
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Willie International Holdings Limited (the "Company"), you should at once hand this Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed "Expert" in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



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)

RIGHTS ISSUE OF 2,368,559,728 RIGHTS SHARES OF HK\$0.01 EACH AT HK\$0.125 PER RIGHTS SHARE ON THE BASIS OF EIGHT RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS

Lead Underwriter

CHUNG NAM SECURITIES LIMITED

Co-underwriters



結好證券有限公司
GET NICE SECURITIES LIMITED



英皇證券(香港)有限公司
Emperor Securities Limited

It should be noted that the Shares have been dealt in on an ex-rights basis since Monday, 23 May 2011. Dealings in the Rights Shares in their nil-paid form are expected to take place from Thursday, 2 June 2011 to Friday, 10 June 2011 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (if applicable) or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed. Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Thursday, 2 June 2011 to Friday, 10 June 2011 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for application and payment for the Rights Shares is 4:00 p.m. on Wednesday, 15 June 2011. The procedures for application of Rights Shares are set out on pages 6 to 11 of this Prospectus.

The Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company issued by the Lead Underwriter (on behalf of the Underwriters) at its sole discretion at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the opinion of the Lead Underwriter (on behalf of the Underwriters), such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriters shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Lead Underwriter (on behalf of the Underwriters) shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Lead Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Lead Underwriter (on behalf of the Underwriters) may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriters shall also be entitled (but not bound) by notice in writing issued by the Lead Underwriter (on behalf of the Underwriters) to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters such fees and expenses (but not the underwriting commission, sub-underwriting fees and related expenses) referred to in the Underwriting Agreement. If the Underwriters exercise such right, the Rights Issue will not proceed.

31 May 2011

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2011

First day of dealings in nil-paid Rights Shares	Thursday, 2 June
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 7 June
Last day of dealings in nil-paid Rights Shares	Friday, 10 June
Latest time for acceptance of and payment for Rights Shares	4:00 p.m. on Wednesday, 15 June
Rights Issue expected to become unconditional	after 4:00 p.m. on Friday, 17 June
Announcement of results of the Rights Issue to be posted on the Stock Exchange's website	Tuesday, 21 June
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Wednesday, 22 June
Share Certificates for Rights Shares to be posted	Wednesday, 22 June
Dealing in Rights Shares commences	9:00 a.m. on Friday, 24 June

All references to time and dates in this Prospectus are referred to Hong Kong local times and dates.

Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	4:00 p.m. on Wednesday, 15 June 2011 (or such other date as the Lead Underwriter (on behalf of the Underwriters) may agree in writing with the Company) as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares
“Announcement”	the announcement of the Company dated 8 April 2011 relating to the Capital Increase and the Rights Issue
“associate(s)”	the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Capital Increase”	the increase in authorized share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 new Shares
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Willie International Holdings Limited (Stock Code:273), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Co-Underwriters”	Get Nice Securities Limited (a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO) and Emperor Securities Limited (a corporation licensed to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO)
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application to be issued to the Qualifying Shareholders who wish to apply for excess Rights Shares

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company held at 9:00 a.m. on Monday, 30 May 2011 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, approving the Capital Increase and the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Issue Mandate”	the general mandate granted to the Directors at the extraordinary general meeting held on 24 December 2010, and refreshed at the annual general meeting of the Company held on 18 May 2011, which authorised the Directors to allot and issue up to 59,213,993 Shares
“Last Trading Day”	8 April 2011, being the last full trading day before the release of the Announcement
“Latest Practicable Date”	27 May 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Lead Underwriter”	Chung Nam Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place(s)
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong

DEFINITIONS

“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Tuesday, 31 May 2011, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	this prospectus despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders
“Record Date”	Monday, 30 May 2011, as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue by way of rights of eight Rights Shares for every Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 2,368,559,728 Shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company as approved by Shareholders at the extraordinary general meeting of the Company held on 24 December 2010, and refreshed at the annual general meeting of the Company held on 18 May 2011
“Settlement Date”	Friday, 17 June 2011, being the second Business Day following the Acceptance Date (or such other time or date as the Lead Underwriter (on behalf of the Underwriters) and the Company may agree in writing)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being HK\$0.01 each
“Shareholder(s)”	holder(s) of Shares
“Share Options”	the share options to subscribe for Shares under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 20 November 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.125 per Rights Share
“Underwriters”	the Lead Underwriter and Co-underwriters
“Underwriting Agreement”	the underwriting agreement dated 8 April 2011 (as amended by a supplemental agreement dated 6 May 2011) entered into between the Company and the Underwriters in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	2,368,559,728 Rights Shares underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement
“%”	percentage

LETTER FROM THE BOARD



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)

Executive Directors:

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

Registered office and head office:

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

Independent non-executive Directors:

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

31 May 2011

To the Shareholders

Dear Sirs/Madam,

**RIGHTS ISSUE OF 2,368,559,728 RIGHTS SHARES OF HK\$0.01
EACH AT HK\$0.125 PER RIGHTS SHARE ON THE BASIS OF EIGHT
RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE
BY QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 8 April 2011, the Board announced that the Company proposed (i) to effect the Capital Increase; and (ii) subject to the Capital Increase becoming effective, to implement the Rights Issue on the basis of eight Rights Shares for every Share held on the Record Date at the Subscription Price of HK\$0.125 per Rights Share, whereby raising approximately HK\$296.07 million before expenses (assuming no issue of new Shares on or before the Record Date) to approximately HK\$384.89 million before expenses (assuming full utilisation of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date) by issuing not less than 2,368,559,728 Rights Shares and not more than 3,079,127,640 Rights Shares to the Qualifying Shareholders.

