



Willie International Holdings Limited
威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

(Warrant Code: 614)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008

RESULTS

The Board of Directors (the "Board") of Willie International Holdings Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2008 (the "Period"), together with the comparative figures for the six months ended 30 June 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

		Unaudited	
		Six months ended	
		30 June	
	<i>Note</i>	2008	2007
		HK\$'000	HK\$'000
			<i>(restated)</i>
Turnover	2	405,886	787,911
Other income	2	3,002	3,349
Cost of investments held for trading sold		(472,823)	(678,411)
Depreciation and amortisation expenses		(4,351)	(1,080)
Employee benefits expense		(6,006)	(5,581)
Other operating expenses		(31,370)	(6,378)
Gain on disposal of interest in a subsidiary		545	-
Profit on deemed disposal of interest in an associate		-	21,087
Loss on disposal of interest in an associate		-	(12,520)
Share of profit of associates		-	7,522
Net unrealised (loss) gain on investments held for trading		(195,130)	42,149
Net unrealised loss on investments designated as at fair value upon initial recognition		(863)	-
Finance costs		(3,409)	(1,067)
(Loss) Profit before taxation		(304,519)	156,981
Taxation	3	-	(21,000)
(Loss) Profit for the period		(304,519)	135,981
(Loss) Profit attributable to equity holders		(304,519)	135,981
(Loss) Earnings per share - Basic	4	HK\$(0.4228)	HK\$0.8416
(Loss) Earnings per share - Diluted	4	N/A	HK\$0.8328

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008 and 31 December 2007

		Unaudited At 30 June 2008 HK\$'000	Audited At 31 December 2007 HK\$'000
	<i>Note</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		360,723	326,500
Property, plant and equipment		136,486	35,049
Intangible assets		133,252	134,626
Other investments		135,082	113,965
Prepayments for acquisition of investment properties		<u>8,656</u>	<u>8,656</u>
		<u>774,199</u>	<u>618,796</u>
Current assets			
Financial assets at fair value through profit or loss		410,947	537,370
Loans receivable	5	442,030	335,637
Other receivables	6	111,080	52,160
Cash and cash equivalents		<u>68,088</u>	<u>304,355</u>
		<u>1,032,145</u>	<u>1,229,522</u>
Current liabilities			
Other payables		2,126	13,290
Financial liabilities at fair value through profit or loss		12,917	6,915
Current portion of interest-bearing borrowings		<u>17,575</u>	<u>160,992</u>
		<u>32,618</u>	<u>181,197</u>
Net current assets		<u>999,527</u>	<u>1,048,325</u>
Total assets less current liabilities		<u>1,773,726</u>	<u>1,667,121</u>
Non-current liabilities			
Long-term interest-bearing borrowings		<u>196,011</u>	<u>180,656</u>
NET ASSETS		<u>1,577,715</u>	<u>1,486,465</u>
CAPITAL AND RESERVES			
Share capital		349,944	151,793
Reserves		<u>1,227,771</u>	<u>1,334,672</u>
TOTAL EQUITY		<u>1,577,715</u>	<u>1,486,465</u>

Notes:

1. BASIS OF PREPARATION

The unaudited interim financial statements for the six months ended 30 June 2008 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2007. They have been prepared on the historical cost basis, except for investment properties and financial assets / liabilities at fair value through profit or loss, which are measured at fair value.

The accounting policies applied in preparing these interim financial statements are consistent with those applied in preparing the Group’s financial statements for the year ended 31 December 2007. The new / revised Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, that are effective from the current period did not have any significant effect on the financial position or performance of the Group.

The Group has not early adopted the new / revised HKFRS issued by the HKICPA that are not yet effective for the current period. The Group has already commenced an assessment of the impact of these new / revised HKFRS but is not yet in a position to state whether they would have any significant impact on its results of operations and financial position.

