7,362 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$41,760.</p>	<p>The property is subject to a tenancy for a term of 2 years from 1 October 2010 to 30 September 2012 at a monthly rent of HK\$310,000 exclusive of rates, management fees and other outgoing.</p>	HK\$54,000,000.

Notes:

1. The registered owner of the property is Wiseteam Assets Limited vide memorial no.05070200880032 dated 8 June 2005.
2. The property is subject to a mortgage and a rental assignment in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial nos.09033002040033 and no.09033002040041 respectively both dated 19 March 2009.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
13.	31st Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 887/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of Section A of sub-section 1 of Section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 31st Floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,046.3 sq.m. (or about 11,262 sq.ft.) and a saleable area of about 683.94 sq.m. (or about 7,362 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$41,760.</p>	<p>The property is subject to a tenancy for a term of 1 year from 1 September 2010 to 31 August 2011 at a monthly rent of HK\$310,000 exclusive of rates, management fees and other outgoing.</p>	HK\$54,000,000.

Notes:

1. The registered owner of the property is Silver Target Limited vide memorial no.05021602640108 dated 17 January 2005.
2. The property is subject to a mortgage and a rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos.08102002340033 and no. 08102002340046 respectively both dated 9 October 2008.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
14.	Space Nos.LB1, 1A, LB2, 2A, LB3, 3A, LB4, 4A, LB5 and 5A on 2nd Floor, Car Parking Space Nos.1-19 and Space Nos.1A, 5A, 6A, 9A, 12A, 13A and 16A on 3rd Floor and Car Parking Space Nos.1-15 and Space Nos.3A, 8A, 13A and 15A on 5th Floor, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong	<p>The property comprises 5 loading/unloading spaces and 5 spaces on 2nd Floor, 19 car parking spaces and 7 spaces on 3rd floor and 15 car parking spaces and 4 spaces on 5th floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property was served by four lifts leading from the ground floor.</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$57,780.</p>	<p>The property together with all other car parking spaces and spaces on 2nd, 3rd and 5th Floors are subject to a tenancy for a term of 1 year from 1 March 2010 to 28 February 2011 at a total monthly rent of HK\$360,000 inclusive of management fees, air conditioning fees and rates.</p>	HK\$31,800,000.
	342/23400th shares of and in Sub-sections 2, 4, 5 and The remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504			

Notes:

1. The registered owner of the property is Willie Carpark (North Point) Limited vide memorial nos.09092401040016 and 091012801900011 dated 8 September 2009 and 28 October 2009 respectively.
2. The property is subject to a legal charge/mortgage and an assignment of rental in favour of The Bank of East Asia, Limited vide memorial nos. 09113001540250 and 09113001540261 respectively both dated 17 November 2009.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
15.	21st Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 737/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 21st Floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,039.3 sq.m. (or about 11,187 sq.ft.) and a saleable area of about 647.5 sq.m. (or about 6,970 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$37,854.</p>	<p>The property is subject to the following tenancies:</p> <p>Unit Nos. 2101-2102 are let for a term of 2 years from 1 November 2009 to 31 October 2011 at a monthly rent of HK\$72,000 inclusive of rates, management fees and air conditioning charges.</p> <p>Unit Nos. 2108-2109 are let for a term of 1 year from 1 April 2010 to 31 March 2011 at a monthly rent of HK\$33,150 inclusive of rates, management fees and air conditioning charges.</p> <p>Unit No.2111 is let for a term of 1 year from 18 November 2009 to 17 November 2010 at a monthly rent of HK\$54,000 inclusive of rates, management fees and air conditioning charges. The tenancy would be renewed for one year at the same rental.</p> <p>The remaining units are vacant.</p>	<p>HK\$52,000,000.</p> <p>HK\$15,300,000 for Unit Nos 2101-2102 (tenanted portion)</p> <p>HK\$6,200,000 for Unit Nos. 2108-2109 (tenanted portion)</p> <p>HK\$11,500,000 for Unit 2111 (tenanted portion)</p> <p>HK\$19,000,000 for the remaining units (vacant portion)</p>