The Capital Increase and the Rights Issue were approved by the Shareholders and the Independent Shareholders respectively at the EGM.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you, among others, further details about the Rights Issue.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: Eight Rights Shares for every Share held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	: 296,069,966 Shares
Number of Rights Shares	: 2,368,559,728 Rights Shares
Subscription Price	: HK\$0.125 per Rights Share with nominal value of HK\$0.01 each

Note: The Company has no outstanding convertible securities, options or warrants in issue which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date. No further Share has been issued since the date of the Announcement.

The 2,368,559,728 nil-paid Rights Shares provisionally allotted represent approximately 800% of the Company's issued share capital as at the Latest Practicable Date and approximately 88.89% of the Company's issued share capital as enlarged by the issue of the 2,368,559,728 Rights Shares.

Qualifying Shareholders

The Company has sent the Prospectus Documents to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must have lodged their transfers of Shares (together with the relevant share certificates) with the transfer office of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 24 May 2011.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company, as at the Latest Practicable Date, there were four Overseas Shareholders with addresses in Macau. The Company has been advised by its Macau legal advisers that there is no legal restriction under the applicable legislation of the relevant jurisdiction or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Rights Issue to the Overseas Shareholders with registered addresses in Macau. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Macau and the Prospectus Documents will be sent to such Overseas Shareholders. As according to the register of members of the Company there was no other Overseas Shareholder as at the Latest Practicable Date, there is no Non-Qualifying Shareholder for the purposes of the Rights Issue.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.125 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 82.88% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 34.90% to the theoretical ex-rights price of approximately HK\$0.192 per Share, based on the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 82.88% to the average closing price of approximately HK\$0.73 per Share as quoted on the Stock Exchange from 1 April 2011 to 8 April 2011, both dates inclusive, being the last five consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 79.17% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to the market price of the Shares under the prevailing market conditions. The Directors consider that the discount of Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro rata shareholdings

LETTER FROM THE BOARD

in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue (including the rate of commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.1205.

Basis of provisional allotment

The basis of the provisional allotment will be eight Rights Shares for every Share in issue and held as at the close of business on the Record Date, being 2,368,559,728 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractions of Rights Shares

On the basis of provisional allotment of eight Rights Shares for every Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares indicated on the PAL. If the Qualifying Shareholders wish to exercise the right to subscribe for all the Rights Shares specified in the enclosed PAL, the Qualifying Shareholders must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to the Qualifying Shareholders, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so as to be received by not later than 4:00 p.m. on Wednesday, 15 June 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with or cashier's orders must be issued by a licensed bank in Hong Kong and made payable to "WILLIE INTERNATIONAL HOLDINGS LIMITED — PROVISIONAL ALLOTMENT ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

LETTER FROM THE BOARD

It should be noted that unless the PAL, together with the appropriate remittance, has been received as described above by 4:00 p.m. on Wednesday, 15 June 2011, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAF by the Qualifying Shareholders. The Company may (at its sole discretion) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed with the relevant instruments.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or to transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Tuesday, 7 June 2011 to the Registrar which will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or a part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of a PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus, the PAL or the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Lead Underwriter (on behalf of the Underwriters) exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as

LETTER FROM THE BOARD

applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Wednesday, 15 June 2011. All remittances must be made by cheques or cashier orders in Hong Kong dollars. Cheques must be drawn on an account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "WILLIE INTERNATIONAL HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT" and crossed "ACCOUNT PAYEE ONLY". The Registrar will notify the applicants of any allotment of excess Rights Shares made to them.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a larger number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Further announcement will be made in relation to the results of acceptance and excess application of the Rights Issue on or about Tuesday, 21 June 2011. If no excess Rights Shares are allotted to the

LETTER FROM THE BOARD

Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 22 June 2011. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 22 June 2011.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amounts due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Lead Underwriter (on behalf of the Underwriters) exercise the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 22 June 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 22 June 2011 by ordinary post to the applicants at their own risk.

Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Friday, 24 June 2011.

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Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 4,000), which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy and any other applicable fees and charges in Hong Kong. Based on the theoretical ex-rights price of approximately HK\$0.192 per Share (with reference to the closing price of HK\$0.73 per Share as at the Last Trading Day), the theoretical ex-rights board lot value in the board lot of 4,000 Shares will be approximately HK\$768.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon certain conditions being fulfilled or waived which are summarized below:

- (i) the passing of the relevant resolutions at an extraordinary general meeting of the Company to approve the Capital Increase and the Rights Issue in accordance with the Listing Rules;
- (ii) the delivery to the Stock Exchange and registration by Registrar of Companies in Hong Kong on or prior to the Posting Date of the Prospectus Documents each duly certified in compliance with section 38D of the Companies Ordinance and all other documents required by law to be filed or delivered for registration;

LETTER FROM THE BOARD

- (iii) the posting on the Posting Date of the Prospectus Documents to the Qualifying Shareholders;
- (iv) compliance by the Company with certain obligations under the Underwriting Agreement;
- (v) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) prior to commencement of dealings of the Rights Shares in nil-paid form and fully-paid forms (as the case may be) and such listings and permission not having been withdrawn or revoked on or before 4:00 p.m. on the Settlement Date;
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (vii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with the terms thereof; and
- (viii) the Capital Increase becoming effective.

