
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 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 41,820,601 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$1.05 EACH ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON
THE RECORD DATE BY QUALIFYING SHAREHOLDERS**

Underwriter of the Rights Issue

CHUNG NAM SECURITIES LIMITED

It should be noted that the Shares have been dealt in on an ex-rights basis since Wednesday, 28 November 2012. Dealings in the Rights Shares in their nil-paid form are expected to take place from Friday, 7 December 2012 to Friday, 14 December 2012 (both dates inclusive). 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 Friday, 7 December 2012 to Friday, 14 December 2012 (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, 19 December 2012. The procedures for application of Rights Shares are set out on pages 7 to 10 of this Prospectus.

The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

5 December 2012

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) the occurrence of 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 of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole;
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it;
- (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement;
- (e) if, at or prior to the Latest Time for Termination:
 - (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

CONTENTS

	Page
Expected timetable	iv
Definitions	1
Letter from the Board	4
Appendix I: Financial information of the Group	18
Appendix II: Unaudited Pro Forma Financial Information of the Group	21
Appendix III: General Information	25

EXPECTED TIMETABLE

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

2012

First day of dealing in nil-paid Rights Shares	Friday, 7 December
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 11 December
Last day of dealing in nil-paid Rights Shares	Friday, 14 December
Latest time for acceptance of and payment for Rights Shares	4:00 p.m. on Wednesday, 19 December
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Monday, 24 December
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's website	Thursday, 27 December
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Friday, 28 December
Share certificates for Rights Shares to be posted	Friday, 28 December
Dealing in Rights Shares in fully-paid form commences	9:00 a.m. on Monday, 31 December

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to 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”	19 December 2012 (or such other date as the Underwriter 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 21 November 2012 relating to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holidays) on which banks are generally open for business more than five hours in Hong Kong
“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”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“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 People’s Republic of China
“Last Trading Day”	21 November 2012, being the date of the Underwriting Agreement

DEFINITIONS

“Latest Practicable Date”	30 November 2012, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on the third Business Day following the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) 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
“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
“PAL”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	5 December 2012, being the date for the posting of the Prospectus Documents
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	4 December 2012, the record date to determine entitlements to the Rights Issue
“Registrar”	the share registrar and transfer office 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, Wanchai, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue by way of rights issue on the basis of one (1) Rights Share for every two (2) Shares 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 Share(s)”	Share(s) to be issued and allotted under the Rights Issue, being 41,820,601 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.05 per Rights Share
“Underwriter”	Chung Nam Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO
“Underwriting Agreement”	the underwriting agreement dated 21 November 2012 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	41,820,601 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

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. Tsui Hung Wai, Alfred
Mr. Fung Yue Tak, Derek

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

5 December 2012

To the Shareholders

Dear Sirs/Madam,

**RIGHTS ISSUE OF 41,820,601 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$1.05 EACH ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON
THE RECORD DATE BY QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 21 November 2012, the Board announced that the Company proposed to raise approximately HK\$43.9 million before expenses by issuing 41,820,601 new Shares to the Qualifying Shareholders by way of the rights issue at a subscription price of HK\$1.05 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	: 83,641,203
Number of Rights Shares	: 41,820,601 Rights Shares (<i>Note</i>)
Subscription Price	: HK\$1.05 per Rights Share with nominal value of HK\$0.01 each

Note: As at Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. As there has been no further issue of new Shares or repurchase of Shares from the date of the Announcement to the Record Date, the 41,820,601 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and 33.3% of the Company's issued share capital as enlarged by the issue of the 41,820,601 Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. 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 already lodged any transfers of Shares (together with the relevant share certificates) with 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 Thursday, 29 November 2012.