Notes:

- The registered owner of the property is Wise Sky Ltd. vide memorial no. 10041301010037, 10041301010058, 10041301010090, 10041301010116, 10041301010132, 10041301010153, 10041301010175, 10041301010079, and 10041301010190 all dated 18 March 2010.
- The property is subject to a mortgage and a rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos.10081303170166 and 10081303170170 respectively both dated 2 August 2010.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
16.	23rd Floor, China United Centre, "No.28 Marble Road", No.28 Marble Road, North Point, Hong Kong 758/23400th shares of and in Sub-sections 2, 4, 5 and the remaining portion of section A, section B of sub-section 3 of section A, the remaining portion of sub-section 3 of section A, section A of sub-section 3 of section A and the remaining portion of section A of sub-section 1 of section A, Sub-sections 2, 3, 4, 5 & 6 of section A of sub-section 1 of section A of Inland Lot No.3504	<p>The property comprises the whole office floor on 23rd Floor of a 30-storeyed commercial/office building over a basement.</p> <p>The building was completed in about 1997.</p> <p>The property contains a gross floor area of about 1,039.3 sq.m. (or about 11,187 sq.ft.) and a saleable area of about 678.54 sq.m. (or about 7,304 sq.ft.).</p> <p>The property is held under Conditions of Sale No.UB3369 for a term of 75 years renewable for a further term of 75 years commencing on 17 October 1932.</p> <p>Annual government rent for the property is HK\$39,960.</p>	<p>The property is subject to following tenancy:</p> <p>Unit 2302 is let for a term of 2 years from 1 August 2010 to 31 July 2012 at a monthly rent of HK\$164,460 inclusive of rates, management fees and air conditioning charges. The estimated tenanted portion is around 5,595 square feet.</p> <p>The remaining units are vacant.</p>	<p>HK\$52,000,000.</p> <p>HK\$25,500,000 for Unit 2 (tenanted portion)</p> <p>HK\$26,500,000 for remaining units (vacant portion)</p>

Notes:

1. The registered owner of the property is Poly Logic Limited vide memorial no. 10042701810252 dated 29 March 2010.
2. The property is subject to a mortgage and a rent assignment in favour of Industrial and Commercial Bank (Asia) Limited vide memorial nos. 10042701810266 and 10042701810274 respectively both dated 29 March 2010.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
17.	Flat D on 2nd Floor, and Car Parking Space No. 18, Pinewood Garden, No. 39 Perkins Road, Hong Kong	The property comprises a residential unit having a saleable area of about 94.7 square metres or about 1,019 square feet.	The property is vacant.	HK\$16,500,000.
	88/1960th parts or shares of and in Inland Lot No. 7943	The subject property formed part of a five storey building completed over 42 years. The lot is held under Conditions of Sale Nos. 8147 for a term of 75 years renewable for further 75 years commencing from 22 July 1963.	There is no government rent for the property.	

Notes:

1. The registered owner is Grace Shine Investments Limited vide Memorial No. 10083101920013 dated 9 August 2010.
2. The property is free of legal charge.

Property interests wholly-owned by the Cordoba Group in Australia

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 October 2010
18.	The Hermitage, 130 Hermitage Road, The Oaks 2570, New South Wales, Australia. It is currently registered as Lot No. 101 as per deposit Plan No. 1007032 in the County of A Camden in Oakdale.	The property comprises a parcel of rural land with an area of 97.41 hectares (974,100 square metres approximately). A farm house and cottage were found erected on the site. There is no government rent for the property.	The property is vacant.	AUD3,700,000.

Notes:

1. The registered owner is Perfectday Investments Limited vide document no. AF664486 dated 30 July 2010.
2. The property has been pledged to National Australia Bank Limited for securing banking facilities. The registration is in process.

1. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

A. Directors' interests

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the interests and short positions of the Directors or chief executive 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 the Shares

Name of director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Dr. Chuang Yueheng, Henry	Beneficial owner	23,353,440	1.58%

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive 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. Substantial Shareholders' interests

As at the Latest Practicable Date, so far as is known to the Directors or chief executive 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 percent 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.

Interests in other members of the Group

Name of subsidiary	Name of direct or indirect owner of shares or equity interest (as the case may be)	Effective % of equity interest held
Cordoba Homes Limited	Ristora Investments Limited (<i>Note</i>)	44.73%
Cordoba Homes Limited	Lo Ki Yan Karen (<i>Note</i>)	44.73%

Note : Ristora Investments Limited is wholly-owned by Ms. Lo Ki Yan Karen.

Save as disclosed above, the Directors are not aware of 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 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 percent 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.

C. Competing interests of Directors and associates

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

D. Directors' service contracts

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with any members of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

E. Litigation

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

F. Interest in assets of the Group

As at the Latest Practicable Date, none of the Directors or Vinco Capital or Roma (defined in paragraph (H) below) had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2009 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

G. Interest in contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

H. Qualification of experts and consents

- (i) The following are the qualification of the experts which have given an opinion or advice contained in this circular.

Name	Qualification
Roma Appraisals Limited ("Roma")	an independent professional valuer
Vinco Capital	an independent financial adviser

- (ii) Each of Roma and Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and references to its name in the form and context in which they appear.
- (iii) As at the Latest Practicable Date, none of Roma or Vinco Capital had any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

I. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) on 12 May 2009, Popovic Investments Limited, a wholly-owned subsidiary of the Company as the vendor and Marvel Century Limited as the purchaser entered into a share purchase agreement for the disposal by Popovic Investments Limited of the entire issued share capital of Richful Zone International Limited at a consideration of HK\$130 million which was satisfied by the issue of convertible bond by Mascotte Holdings Limited;
- (ii) on 3 June 2009, Heritage International Holdings Limited, as the assignor, Coupeville Limited, as the assignee, and Double Smart Finance Limited entered into a deed of assignment pursuant to which Heritage International Holdings Limited agreed to transfer and assign the loan of HK\$377,763,142.08 owed by Double Smart Finance Limited to Coupeville Limited;

- (iii) on 3 June 2009, Coupeville Limited, as the assignor, Best Purpose Limited, as the assignee, and Double Smart Finance Limited entered into a deed of assignment pursuant to which Coupeville Limited agreed to transfer and assign the loan of HK\$377,763,142.08 owed by Double Smart Finance Limited to Best Purpose Limited;
- (iv) on 8 June 2009, Welltodo Investments Limited, a wholly-owned subsidiary of the Company as the purchaser and Coupeville Limited as the vendor entered into a share purchase agreement for the purchase of two shares representing 50% of the issued share capital of Best Purpose Limited at a consideration of HK\$180 million which was satisfied by the issue of convertible note by the Company;
- (v) on 19 June 2009, the Company and Chung Nam Securities Limited (“Placing Agent”) entered into a placing agreement in relation to the placing on best effort basis by the Placing Agent of convertibles notes up to an aggregate principal amount of HK\$600 million and up to 600,000,000 placing shares at HK\$1.00 per share (“June Placing Agreement”);
- (vi) on 22 June 2009, International Stamps & Coins Exchange Gallery Limited, a wholly-owned subsidiary of the Company as the vendor, and Cheung Chi Kei and Chow Pui Ying as the purchasers entered into a formal agreement for sale and purchase for the disposal by International Stamps & Coins Exchange Gallery Limited of a property known as Flat C8, 26th Floor, Block C, Elizabeth House, Nos. 250 - 254 Gloucester Road, Causeway Bay, Hong Kong at a consideration of HK\$6 million by cash;
- (vii) on 8 July 2009, the Company and Kingston Securities Limited entered into a placing agreement in relation to the placing of 77,990,000 new shares of the Company at HK\$1.00 per share on a fully underwritten basis;
- (viii) on 14 August 2009, Pearl Decade Limited, a wholly-owned subsidiary of the Company as the vendor and Dollar Group Limited as the purchaser entered into a sale and purchase agreement evidenced by contract notes and transfer documents for the disposal of a convertible bond in the aggregate principal amount of HK\$20,000,000 convertible into shares in Mascotte Holdings Limited at a conversion price of HK\$0.50 per share for a consideration of HK\$45,000,000 by cash;
- (ix) on 30 September 2009, Ms. Lo Ki Yan, Karen as the guarantor for the subscriber, Ristora Investments Limited as the subscriber and Cordoba Homes Limited entered into a subscription agreement pursuant to which Ristora Investments Limited agreed to subscribe for 750,000,000 new shares in Cordoba Homes Limited for an aggregate consideration of HK\$450 million by cash (as amended by a supplemental agreement dated 16 March 2010 and a consent dated 15 September 2010);
- (x) on 6 October 2009, the Company and Cordoba Homes Limited entered into an agreement relating to the subscription of a non-interest bearing redeemable convertible note in a principal amount of HK\$120 million issued by Cordoba Homes Limited to the Company convertible into shares in Cordoba Homes Limited at a conversion price of HK\$0.60 per share;