As at the Record Date, the conditions (i) and (viii) had been fulfilled. In the event that the above conditions (other than the conditions (ii) and (v) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Lead Underwriter (on behalf of the Underwriters) on or before the Posting Date or in the event that the conditions (vi) and (vii) have not been satisfied on or before 4:00 p.m. on the Settlement Date (or, in each case, such later date as the Lead Underwriter (on behalf of the Underwriters) and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out of pocket expenses as have been properly incurred by the Underwriters in connection with the underwriting of the Underwritten Shares (excluding the underwriting commission, sub underwriting fees and related expenses) shall, to the extent agreed by the Company, be borne by the Company.

LETTER FROM THE BOARD

The Underwriting Agreement

- Date : 8 April 2011
- Lead Underwriter : Chung Nam Securities Limited. Chung Nam Securities Limited is an indirect wholly-owned subsidiary of Hennabun Capital Group Limited which is ultimately owned as to approximately 33.15% by Cordoba Homes Limited which in turn is owned as to approximately 27.30% by the Company. To the best of the knowledge of the Directors, the remaining shareholding of Hennabun Capital Group Limited is owned by (i) a group of companies whose shares are listed on the Stock Exchange (“Listed Companies”) through their own subsidiaries or indirectly through a vehicle; (ii) a financial service provider (“Financial Service Provider”); and (iii) other shareholders (“Other Shareholders”). To the best of the knowledge of the Directors, the Listed Companies, the Financial Service Provider and the Other Shareholders are not connected persons (as defined in the Listing Rules) of the Company.
- Co-underwriters : Get Nice Securities Limited and Emperor Securities Limited. Based on filings made under the SFO, Get Nice Securities Limited is indirectly wholly owned by Get Nice Holdings Limited (Stock Code: 64, a company whose shares are listed on the Stock Exchange). Emperor Securities Limited is indirectly wholly owned by Emperor Capital Group Limited (Stock Code: 717, a company whose shares are listed on the Stock Exchange). Get Nice Securities Limited and Get Nice Holdings Limited, Emperor Securities Limited and Emperor Capital Group Limited are not connected persons (as defined in the Listing Rules) of the Company.

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Total number of Rights Shares being underwritten by the Underwriters : The Underwriters have conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 2,368,559,728 Rights Shares, subject to the terms and conditions of the Underwriting Agreement. Each of the Underwriters has several (but not joint and several) obligations as follows:

Underwriters	Proportion of Shares underwritten
Lead Underwriter	33 $\frac{1}{3}$ % (rounded down to nearest board lot)
Get Nice Securities Limited	33 $\frac{1}{3}$ % (rounded down to nearest board lot)
Emperor Securities Limited	33 $\frac{1}{3}$ % (rounded down to nearest board lot)

Provided that the remainder of (i) the total number of Rights Shares to be underwritten less (ii) the total number of Rights Shares to be taken up by the Lead Underwriter, Get Nice Securities Limited and Emperor Securities Limited as calculated above will be taken up by the Lead Underwriter.

Commission : 2.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date.

The Board considers the terms of the Underwriting Agreement including the commission rate accord with market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

The Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company issued by the Lead Underwriter (on behalf of the Underwriters) at its sole discretion at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a

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political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or

- (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the opinion of the Lead Underwriter (on behalf of the Underwriters), such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriters shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Lead Underwriter (on behalf of the Underwriter) shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Lead Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Lead Underwriter (on behalf of the Underwriters) may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriters shall also be entitled (but not bound) by notice in writing issued by the Lead Underwriter (on behalf of the Underwriters) to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

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Upon giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters such fees and expenses (but not the underwriting commission, sub-underwriting fees and related expenses) referred to in the Underwriting Agreement. If the Underwriters exercise such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt on an ex-rights basis from Monday, 23 May 2011. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 2 June 2011 to Friday, 10 June 2011 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in the Shares up to the date on which the Rights Issue becomes unconditional (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 2 June 2011 to Friday, 10 June 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid forms during the period from Thursday, 2 June 2011 to Friday, 10 June 2011 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY

The Company has conducted the following fund raising exercises in the 12 months immediately preceding the Latest Practicable Date.

Date of Announcement	Event	Net Proceeds Raised <i>(approximately)</i>	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 was applied to the investment in securities trading business; and (ii) approximately HK\$4.50 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\$3.50 million was applied to the repayment of mortgage loans; and (iii) approximately HK\$27.39 million 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 maintained at bank
19 May 2011	Subscription of 59,213,993 new Shares at the subscription price of HK\$0.20 each	HK\$11.84 million	For the general working capital of the Group	Not yet completed

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The gross proceeds of the Rights Issue will be approximately HK\$296.07 million. The estimated net proceeds from the Rights Issue will be approximately HK\$285.50 million. The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when suitable opportunities arise. It is currently intended that the proceeds from the Rights Issue will be utilised in the following manner:

- as to approximately 20% for the general working capital of the Group including but not limited to payment of salaries, rent and rates and audit fee; and
- as to the remaining balance to finance any suitable future potential investment opportunities as and when they arise.