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 two 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

LETTER FROM THE BOARD

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\$1.05 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 41.34% to the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 43.00% to the average closing price of approximately HK\$1.842 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day;
- (iii) a discount of approximately 31.97% to the theoretical ex-rights price of approximately HK\$1.543 per Share based on the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 21.05% to the closing price of HK\$1.33 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best 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\$1.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held on Record Date. 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Board had not received any information from any of the Shareholders of its intention to take up all or any of the Rights Shares provisionally allotted to it. Furthermore, the Company had not received any undertaking from any Shareholders to subscribe for all or any of the Rights Shares provisionally allotted to them.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares 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 Rights Shares.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. The aggregate of fractions of the Rights Shares in nil-paid form will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares in nil-paid form will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided.

Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with 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 4:00 p.m. on Wednesday, 19 December 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and 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".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Wednesday, 19 December 2012, 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 EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer 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

LETTER FROM THE BOARD

cancellation by no later than 4:30 p.m. on Tuesday, 11 December 2012 with the Registrar who 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 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 will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber 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 jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/her/its behalf an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in 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 Underwriter exercises the rights 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 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, 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.

LETTER FROM THE BOARD

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its 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 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 so as to be received by no later than 4:00 p.m. on Wednesday, 19 December 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's 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 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 the 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 higher number of Rights Shares), and with board lot applications to be made on a best effort basis.

In applying principle (1) & (2) above, reference will only be made to the number of excess Rights Shares applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders.

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.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on or about Thursday, 27 December 2012. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Friday, 28 December 2012. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Friday, 28 December 2012.

LETTER FROM THE BOARD

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 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 refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, 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 Underwriter exercises 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 the relevant applications for excess Rights Shares will be returned to the applicants, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment 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 Friday, 28 December 2012. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 28 December 2012 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 Monday, 31 December 2012.

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 to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both 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 both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as

LETTER FROM THE BOARD

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.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, 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 or any other applicable fees and charges in Hong Kong.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms. 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 the following being fulfilled:

1. the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms, by no later than the Posting Date;
2. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
3. the posting of the Prospectus Documents to the Qualifying Holders and the posting, to the extent reasonably practicable, of the Prospectus for information purposes only to the Oversea Shareholders; and
4. compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

In the event that the above conditions have not been fulfilled and/or waived in whole or in part by the Underwriter on or before 29 March 2013 (or such other date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

- Date : 21 November 2012
- Underwriter : Chung Nam Securities Limited, is a corporation licensed to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO, which principally engages in stock brokerage for Hong Kong securities, underwriting, sub-underwriting and placement
- To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter is a third party independent of the Company and its connected persons (as defined under the Listing Rules)
- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 41,820,601 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
- Commission : 2.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

LETTER FROM THE BOARD

- (ii) the occurrence of 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 of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole;
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;
 - (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it;
 - (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement;

LETTER FROM THE BOARD

- (e) if, at or prior to the Latest Time for Termination:
- (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises 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 Wednesday, 28 November 2012. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 7 December 2012 to Friday, 14 December 2012 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during such period will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

On 24 October 2012, the Company announced its proposed issue of bonds in a maximum principal amount of HK\$250 million. Up to the Latest Practicable Date, the Company has not yet issued any such bonds.

LETTER FROM THE BOARD

Save as abovementioned, the Company had not conducted any fund raising exercise in the 12 months immediately preceding the Latest Practicable Date ^(Note).

Note : On 30 September 2011, Freeman Financial Corporation Limited (“Freeman”) and the Company entered into a conditional share subscription agreement pursuant to which the Company had issued and allotted 128,212,678 adjusted shares of a par value of HK\$0.01 each to Freeman for a consideration of HK\$48,079,754.55 in cash on 28 December 2011 whilst Freeman had later issued and allotted 188,548,057 adjusted shares of Freeman of a par value of HK\$0.01 each to the Company also for a consideration of HK\$48,079,754.55 in cash. Despite such issuance of new shares of the Company, the Directors are of the view that the substance of these transactions is in fact an exchange of shares between the two companies and hence the transactions are not treated as a fund raising exercise of the Company.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company and its subsidiaries are 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\$43.9 million. The estimated net proceeds of the Rights Issue will be approximately HK\$41.7 million. Accordingly, the Company intends to apply the net proceeds from the Rights Issue to finance the possible investment of hotel development project and the remaining will be used as general working capital of the Group. As at the Latest Practicable Date, the Group is still in negotiation for investing in a joint venture hotel development project in the Kingdom of Bhutan. The share of equity investment that may be contributed by the Group is approximately HK\$40 million.