- (xi) on 27 November 2009, Poly Logic Limited, a wholly-owned subsidiary of the Company as the purchaser and Get Rich Enterprises Limited as the vendor entered into a formal agreement for sale and purchase for the acquisition by Poly Logic Limited of a property known as 23rd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at a consideration of HK\$58,172,400 by cash;
- (xii) on 28 December 2009, the Company and the Placing Agent entered into a termination agreement in relation to the June Placing Agreement;
- (xiii) on 28 December 2009, the Company and the Placing Agent entered into a placing agreement in relation to the placing of 200,000,000 new shares of the Company at HK\$0.45 per share on a fully underwritten basis;
- (xiv) on 24 March 2010, Grace Shine Investments Limited, an indirect non wholly-owned subsidiary of the Company as the vendor and Forefront Group Limited as the purchaser entered into a conditional agreement for the disposal of the entire issued share capital of Perfect Time Investments Limited and the shareholder's loan extended to Perfect Time Investments Limited at a consideration of HK\$100 million which was satisfied by issue of 400,000,000 ordinary shares by Forefront Group Limited;
- (xv) on 17 May 2010, Apple Worth Limited, an indirect non wholly-owned subsidiary of the Company as the purchaser and Future Master Investments Limited as the vendor entered into a conditional agreement for the acquisition by Apple Worth Limited of the entire issued share capital of Sunny Soar Investments Limited and the shareholder's loan extended to Sunny Soar Investments Limited at a consideration of HK\$52 million by cash;
- (xvi) on 9 June 2010, the Company and Get Nice Securities Limited entered into a placing agreement in relation to the placing of a maximum of 171,437,476 new shares of the Company at HK\$0.255 per share on a best effort basis;
- (xvii) on 18 June 2010, Perfectday Investments Limited, an indirect non wholly-owned subsidiary of the Company as the purchaser and C.J.N Bloodstock Pty. Limited as the vendor entered into an agreement for sale and purchase for the acquisition by Perfectday Investments Limited of a parcel of rural land in Australia with the address known as The Hermitage, 130 Hermitage Road, The Oaks 2570, New South Wales, Australia at a consideration of AUD\$3,680,000 (equivalent to HK\$25,208,000 based on AUD\$1 = HK\$6.85 for illustration purpose) by cash;
- (xviii) on 21 June 2010, Portstar Investments Limited, an indirect non wholly-owned subsidiary of the Company as the vendor and Ms Kam Hong Ieng as the purchaser entered into an agreement for sale and purchase for the disposal by Portstar Investments Limited of a property known as Flat A, 39th Floor, Tower 5 and Car Parking Space L7-61, Bel-Air No.8, Bel-Air on the Peak, Island South, No. 8 Bel-Air Peak Avenue, Hong Kong at a consideration of HK\$20,800,000 by cash;