In particular, the Group is planning to make new investments in properties when attractive opportunities arise so as to replenish its real estate portfolio. In May 2010, the Company had acquired a property holding company with its principal assets being high-quality commercial units at a consideration of HK\$52 million. Given that the Company may make new investments in properties of which the consideration may be as sizeable as the aforementioned acquisition and in view of the more stringent mortgage lending practices imposed in Hong Kong, the Company considers that the net proceeds from the Rights Issue would help to provide more financial flexibility to finance the Group's possible property investments. Further, the Group is also actively seeking new investment opportunities with good returns in the natural resources and energy-related sectors which investment costs are also expected to be substantial and therefore, with the net proceeds from the Rights Issue, the Company would be able to seize attractive investment opportunities once they arise and help to generate positive return to the Company in the near future. Notwithstanding the aforementioned, as at the Latest Practicable Date, the Group has not yet identified any attractive investment opportunities. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the future growth of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue. (Note 5)

	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date		Assuming all Shareholders take up all the Rights Shares at HK\$0.125 each		Assuming the Underwriters underwrite all Shareholders' portion of the Rights Shares at HK\$0.125 each	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<i>Director</i>						
Dr. Chuang Yueheng Henry (Note 1)	4,670,688	1.58	42,036,192	1.58	4,670,688	0.18
<i>Substantial Shareholder</i>						
Kwong Kai Sing, Benny (Note 4)	38,736,000	13.08	38,736,000	1.45	38,736,000	1.45
<i>Underwriters</i>						
Chung Nam Securities Limited (Note 2)	—	—	—	—	789,527,728	29.63
Get Nice Securities Limited (Note 2)	—	—	—	—	789,516,000	29.63
Emperor Securities Limited (Note 2)	—	—	—	—	789,516,000	29.63
Underwriters subtotal	—	—	—	—	2,368,559,728	88.89
Other public Shareholders	<u>252,663,278</u>	<u>85.34</u>	<u>2,583,857,502</u>	<u>96.97</u>	<u>252,663,278</u>	<u>9.48</u>
Total	<u><u>296,069,966</u></u>	<u><u>100.00</u></u>	<u><u>2,664,629,694</u></u>	<u><u>100.00</u></u>	<u><u>2,664,629,694</u></u>	<u><u>100.00</u></u>

LETTER FROM THE BOARD

Notes:

1. Dr. Chuang Yueheng Henry is the chairman of the Company and executive Director.
2. In circumstances where the Rights Issue were to become unconditional and the Underwriters were obliged to underwrite the Rights Shares in their entirety, the underwriting commitment would extend to a stake of approximately 88.89% in the share capital of the Company as enlarged by the issue of the Rights Shares. The Underwriters have undertaken with the Company that (i) each of them shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Rights Shares procured by it shall be third parties independent of, not acting in concert with and not connected with the Directors, chief executive or substantial Shareholders or their respective associates; (ii) each of them shall and shall cause sub-underwriters to procure independent places take up such number of Rights Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) such that each of them shall not, together with party(ies) acting in concert with each of them, hold 29.9% or more of the voting rights of the Company upon completion of the Rights Issue.
3. Each of the Underwriters has confirmed to the Company that it has entered into sub-underwriting agreements with sub-underwriters to sub-underwrite part or all of their underwriting obligations under the Underwriting Agreement, so that it will not if called upon to take up its underwriting commitment individually or together with its associates own 10% or more of the issued share capital of the Company immediately after completion of the Rights Issue. Each of the Underwriters has confirmed to the Company, that the sub-underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.
4. As at the Latest Practicable Date, the Board had not received any information from any Shareholders of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them. Mr. Kwong Kai Sing, Benny is not entitled to subscribe any of the Rights Shares because Mr. Kwong bought the Shares traded on ex-entitlement basis.
5. The shareholding table has not taken into account the 59,213,993 Shares that Mr. Andrew Liu has agreed to subscribe, and the Company has agreed to issue, pursuant to the subscription agreement dated 19 May 2011, which is the subject of the Company's announcement dated 19 May 2011. As at the Latest Practicable Date, the aforementioned subscription is not yet completed.

ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
Willie International Holdings Limited
Dr. Chuang Yueheng, Henry
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2008, 2009 and 2010 are disclosed in the annual reports of the Company for the years ended 31 December 2008 (pages 38 to 121), 2009 (pages 34 to 142) and 2010 (pages 29 to 146) respectively, which are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.willie273.com). The auditor's reports as set out in the annual reports of the Group for the year ended 31 December 2008, 31 December 2009 and 31 December 2010 were unqualified.

2. INDEBTEDNESS STATEMENT

At the close of business on 30 April 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had pledged all its investments held for trading to secure certain margin financing and credit facilities amounting to HK\$449,801,000 obtained from certain financial institutions and securities brokers, of which HK\$7,000 of these facilities was utilised as at 30 April 2011.