Bhutan has often been referred to as “The Last Shangri-La”, “The Last Untouched Place”, etc., and has been rated as one of the most exotic destinations in the world. The country promotes or desires high-value low-volume tourism and it is foreseen that the number of tourists will gradually increase. There are currently limited luxury hotel chains in the country. The potential joint venture targets at developing a chain of luxury resort hotels in Bhutan and to be operated by a world renowned hotel operator.

It has been the Company’s business strategy to look for long-term investment projects. The Directors believe that the potential joint venture hotel development project aligns with the Company’s business strategy after considering the following factors:

- (a) development of tourism in Bhutan is in early and high growth stage enabling a good return in the long run from investing in a hotel development project there; and
- (b) the proposed investment in hospitality industry, if materialised, will be a new investment segment of the Group; therefore, it is expected to diversify the Group’s portfolio of businesses.

This potential joint venture is still in the negotiation process and no definitive agreement has been entered into. The Directors are bound by certain confidentiality agreements regarding the disclosure of information at this stage. The formation of the potential joint venture may constitute a notifiable transaction on the part of the Company. The Company will comply with the Listing Rules

LETTER FROM THE BOARD

requirements if any binding agreement has been entered into in relation to the formation of the potential joint venture, when appropriate. The net proceeds from the Rights Issue would be applied mainly to the formation of potential joint venture. If such formation of potential joint venture is not materialised, the net proceeds from the Rights Issue will be applied by the Company as general working capital.

Having considered no fund has yet been raised by way of the proposed issue of bonds up to the Latest Practicable Date, the Directors prefer the Rights Issue as the method to raise fund for possible investment of hotel development project and the remaining will be used as general working capital of the Group.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares.

SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Directors						
Chuang Yueheng, Henry	24,530,293	29.33%	36,795,439	29.33%	24,530,293	19.55%
Wong Ying Seung, Asiong	8,315,200	9.94%	12,472,800	9.94%	8,315,200	6.63%
Tsui Hung Wai, Alfred	4,234,000	5.06%	6,351,000	5.06%	4,234,000	3.38%
Fung Yue Tak, Derek	3,954,000	4.73%	5,931,000	4.73%	3,954,000	3.15%
Underwriter	—	—	—	—	41,820,601	33.33%
Public Shareholders	<u>42,607,710</u>	<u>50.94%</u>	<u>63,911,565</u>	<u>50.94%</u>	<u>42,607,710</u>	<u>33.96%</u>
Total	<u>83,641,203</u>	<u>100.00%</u>	<u>125,461,804</u>	<u>100.00%</u>	<u>125,461,804</u>	<u>100.00%</u>

LETTER FROM THE BOARD

Notes:

1. As stipulated in the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, (i) the Underwriter will not and shall procure that the sub-underwriters will not own 30% or more of the issued share capital of the Company immediately after the Rights Issue; and (ii) the Underwriter shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.
2. The Underwriter has confirmed to the Company that it has entered into sub-underwriting agreements with sub-underwriters to sub-underwrite part or all of its 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. As such, no sub-underwriter will become substantial Shareholder. The Underwriter 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.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order 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 2009, 2010 and 2011 are disclosed in the annual reports of the Company for the years ended 31 December 2009 (pages 34 to 142), 2010 (pages 29 to 146) and 2011 (pages 31 to 126) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.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 2009, 31 December 2010 and 31 December 2011 were unqualified.

2. INDEBTEDNESS STATEMENT

At the close of business on 31 October 2012, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had pledged certain available-for-sale financial assets and held for trading investments with carrying value of HK\$842,151,000 to secure certain margin facilities amounting to HK\$374,733,000 obtained from certain financial institutions and securities brokers, of which none was utilised as at 31 October 2012.