- (xix) on 22 June 2010, Grace Shine Investments Limited, an indirect non wholly-owned subsidiary of the Company as the purchaser and Continental Manor Limited as the vendor entered into the agreement for sale and purchase for the acquisition by Grace Shine Investments Limited of a property known as Flat D, 2nd Floor and Car Parking Space No.18, Pinewood Garden, No.39 Perkins Road, Hong Kong at a consideration of HK\$16,100,000 by cash;
- (xx) on 22 June 2010, Cordoba Homes Finance Limited, an indirect non wholly-owned subsidiary of the Company as the lender and Sun Chung Nam Finance Limited as the borrower entered into a loan agreement for the provision of a revolving loan with the principal amount of HK\$50 million for a twelve-month period at the best lending rate plus 2% per annum by Cordoba Homes Finance Limited to Sun Chung Nam Finance Limited for its general working capital purpose;
- (xxi) on 3 August 2010, the Company and the Placing Agent entered into a placing agreement in relation to the placing of a maximum of 205,724,971 new shares of the Company at HK\$0.165 per share on a best effort basis;
- (xxii) on 19 August 2010, Cordoba Homes Limited, a direct non wholly-owned subsidiary of the Company as the vendor and a third party individual as the purchaser entered into a conditional agreement for the disposal by Cordoba Homes Limited of the entire issued share capital of Winport Limited and the shareholder's loan extended to Winport Limited at a consideration of HK\$36 million by cash;
- (xxiii) on 28 September 2010, Apex Novel Limited, an indirect non wholly-owned subsidiary of the Company as the vendor and Cassia Hill Limited as a purchaser entered into a provisional agreement for sale and purchase for the acquisition by Cassia Hill Limited of a property known as Unit 1 (also known as House No. A), Sunshine Villa, No.48 Mount Kellett Road, Hong Kong at a consideration of HK\$128 million by cash, and the related formal sale and purchase agreement was signed on 19 November 2010;
- (xxiv) on 22 October 2010, CW Financing Limited, an indirect non wholly-owned subsidiary of the Company as the lender and Double Smart Finance Limited, an associated company of the Company as the borrower entered into a loan agreement for the provision of loan with the principal amount of HK\$65 million for one year at the prime lending rate per annum by CW Financing Limited to Double Smart Finance Limited for its general working capital purpose;
- (xxv) on 29 October 2010, the Company and Kingston Securities Limited entered into a placing agreement in relation to the placing of a maximum of 246,000,000 new shares of the Company at HK\$0.18 per share on a best effort basis;
- (xxvi) the Sale and Purchase Agreement;
- (xxvii) the Loan Agreement; and

(xxviii) the Corporate Guarantee Facilities Letter.

J. Documents available for inspection

Copies of the following documents are available for inspection at the office of the Company at 32th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including the date of the EGM:-

- (i) the memorandum and articles of association of the Company;
- (ii) the valuation report from Roma on the properties held by the Cordoba Group, the text of which is set out in Appendix II of this circular;
- (iii) all material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (iv) the annual reports of the Company for each of the two years ended 31 December 2009 and the interim report of the Company for the six months ended 30 June 2010;
- (v) the circular of the Company dated 21 April 2010 in relation to a major transaction for the disposal of Perfect Time Investments Limited;
- (vi) the circular of the Company dated 26 October 2010 in relation to a major transaction for the disposal of a property;
- (vii) consent letters of Vinco Capital and Roma; and
- (viii) this circular.