The Group had provided corporate guarantees for banking facilities amounting to HK\$349,797,000 granted to its associates, of which HK\$299,920,000 of these facilities was utilised as at 30 April 2011.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on 30 April 2011, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material 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 30 April 2011.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the next twelve months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**Business Review**

Year 2010 was mixed with challenges and opportunities to the Group. Major lines of business of the Group operated under different economic environments and achieved different results.

Hit by global worries about Europe's sovereign debt crisis, currency woes and geopolitical tension in North-South Korea despite subsequently rejuvenated by QE2 from the Fed, the securities market was volatile in year 2010. The securities trading segment reported a loss of approximately HK\$100 million for the year ended 31 December 2010 (the "Year") as a result of net fair value losses for securities held and not yet sold at the year end.

Fueled by excessive liquidity and exceptionally low interest rates, the property investment segment continued to contribute a positive return of approximately HK\$73 million arising from the net fair value gains on investment properties. By consolidating the property portfolio with higher quality properties and investment potential, the Group acquired the entire 21st and 23rd floor 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 three luxury properties in Hong Kong Island. All the considerations were satisfied by cash with the exception of the PRC property which was satisfied by consideration shares.

Provision of financial services maintained a stable interest income and earned a profit of approximately HK\$28 million of which approximately HK\$16 million came from the reversal of previous allowance for doubtful debts.

The Group has investment in associated companies with principal business in investment in properties, money lending and securities trading. They recorded loss results in year 2010 and the share of associates' losses attributable to the Group was approximately HK\$85 million.

Year in Review and Prospect

2010 was anything but a "normal" year. It is a year full of disasters and major catastrophes, both natural and man-made. Major disasters such as the earthquake that hit Haiti in January which killed more than 220,000 people, the Russian heat wave and fire that destroyed a third of the country's wheat supply, and the flooding in Pakistan that rendered almost one-fifth of the country's total land area underwater to name a few. Not to mention the earthquake in Qinghai province in China, the volcano explosion in Iceland, the severe flooding in Tennessee and Mississippi in USA, and the drought that hit much of the farmland of North China Plain. On top of that, we have witnessed the worst oil spill in the US history, the BP Mexican Gulf oil spill.

2011 greeted us with the severe snow storm that covered much of New York and many parts of Europe that essentially put a halt to air traffic, then we watched in disbelief on our television set as the devastated earthquake and the subsequent tsunami that affected the Sendai area in Japan and cast the whole world into fear of radiation contamination and a nuclear meltdown.

Towards the end of the Year and into the beginning of 2011, political unrest, protests, and revolution started in Tunisia which resulted in the president going into exile. But that momentum has not stopped, soon it spread to Egypt, Libya, Bahrain, and even attempted protests in China.

In the midst of all these disasters and political unrests, commodity prices have rocketed with many reaching new highs. Oil price is again hovering around US\$100 per barrel. Inflation is inevitable and is putting a damper on the economic recoveries of many countries.

Here at home, we too are faced with inflation and with rising prices on essentials such as food and housing. We have seen local protests on taxes, educational systems, elderly allowance, minimum wages, subsidised housing development, sports funding etc. and even to the extent of calling for the resignations of certain government officials. In fact, we have so many protests, large or small, that seem like it is becoming an event every Sunday. We have political factions that scream and toss unwarranted objects at each other during legislative sessions. Perhaps that is just the public's way of venting their frustrations and keeping the politicians on their toes.

It may have sounded like that the end of the world is coming soon as depicted in the movie "2012". That is not the case. Surely the economy will recover slower than we originally anticipated and surely there are still "great uncertainties", but tomorrow is always "uncertain". As said in our 2008 annual report, "Hong Kong has seen its political and financial crisis in the past, but our people have always stood up to the challenge.....and achieve sustainable development". We have gone through the 1997 Handover and the real estate crash, we have gone through SARS, and the global financial tsunami, and yet we have a government awash in fiscal surplus, so much so that it is giving HK\$24 billion back to its residents.

We have talked about a "conservative approach" in the last few years, but we think that the time is right that we employ a more aggressive approach to investing. We feel an abundance of opportunities. During the past few months, we have been approached with more investment proposals than we have seen for a long time and many of which warrant further studies and evaluations. There are proposals on oil and gas projects, coal mining projects, environmental or alternative energy projects such as solar energy and fuel saving devices, as well as other mining projects in emerald, gold, copper etc. and there are also real estate projects and other finance proposals. We have evaluated projects from as close as home to as far as the African continent. The Company is strong in liquidity and the timing is right to capture investment opportunities that can enhance the shareholders' return.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP IN RESPECT OF THE RIGHTS ISSUE**

1. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an unaudited pro forma statement of consolidated net tangible assets of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Rights Issue as if they had been undertaken and completed on 31 December 2010. This statement has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the financial position of the Group on the completion of the Rights Issue.