The Group had provided corporate guarantees for banking facilities amounting to HK\$90,959,000 granted to its investee companies (being the then subsidiaries of the Group), of which HK\$89,349,000 of these facilities was utilised as at 31 October 2012.

In October 2012, the Company announced its proposed issue of bonds in a maximum principal amount of HK\$250,000,000. At the Latest Practicable Date, the Company has not yet issued any such bonds.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on 31 October 2012, 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.

In November 2012, the Group drew down a bank borrowing of HK\$4,550,000 which was secured by the Group's investment properties. Save as aforesaid, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 October 2012.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the present financial resources of the Group, 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 2011, 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

The global economy continues to be clouded by the Eurozone debt problems and worries of a hard landing for the Mainland economy. Hinged on these uncertainties and risks, the securities trading segment reported a loss of approximately HK\$111 million including approximately HK\$101 million on net fair value loss while the investment holding segment reported a loss of approximately HK\$69 million including the impairment loss on available-for-sale investments of approximately HK\$70 million during the first six months in 2012 (the “Period”).

For the property investment segment, the Group has generated rental income since April 2012. The segment reported a profit of approximately HK\$0.33 million during the Period including the net fair value gain on investment properties of approximately HK\$0.27 million.

The money lending business generated an interest income of approximately HK\$4 million and contributed a profit of approximately HK\$3 million during the Period.

In mid-April 2012, Cordoba Homes Limited (“Cordoba”) underwent a reorganisation under which each of the then shareholders of Cordoba exchanged its Cordoba shares for the same number of shares in HEC Capital Limited (“HEC”), a special purpose vehicle formed as the holding company of Cordoba. Immediately after the reorganisation, the Company’s 24.35% direct equity interest in Cordoba changed to 24.35% equity interest in HEC, representing also 24.35% indirect equity interest in Cordoba. At the end of April 2012, HEC issued further shares to other investors. As a result, the Company’s shareholding in HEC was diluted to 14.72% resulting in a loss of HK\$12,788,000 on deemed disposal of associates and since then, HEC has been reclassified as an available-for-sale financial asset of the Company. Subsequent to the deemed disposal of HEC, HEC had issued further shares to enlarge its capital base and the Group’s equity interest in HEC stood at 14.01% as at 30 June 2012. During the Period, the Group gained the share of associates’ profit of approximately HK\$17 million mainly attributable to net gain arising from changes in fair value of investment properties of the associates.

During the Period, the Company completed the subscription of 188,548,057 shares of Freeman Financial Corporation Limited (“Freeman”), a Hong Kong listed company, (representing approximately 16.67% of its enlarged share capital by that time) to start developing strategic alliance by cross-shareholding. Actions taken to develop the strategic alliance with Freeman include the sharing of stock market information, analysis, credit data and business network as intended, the Company’s undertaking to subscribe for rights shares issued by Freeman and using the securities brokerage services provided by one of its subsidiaries during the Period. As at the Latest Practicable Date, the Company held about 15.38% shareholding in Freeman while Freeman did not hold any interest in Shares discloseable under Part XV of the SFO after their disposal of certain Shares in July

2012 out of their commercial consideration. Freeman's reduction of its shareholding in the Company has not resulted in any material adverse impact to the Group's operation and the Company's intention to keep on exploring commercial co-operation opportunities with Freeman that can generate mutual benefits.

As the progress of the construction of manufacturing factory for LNG-driven heavy-duty truck and the commencement of construction and operation of LNG refueling stations did not meet the Group's expectation, the Group exited from the LNG project by disposing of the beneficial interest in a non-wholly owned subsidiary (namely, China Energy Worldwide Investment Limited) with net liabilities at a nominal consideration of HK\$1 to an independent third-party individual investor during the Period and the Group has become a major creditor of this ex-subsiary. While the net liabilities of this subsidiary resulted in a gain on disposal of approximately HK\$5 million, the Group provided for allowance of doubtful debt of approximately HK\$10.3 million for this ex-subsiary after assessment of the repayment ability of this ex-subsiary, its shareholders and the guarantors. Taking account of this specific allowance of doubtful debt, the net exit cost to the Group was approximately HK\$5.3 million in return for containing the investment risks and releasing the capital expenditure commitments associated with the LNG project. The Group has initiated legal procedures against the ex-subsiary and its guarantors for the debt which has remained unpaid and outstanding. Apart from issuing demand letters for repayment, the Group has procured the ex-subsiary to realise its assets into cash form and to take legal action to recover its account receivable.