3. GENERAL INFORMATION

- (i) The company secretary of the Company is Mr. Man Wai Chuen, being a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Chartered Secretaries and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (ii) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (iii) The English version of this circular shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



WILLIE INTERNATIONAL

Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Willie International Holdings Limited (the “Company”) will be held at 9:00 a.m. on Friday, 24 December 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the terms of the sale and purchase agreement (the “Sale and Purchase Agreement”, a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification) dated 15 November 2010 entered into between the Company as vendor and Supreme Castle Investments Limited as purchaser (the “Purchaser”) pursuant to which, inter alia, the Company agreed to sell and the Purchaser agreed to purchase the redeemable convertible note (the “Convertible Note”) in the principal amount of HK\$120 million issued by Cordoba Homes Limited (“Cordoba”, together with its subsidiaries, the “Cordoba Group”), a non wholly-owned subsidiary of the Company, to the Company on 9 October 2009 for a consideration of HK\$120 million in cash be and are hereby confirmed, approved and ratified;
- (b) the exercise of conversion rights by the Purchaser under the Convertible Note at an initial conversion price of HK\$0.60 per share (subject to adjustments) in the share capital of Cordoba and the possible deemed disposal (the “Possible Deemed Disposal”) of the Company’s interests in Cordoba by such exercise of conversion of rights under the Convertible Note be and is hereby approved, and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and
- (c) the directors of the Company be and are hereby authorised to take such actions and execute such documents to effect the Possible Deemed Disposal and the transactions contemplated under the Sale and Purchase Agreement and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary or desirable for such purpose.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. “THAT:

- (a) the grant of an interest-bearing loan (the “Loan”) in the principal amount of HK\$150 million by the Company to Cordoba for the purpose of repaying the interest-free shareholder’s loan in the principal amount of HK\$150 million advanced by the Company to Cordoba after Cordoba ceases to be a non wholly-owned subsidiary of the Company at the prime lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited and repayable on a day falling twelve months commencing from the day on which the Loan will be drawn down by Cordoba under the Loan Agreement or such later date as the parties agree and pursuant to the terms set out in the conditional loan agreement (the “Loan Agreement”, a copy of which has been produced to this meeting marked “B” and initialled by the chairman of the meeting for the purpose of identification) dated 15 November 2010 entered into between the Company as lender and Cordoba as borrower, and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and
- (b) the directors of the Company be and are hereby authorised to take such actions and execute such documents to effect the grant of the Loan and the transactions contemplated under the Loan Agreement and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary or desirable for such purpose.”

3. “THAT:

- (a) the continued provision of a total of 16 corporate guarantees (the “Corporate Guarantee Facilities”) by the Company for securing the bank loan facilities granted to the Cordoba Group after Cordoba ceases to be a non wholly-owned subsidiary of the Company (details of which are set out in the circular of the Company dated 9 December 2010) and the charging of a guarantee fee of 1.5% per annum of the average daily amount of the aggregate principal of bank loans covered under the Corporate Guarantee Facilities pursuant to the terms set out in the letter (the “Corporate Guarantee Facilities Letter”, a copy of which has been produced to this meeting marked “C” and initialled by the chairman of the meeting for the purpose of identification) dated 15 November 2010 entered into between the Company and Cordoba, and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and
- (b) the directors of the Company be and are hereby authorised to take such actions and execute such documents to effect the continued provision of the Corporate Guarantee Facilities and the transactions contemplated under the Corporate Guarantee Facilities Letter and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary or desirable for such purpose.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. “THAT:

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B), otherwise than (i) a Rights Issue (as hereafter defined) or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of the Company or (iv) an issue of shares as scrip dividend pursuant to the articles of association of the Company, from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements

NOTICE OF EXTRAORDINARY GENERAL MEETING

as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. “**THAT** the existing scheme mandate limit in respect of the granting of options to subscribe for shares in the Company under the share option scheme adopted by the Company on 20 November 2002 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of shares of the Company which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme), shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 9 December 2010

Registered Office:
32/F., China United Centre
28 Marble Road
North Point
Hong Kong

As at the date of this notice, the Board comprises four executive Directors, namely, Dr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin and four independent non-executive Directors, namely, Mr. Cheung Wing Ping, Mr. Liu Jian, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond.

Notes:

- (1) A form of proxy 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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 appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at office of the Company's share registrar, **Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong** not less than 48 hours before the time for holding the meeting or any adjourned meeting, and in default the instrument of proxy shall not be treated as valid.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.