	Audited consolidated net tangible assets of the Group attributable to the Shareholders as at 31 December 2010	Estimated net proceeds from the Rights Issue	Unaudited pro forma consolidated net tangible assets of the Group attributable to the Shareholders after the Rights Issue	Audited consolidated net tangible assets per Share as at 31 December 2010	Unaudited pro forma consolidated net tangible assets per Share after the Rights Issue
	<i>(Note ii)</i>	<i>(Note iii)</i>		<i>(Note iv)</i>	<i>(Note v)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
Rights Issue of 2,368,559,728 Rights Shares <i>(Note i)</i>	1,988,636	285,500	2,274,136	1.34	0.85

Notes:

- (i) The Rights Issue of 2,368,559,728 Rights Shares is based on 296,069,966 Shares in issue on the Record Date.
- (ii) The audited consolidated net tangible assets of the Group attributable to the Shareholders as at 31 December 2010 is extracted from the 2010 audited consolidated financial statements of the Company.
- (iii) The estimated net proceeds from the Rights Issue is calculated on 2,368,559,728 Rights Shares to be issued at the Subscription Price of HK\$0.125 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$10,570,000.
- (iv) The calculation of the audited consolidated net tangible assets per Share is based on 1,480,349,830 Shares in issue as at 31 December 2010.
- (v) The calculation of the unaudited pro forma consolidated net tangible assets per Share after the Rights Issue is based on 2,664,629,694 Shares which represent the sum of 296,069,966 Shares on the Record Date and 2,368,559,728 Rights Shares expected to be issued on the completion of the Rights Issue.
- (vi) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2010.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP IN RESPECT OF THE RIGHTS ISSUE

2. LETTER ON THE UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the reporting accountant of the Company, Mazars CPA Limited, in respect of the unaudited pro forma financial information of the Group for the purposes of incorporation in this Prospectus.



MAZARS CPA LIMITED
瑪澤會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓

31 May 2011

The Directors
Willie International Holdings Limited
32nd Floor, China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information of Willie International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on page 25 under the heading of “Unaudited pro forma statement of consolidated net tangible assets of the Group” of the Company’s prospectus dated 31 May 2011 (the “Prospectus”) in connection with the proposed rights issue (the “Rights Issue”) of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. The unaudited pro forma financial information has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only to provide information about how the Rights Issue might have affected the financial information of the Group as at 31 December 2010. The basis of preparation of the pro forma financial information is set out on page 25 to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP IN RESPECT OF THE RIGHTS ISSUE**

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion solely to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the pro forma financial information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2010 or any future date.

Opinion

In our opinion:

- a. the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Mazars CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Record Date and immediately following the completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date up to completion of the Rights Issue) were as follows:

		<i>HK\$</i>
<i>Authorised:</i>		
	Shares immediately after the Capital Increase becoming effective	
<u>10,000,000,000</u>		<u>100,000,000.00</u>
<i>Issued and to be issued:</i>		
	Shares in issue immediately after the Capital Increase becoming effective but before completion of the Rights Issue	
296,069,966		2,960,699.66
<u>2,368,559,728</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>23,685,597.28</u>
	Shares in issue immediately after completion of the Rights Issue	
<u>2,664,629,694</u>		<u>26,646,296.94</u>

All the Rights Shares to be issued will rank pari passu with the Shares then in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the fully-paid Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company has no outstanding convertible securities, options or warrants in issue which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in the Shares

Name of Director	Capacity	Number of Shares	Approximate percentage of shareholding
Dr. Chuang Yueheng Henry	Beneficial owner	4,670,688	1.58%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long Positions in the Shares

Name of Director	Capacity	Number of Shares	Approximate percentage of shareholding
Chung Nam Securities Limited (Note 3)	Beneficial owner	1,026,383,640 (Note 1)	29.63% (Note 2)
Get Nice Holdings Limited (Note 4)	Interest of controlled corporations	1,026,372,000 (Note 1)	29.63% (Note 2)
Get Nice Incorporated (Note 4)	Interest of controlled corporations	1,026,372,000 (Note 1)	29.63% (Note 2)
Get Nice Securities Limited (Note 4)	Beneficial owner	1,026,372,000 (Note 1)	29.63% (Note 2)
Emperor Capital Group Limited (Note 5)	Interest of controlled corporations	1,026,372,000 (Note 1)	29.63% (Note 2)
Million Way Holdings Limited (Note 5)	Interest of controlled corporations	1,026,372,000 (Note 1)	29.63% (Note 2)
STC International Limited (Note 5)	Trustee	1,026,372,000 (Note 1)	29.63% (Note 2)
Yeung Sau Shing Albert (Note 5)	Founder of a discretionary trust	1,026,372,000 (Note 1)	29.63% (Note 2)
Luk Siu Man Semon (Note 5)	Interest of substantial shareholder's spouse	1,026,372,000 (Note 1)	29.63% (Note 2)
Andrew Liu	Beneficial owner	59,213,993 (Note 6)	16.67% (Note 7)
Kwong Kai Sing, Benny	Beneficial owner	38,736,000	13.08% (Note 8)
Unity Investments Holdings Limited	Interest of controlled corporations	20,392,000 (Note 9)	6.89% (Note 8)
Gufalore Investments Limited	Interest of controlled corporations	20,392,000 (Note 9)	6.89% (Note 8)
Great Panorama International Limited	Beneficial owner	20,392,000 (Note 9)	6.89% (Note 8)

Notes:

1. These are the Rights Shares which the relevant Underwriters has underwritten in respect of the Rights Issue (assuming full utilisation of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date).
2. The percentage shareholding in the Company is calculated on the assumption that the Rights Issue is completed on the basis that full utilisation of the Issue Mandate, full exercise of the subscription rights attaching to the maximum number of Share Options to be granted pursuant to the Scheme Mandate Limit, and no other issue of new Shares on or before the Record Date.
3. This represents the Rights Shares which the Directors are aware that Chung Nam Securities Limited has obliged to underwrite under the Underwriting Agreement.
4. Based on the filings under the SFO, Get Nice Securities Limited is wholly-owned by Get Nice Incorporated, which in turn is wholly-owned by Get Nice Holdings Limited.
5. Based on the filings made under the SFO, Emperor Securities Limited is indirectly wholly owned by Emperor Capital Group Limited, which in turn is indirectly held as to 47.9% by Million Way Holdings Limited. Million Way Holdings Limited is wholly owned by STC International Limited. STC International Limited is the trustee of The Albert Yeung Discretionary Trust. Dr. Yeung Sau Sing Albert is the founder of The Albert Yeung Discretionary Trust. Luk Siu Man, Semon is the spouse of Dr. Yeung Sau Sing Albert.
6. These are the Shares for which Mr. Andrew Liu has agreed to subscribe pursuant to the subscription agreement dated 19 May 2011 (“Subscription Agreement”), which is the subject of the Company’s announcement dated 19 May 2011. As at the Latest Practicable Date, the subscription has not been completed.
7. The percentage shareholding is based on the filings made under the SFO, which is based on the share capital of the Company as enlarged by the issue of the 59,213,993 Shares pursuant to the Subscription Agreement. The 59,213,993 Shares to be issued under the Subscription Agreement represent 20% of the number of the Company’s issued share capital as at the Latest Practicable Date.
8. The percentage shareholding is calculated based on the number of Shares in issue as at the Latest Practicable Date.
9. Based on the filings made under the SFO, Great Panorama International Limited is wholly-owned by Gufalore Investments Limited, which is in turn wholly-owned by Unity Investments Holdings Limited.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS’ INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERT

The following is the qualification of the expert who has given its opinion contained in this Prospectus:

Name	Qualification
Mazars CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have 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 shares in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its report and references to its name in the form and context in which it appears.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

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

9. MATERIAL CONTRACTS

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

- (i) 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;

- (ii) 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;
- (iii) on 8 June 2009, Welltodo Investments Limited, a then 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;
- (iv) 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”);
- (v) on 22 June 2009, International Stamps & Coins Exchange Gallery Limited, a then 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;
- (vi) 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;
- (vii) 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;
- (viii) 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 (“Cordoba”) entered into a subscription agreement pursuant to which Ristora Investments Limited agreed to subscribe for 750,000,000 new shares in Cordoba 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);
- (ix) on 6 October 2009, the Company and Cordoba 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 to the Company convertible into shares in Cordoba at a conversion price of HK\$0.60 per share;

- (x) on 27 November 2009, Poly Logic Limited, a then 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;
- (xi) on 28 December 2009, the Company and the Placing Agent entered into a termination agreement in relation to the June Placing Agreement;
- (xii) 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;
- (xiii) on 24 March 2010, Grace Shine Investments Limited, a then 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;
- (xiv) on 17 May 2010, Apple Worth Limited, a then 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;
- (xv) 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;
- (xvi) on 18 June 2010, Perfectday Investments Limited, a then 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;
- (xvii) on 22 June 2010, Grace Shine Investments Limited, a then 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;
- (xviii) on 22 June 2010, Cordoba Homes Finance Limited, a then 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;

- (xix) on 30 July 2010, Portstar Investments Limited, a then 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;
- (xx) 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;
- (xxi) on 19 August 2010, Cordoba, a then 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 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;
- (xxii) on 28 September 2010, Apex Novel Limited, a then 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 and supplemental agreement were signed on 19 November 2010;
- (xxiii) on 22 October 2010, CW Financing Limited, a then indirect non wholly-owned subsidiary of the Company as the lender and Double Smart Finance Limited, a then 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;
- (xxiv) 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;
- (xxv) on 15 November 2010, the Company entered into the sale and purchase agreement with Supreme Castle Investments Limited pursuant to which the Company agreed to dispose of a convertible note issued to it by Cordoba in the principal amount of HK\$120 million to Supreme Castle Investments Limited for a consideration of HK\$120 million in cash;
- (xxvi) on 15 November 2010, the Company entered into (i) a loan agreement with Cordoba pursuant to which the Company agreed to grant a loan of HK\$150 million ("Loan") to

Cordoba for the purpose of repayment of the shareholder's loan advanced by the Company to Cordoba 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 and its subsidiaries, both effective from Cordoba ceasing to be a non wholly-owned subsidiary of the Company;

(xxvii) on 19 May 2011, the Company entered into a subscription agreement with Mr. Andrew Liu as the subscriber pursuant to which Mr. Andrew Liu agreed to subscribe and the Company agreed to issue 59,213,993 new Shares at the subscription price of HK\$0.20 per Share; and

(xxviii) the Underwriting Agreement.