The Company with shareholders' approval completed a capital reorganisation in August 2012 mainly for the purpose of adjusting the level of trading price of the shares of the Company to become more attractive to the general investors including the institutional investors.

In light of the global economy, the Company will take a cautious and conservative approach in the evaluation and timing of potential projects or investments. The potential joint venture hotel development project in Bhutan as described earlier in this appendix has been identified as a good investment project for the Group to pursue. Aiming at strengthening the Group's rental income, the Group would consider acquiring commercial properties rather than residential properties in Hong Kong in view of the buyer's stamp duty recently introduced by the Hong Kong government. The Group will maintain its money lending business targeting at low credit risk borrowers. Meanwhile, the Group would balance the recent positive stock market sentiments against the risks arising from the looming U.S. fiscal cliff in maintaining the portfolio for securities trading.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the “Unaudited Pro Forma Financial Information”) prepared in accordance with Rule 4.29 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the basis of one Rights Share for every two Shares held on the Record Date at HK\$1.05 per Rights Share on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 June 2012.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2012, as extracted from the published interim report of the Company for the six months ended 30 June 2012, with adjustments described below.

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2012	Estimated net proceeds from the Rights Issue (Note ii)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue (Note iii)	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue (Note iv)
	HK\$'000	HK\$'000	HK\$'000	HK\$	HK\$
Rights Issue of 41,820,601 Rights Shares (Note i)	1,603,182	41,754	1,644,936	1.92	13.11

Notes:

- (i) The Rights Issue of 41,820,601 Rights Shares is based on 83,641,203 Shares on the Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of Announcement to the Record Date. 83,641,203 Shares is calculated based on 836,412,035 issued shares of the Company as at 30 June 2012 after taking into account the repurchase of 5 shares in July 2012 and the share consolidation which had consolidated each 10 issued and unissued shares into 1 consolidated share in August 2012 (the “Share Consolidation”).
- (ii) The estimated net proceeds from the Rights Issue is calculated on 41,820,601 Rights Shares to be issued at the Subscription Price of HK\$1.05 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$2,158,000.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

- (iii) The number of shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2012 is based on 836,412,035 shares of the Company in issue as at 30 June 2012 which has not taken into account the Share Consolidation effected in August 2012.

- (iv) The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2012 immediately after completion of the Rights Issue is based on 125,461,804 Shares which represent the sum of 83,641,203 Shares (which has taken into account the Share Consolidation effected in August 2012) on the Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of Announcement to the Record Date and 41,820,601 Rights Shares expected to be issued on the completion of the Rights Issue.

- (v) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2012.

2. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from Mazars CPA Limited, Certified Public Accountants, Hong Kong, for the purpose 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, Wan Chai, Hong Kong
香港灣仔港灣道18號中環廣場42樓

ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF WILLIE INTERNATIONAL HOLDINGS LIMITED

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 pages 21 and 22 under the heading of “Unaudited Pro Forma Financial Information of the Group” (“Unaudited Pro Forma Financial Information”) in the Appendix II of the Company’s prospectus dated 5 December 2012 (the “Prospectus”) in connection with the proposed rights issue (the “Rights Issue”) of the Company. 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 30 June 2012. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 21 and 22 to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountant

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”).

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 Unaudited 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 Unaudited 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 30 June 2012 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.