10. CORPORATION INFORMATION

Registered office and head office of the Company	32nd Floor, China United Centre 28 Marble Road North Point Hong Kong
Authorised representatives	Mr. Wong Ying Seung, Asiong Mr. Man Wai Chuen 32nd Floor, China United Centre 28 Marble Road North Point Hong Kong
Company secretary	Mr. Man Wai Chuen, <i>FCCA, CPA, FCS</i>
Legal adviser to the Company	Reed Smith Richards Butler 20th Floor, Alexandra House 18 Chater Road, Central Hong Kong
Auditor	Mazars CPA Limited Certified Public Accountants 42nd Floor, Central Plaza, 18 Harbour Road Wanchai Hong Kong
Principal bankers	Chong Hing Bank Limited Ground Floor, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong

	Industrial and Commercial Bank of China (Asia) Limited 33rd Floor, ICBC Tower 3 Garden Road Central Hong Kong
	The Hong Kong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong
Share registrar and transfer office	Computershare Hong Kong Investor Services Limited <i>Transfer Office</i> Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
	<i>Investor Centre</i> 17M Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Directors	
<i>Particulars of Directors</i>	
Name	Address
Executive Directors	
Dr. Chuang Yueheng, Henry	32nd Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. Wong Ying Seung, Asiong	32nd Floor China United Centre 28 Marble Road North Point Hong Kong

Mr. King Phillip 32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Mr. Wang Lin 32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Independent non-executive Directors

Mr. Cheung Wing Ping 32nd Floor
China United Centre
28 Marble Road North Point
Hong Kong

Mr. Liu Jian 32nd Floor
China United Centre
28 Marble Road North Point
Hong Kong

Mr. Wen Louis 32nd Floor
China United Centre
28 Marble Road North Point
Hong Kong

Mr. Yau Yan Ming, Raymond 32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Executive Directors:

Dr. Chuang Yueheng, Henry, aged 55, was appointed as the Chairman of the Company in 2002. He holds Master's degrees in Petroleum Engineering and in Business Administration from the University of Southern California in the United States of America. In 2007, Dubna University of Russia awarded Dr. Chuang an Honorary Doctorate degree in Petroleum Engineering in recognition of his achievements in the field of petroleum engineering. He has over 18 years of experience in corporate finance and development. He is also the Deputy Chairman and a Non-executive Director of Mascotte Holdings Limited, a company listed on the Stock Exchange.

Mr. Wong Ying Seung, Asiong, aged 60, was appointed as a Director of the Company in 2002 and as the Vice Chairman of the Company in January 2011. He holds a Bachelor's degree in Chemical Engineering from the University of London in the United Kingdom. He has over 30 years of experience in banking and investment.

Mr. King Phillip, aged 40, was appointed as the Managing Director of the Company in 2005. He holds a Master's degree in Business Administration from the University of San Francisco in the United States of America. He has over 20 years of experience in real estate investment, management and development.

Mr. Wang Lin, aged 56, was appointed as a Director of the Company in 2006. He studied electronics from the Yunnan Radio and TV University. He is an Economist by profession with over 30 years of experience in accounting and finance.

Independent non-executive Directors:

Mr. Cheung Wing Ping, aged 44, was appointed as a Director of the Company in 2009. He is an accounting manager of an investment holding company and has over 20 years of experience in auditing and accounting fields. He holds a Bachelor's degree in Accountancy with honours from City University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Liu Jian, aged 42, was appointed as a Director of the Company in 2006. He holds a Bachelor's degree in Electrical Engineering from the Fudan University, Shanghai in the PRC as well as a Master's degree in Chinese Law from the Jilin University in the PRC. He is a Senior Economist by profession and has over 18 years of experience in corporate finance and investment banking. Mr. Liu is the President of a fund management company called 京津資本文化傳媒基金管理公司.

Mr. Wen Louis, aged 76, was appointed as a Director of the Company in 2009. He holds a Bachelor's degree in Engineering from the City University of New York. He has an extensive experience in engineering, marketing and advertising in the United States of America where he held senior positions in J. Walter Thompson Co. and Dow Jones International Marketing Services for a number of years. He is an Executive Director of Forefront Group Limited, a company listed on the Stock Exchange.

Mr. Yau Yan Ming, Raymond, aged 43, was appointed as a Director of the Company in 2006. He holds a Master's degree in Science majoring in Japanese business studies and Bachelor's degree in Business Administration majoring in accounting in the United States of America. He is a Certified Public Accountants both in Hong Kong and in the United States of America and is also a Certified Tax Adviser in Hong Kong. He is also an associate member of Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants and also a fellow member of The Taxation Institute of Hong Kong. He has over 14 years of working experience in the areas of auditing, accounting, taxation, company secretarial, corporate finance and financial management. He is a Chairman and Executive Director of iMerchants Limited and an Independent Non-executive Director of Birmingham International Holdings Limited, both are publicly listed companies in Hong Kong.

11. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$10.57 million on the basis of 2,368,559,728 Rights Shares to be issued and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consent referred to under the paragraph headed “Expert” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this Prospectus up to and including Friday, 17 June 2011:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (c) the letter on the unaudited pro forma financial information of the Group issued by Mazars CPA Limited set out in appendix II to this Prospectus;
- (d) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this Appendix;
- (e) the written consent from the expert as referred to in the paragraph under the heading “Expert” in this Appendix; and
- (f) this Prospectus.