Mazars CPA Limited*Certified Public Accountants*

Hong Kong, 5 December 2012

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 Company. 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 Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

(a) As at the Latest Practicable Date:

		<i>HK\$</i>
<i>Authorised share capital</i>		
2,000,000,000	Shares of HK\$0.01 each	<u>20,000,000</u>
<i>Issued share capital</i>		
83,641,203	Shares of HK\$0.01 each	<u>836,412.03</u>

(b) Upon completion of the Rights Issue

		<i>HK\$</i>
<i>Rights Shares to be issued</i>		
41,820,601	Shares of HK\$0.01 each	<u>418,206.01</u>
<i>Shares in issue upon completion of the Rights Issue</i>		
125,461,804	Shares of HK\$0.01 each	<u>1,254,618.04</u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank pari passu with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the main board of 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 the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

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

Long Positions in the Shares

Name of Directors	Capacity	Number of Shares	Approximate percentage of interests in total issued share capital
Chuang Yueheng, Henry	Beneficial owner	24,530,293	29.33%
Wong Ying Seung, Asiong	Beneficial owner	8,315,200	9.94%
Tsui Hung Wai, Alfred	Beneficial owner	4,234,000	5.06%
Fung Yue Tak, Derek	Beneficial owner	3,954,000	4.73%

As at the Latest Practicable Date, no options over Shares have been granted to the current Directors under the share option scheme of the Company.

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. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company (other than the Directors of the Company as mentioned in the preceding page) had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, 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 had any option in respect of such capital.

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

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors has, directly or indirectly, any interest in any assets which have since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. EXPERT

The following is the qualifications of the expert who have given opinions or advice, which are contained in this Prospectus:

Name	Qualification
Mazars CPA Limited ("Mazars")	Certified Public Accountants

As at the Latest Practicable Date, Mazars did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Mazars has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

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 determinable 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 Latest Practicable Date and are or may be material:

- (1) an agreement dated 15 November 2010 between the Company and Supreme Castle Investments Limited under which the Company sold a convertible note issued by Cordoba Homes Limited (“Cordoba”) to Supreme Castle Investments Limited at a cash consideration of HK\$120 million, details of which have been disclosed in the announcement of the Company dated 15 November 2010;
- (2) an agreement dated 15 November 2010 whereby 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 was 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, details of which have been disclosed in the announcement of the Company dated 15 November 2010;
- (3) an underwriting agreement dated 8 April 2011 entered into between the Company and three underwriters (namely, Chung Nam Securities Limited, Get Nice Securities Limited and Emperor Securities Limited) in relation to the then rights issue on a fully underwritten basis with commission at 2.5% on gross proceeds to be raised, details of which have been disclosed in the announcement of the Company dated 8 April 2011;

- (4) a subscription agreement dated 19 May 2011 entered into between the Company and Mr. Andrew Liu pursuant to which Mr. Andrew Liu agreed to subscribe 59,213,993 new shares to be issued by the Company at the subscription price of HK\$0.20 per share, details of which have been disclosed in the announcement of the Company dated 19 May 2011;
- (5) a placing agreement dated 9 June 2011 entered into between the Company as the subscriber, Capital VC Limited as the issuer and Chung Nam Securities Limited as the placing agent pursuant to which the Company agreed to subscribe for shares to be issued by Capital VC Limited at a cash consideration of HK\$75 million through the placing agent, details of which have been disclosed in the announcement of the Company dated 9 June 2011;
- (6) a share purchase agreement dated 24 June 2011, Willie Resources Incorporated (“Willie Resources”) (a direct wholly-owned subsidiary of the Company) as the purchaser entered into (i) a share purchase agreement with China Energy Worldwide Investment (BVI) Limited (“China Energy BVI”) as the seller in relation to the purchase of the shares representing 60% of the issued share capital of China Energy Worldwide Investment Limited (“China Energy HK”), from China Energy BVI at a consideration of HK\$1; (ii) a first refusal agreement in relation to China Energy BVI has granted to Willie Resources a right of first refusal over the remaining 40% of the issued share capital of China Energy HK held by it; and (iii) a loan agreement in relation to China Energy HK as the borrower, whereby Sun Willie Financing Limited (a wholly-owned subsidiary of the Company) as the lender has agreed to make available to China Energy HK a loan facility of up to HK\$65,000,000, details of which have been disclosed in the announcement of the Company dated 27 June 2011;
- (7) a share subscription agreement dated 30 September 2011 entered into between the Company and Freeman pursuant to which (i) Freeman agreed to subscribe for shares to be issued by the Company at a cash consideration of HK\$48,079,754.55; and (ii) the Company agreed to subscribe for shares to be issued by Freeman at a cash consideration of HK\$48,079,754.55, details of which have been disclosed in the announcement dated 3 October 2011;
- (8) a provisional agreement for sale and purchase dated 18 November 2011 entered into between Synergy City Limited (“Synergy City”, a wholly-owned subsidiary of the Company) and Ho Poh Lin regarding the acquisition of a commercial property at a cash consideration of HK\$8,300,000 by Synergy City, details of which have been disclosed in the announcement dated 18 November 2011;
- (9) a note purchase agreement dated 8 March 2012 entered into between the Company and Quinella International Incorporated regarding the Company’s acquisition of the 2.5% unsecured notes issued by a listed company with an aggregate principal amount of HK\$30 million at a consideration of HK\$20,483,304.44 satisfied by way of consideration shares to be issued by the Company, details of which have been disclosed in the announcement of the Company dated 8 March 2012;

- (10) a master services agreement dated 1 June 2012 entered into between the Company and HEC Capital Limited (“HEC”, a substantial shareholder of the Company at that time) pursuant to which HEC Group has agreed to provide various financial services to the Group with an annual fee cap ranging from HK\$3,000,000 to HK\$5,500,000 for each of the three financial years ending 31 December 2014; and two tenancy agreements dated 1 June 2012 entered into between the Group and HEC Group with one tenancy of one year at rental of HK\$828,000 per annum and the other tenancy of two years at rental of HK\$1,329,120 per annum, details of which have been disclosed in the announcement of the Company dated 1 June 2012;
- (11) an agreement dated 24 October 2012 entered into between the Company and Chung Nam Securities Limited as a selling agent regarding proposed issue of bonds in a maximum principal amount of HK\$250 million by the Company through Chung Nam Securities Limited as the selling agent on a best effort basis, details of which have been disclosed in the announcement of the Company dated 24 October 2012; and
- (12) the Underwriting Agreement.

10. CORPORATE INFORMATION

Registered office and head office of the Company	32/F, China United Centre 28 Marble Road North Point Hong Kong
Authorised representatives	Wong Ying Seung, Asiong Man Wai Chuen
Company secretary	Man Wai Chuen, <i>FCCA, CPA, FCS</i>
Legal advisers to the Company in relation to the Rights Issue	Shum & Co. Solicitors Suite 2801-03 & 06, 28/F., China United Centre 28 Marble Road North Point Hong Kong (as to Hong Kong Law)
	Rato, Ling, Vong, Lei & Cortés - Advogados Avenida da Amizade, 555 - Macau Landmark Office Tower - Rooms 2301-04 Macau SAR (as to Macau Law)

Auditor and reporting accountant	Mazars CPA Limited Certified Public Accountants 42nd Floor, Central Plaza, 18 Harbour Road Wanchai Hong Kong
Share registrar and transfer office of the Company	Computershare Hong Kong Investor Services Limited Transfer Office Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong Investor Centre 17M Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal bankers	Chong Hing Bank Limited Ground Floor, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong The Hong Kong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and address of Executive Directors and Non-executive Directors

Name	Address
<i>Executive Directors</i>	
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. Tsui Hung Wai, Alfred
32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Mr. Fung Yue Tak, Derek
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. 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

Mr. Frank H. Miu
32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Mr. Antonio Maria Santos
32nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

(b) Profiles of Directors and senior management*Executive Directors*

Dr. Chuang Yueheng, Henry, aged 57, has been appointed as the Chairman of the Company since year 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 19 years of experience in corporate finance and development. From February 2011 to 14 November 2012, he was formerly the Deputy Chairman and a Non-executive Director of Mascotte Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. Wong Ying Seung, Asiong, aged 62, has been appointed as a Director of the Company since year 2002 and as the Vice Chairman of the Company since 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. Tsui Hung Wai, Alfred, aged 43, has been appointed as a Director of the Company since June 2011 and as the Managing Director of the Company from March 2012. He graduated from the Ontario College of Art and Design with a Bachelor's degree in Interior Design. He has over 13 years of experience in the Sales & Marketing industry both in Hong Kong and Mainland China and previously held senior positions with manufacturing operations.

Mr. Fung Yue Tak, Derek, aged 43, has been appointed as a Director of the Company since June 2011. He is a grandson of Sir Kenneth Fung Ping-Fan. Mr. Fung graduated from Pepperdine University with a Bachelor's degree in Business Administration, and has been active in managing finances and investments of family-owned enterprises. He has also been a member of the Hong Kong Professional Golfers Association since 1994.

Independent Non-executive Directors

Mr. Cheung Wing Ping, aged 45, has been appointed as a Director of the Company since year 2009. He 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. He is presently an executive director of Radford Capital Investment Limited, a company listed on the Stock Exchange.

Mr. Wen Louis, aged 78, has been appointed as a Director of the Company since year 2009. He holds a Bachelor's degree in Engineering from the City University of New York. He has extensive experience in engineering, marketing and advertising in the United States where he held senior positions in J. Walter Thompson Co. and Dow Jones International Marketing Services for a number of years. He is presently an executive director of Forefront Group Limited, a company listed on the Stock Exchange.

Mr. Yau Yan Ming, Raymond, aged 44, has been appointed as a Director of the Company since year 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 Accountant 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 15 years of working experience in the areas of auditing, accounting, taxation, company secretarial, corporate finance and financial management. Mr. Yau was formerly an executive director of Capital VC Limited from March 2012 to May 2012. He is presently the Chairman and an executive director of Chinese Energy Holdings Limited, an independent non-executive director of Birmingham International Holdings Limited, Tack Fiori International Group Limited and Chanceton Financial Group Limited, all are publicly listed companies in Hong Kong.

Mr. Frank H. Miu, aged 63, has been appointed as a Director of the Company since June 2011. He holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota. He is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a Fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, he has extensive exposure to various industries including financial services. Mr. Miu was formerly an independent non-executive director of the Company from March 2004 to March 2007; an executive director of Radford Capital Investment Limited from March 2009 to December 2009 and from June 2011 to July 2011; an executive director from April 2010 to May 2010 and a non-executive director from May 2010 to July 2011 of Dragonite International Limited. Mr. Miu is presently an independent non-executive director of Mascotte Holdings Limited, Tack Fiori International Group Limited and Freeman Financial Corporation Limited. Aside from directorships in the aforesaid public companies listed on the Stock Exchange, he is also an independent non-executive director of Duoyuan Global Water Inc., a public company listed on New York Stock Exchange.

Mr. Antonio Maria Santos, aged 55, has been appointed as a Director of the Company since 1 August 2012. He holds a Master's degree in Management Studies from University of Northumbria at Newcastle, U.K. and a Master's degree in Criminal Justice from the Tarlac State University, the Philippines. He is a Fellow of the Chartered Management Institute, U.K. Mr. Santos has retired as a Chief Inspector of Police after more than 30 years of service with the Hong Kong Police Force. He is currently an active volunteer for community services. From 1 September 2012, Mr. Santos has been appointed as an independent non-executive director of Auto Italia Holdings Limited, a company listed on the Stock Exchange.

11. MISCELLANEOUS

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

12. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$2.2 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents for inspection during business hours on any weekday (except Saturdays, Sunday and public holidays) at the registered office of the Company at 32/F., China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this Prospectus up to and including 24 December 2012.

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011 respectively;
- (c) the letter on the unaudited pro forma financial information of the Group issued by Mazars set out in appendix II to this Prospectus;
- (d) the material contracts disclosed in the section headed “Material Contracts” in this appendix;
- (e) the written consent from the expert as referred to in the section headed “Expert” in this appendix; and
- (f) this Prospectus.