2. TURNOVER AND SEGMENT INFORMATION

The analysis of the Group’s revenue and results by business segments is as follows:

Six months ended 30 June 2008 (unaudited)

	Trading of investments HK\$’000	Provision of financial services HK\$’000	Property investment HK\$’000	Investment holding HK\$’000	Unallocated HK\$’000	Total HK\$’000
Segment revenue						
Turnover	392,937	12,465	451	33	-	405,886
Other income	1,889	182	-	931	-	3,002
Total revenue	<u>394,826</u>	<u>12,647</u>	<u>451</u>	<u>964</u>	<u>-</u>	<u>408,888</u>
Segment results	(274,761)	(10,335)	(3,386)	(2,420)	(10,753)	(301,655)
Gain on disposal of interest in a subsidiary						545
Finance costs						<u>(3,409)</u>
Loss for the Period						<u><u>(304,519)</u></u>

Six months ended 30 June 2007 (unaudited)

	Trading of investments <i>HK\$'000</i> <i>(restated)</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i> <i>(restated)</i>
Segment revenue						
Turnover	781,482	6,429	-	-	-	787,911
Other income	-	-	-	-	3,349	3,349
Total revenue	<u>781,482</u>	<u>6,429</u>	<u>-</u>	<u>-</u>	<u>3,349</u>	<u>791,260</u>
Segment results	145,215	6,991	(986)	(1,214)	(8,047)	141,959
Profit on deemed disposal of interest in an associate						21,087
Loss on disposal of interest in an associate						(12,520)
Share of profit of associates	240	2,243	-	4,839	200	7,522
Finance costs						(1,067)
Taxation						<u>(21,000)</u>
Profit for the period						<u>(135,981)</u>

3. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the Period but it has been provided at the rate of 17.5% on the entities' estimated assessable profits for the corresponding period in 2007.

4. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share is based on the loss attributable to equity holders of the Company for the Period of HK\$304,519,000 (2007: profit of HK\$135,981,000) and the weighted average number of ordinary shares of 720,308,212 (2007 (restated): 161,564,825) shares in issue during the Period.

No diluted loss per share is presented for the Period as there were no dilutive potential ordinary shares in issue during the Period. The calculation of diluted earnings per share for the six months ended 30 June 2007 is based on the profit attributable to equity holders of HK\$135,981,000 and the weighted average number of ordinary shares of 163,284,200 shares (restated) in issue during the period as adjusted for the number of dilutive potential shares under the share option scheme and the convertible notes of the Company.

Both the weighted average number of ordinary shares adopted in the calculations of the basic and diluted earnings per share for the six months ended 30 June 2008 and 30 June 2007 have been adjusted to reflect the impact of the share

consolidation effected in August 2008 and rights issue effected in January and August 2008.

5. LOANS RECEIVABLE

Loans granted to borrowers are repayable according to pre-agreed repayment schedules. At 30 June 2008, loans receivable are within the respective maturity dates (31 December 2007: within maturity dates).

6. OTHER RECEIVABLES

Included in other receivables is an aggregate amount of HK\$93,126,000 (31 December 2007: HK\$36,349,000) deposited in securities brokers for future investment purposes.

7. COMPARATIVE FIGURES

Certain comparative figures regarding other income, employee benefits expense and other operating expenses in the condensed consolidated income statement and turnover and segment information in note 2 have been reclassified to conform with the current period's presentation.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2008 (2007: Nil).

RESULTS

Turnover for the six months ended 30 June 2008 amounted to HK\$405.9 million, a decrease of 48.5% when compared with HK\$787.9 million for the corresponding period last year. The decrease in turnover was mainly attributable to the decrease in the sale of listed investments during the Period. Loss attributable to equity holders for the Period was HK\$304.5 million compared with a profit of HK\$135.9 million for the corresponding period last year. Loss attributable to equity holders for the Period was mainly resulted from the net realised loss on sale of listed investments of HK\$79.9 million (2007: net realised gain of HK\$103.1 million) and net unrealised loss on listed investments held for trading of HK\$195.1 million (2007: net unrealised gain of HK\$42.1 million). Basic loss per share for the Period was HK\$0.4228 compared with basic earnings per share HK\$0.8416 (restated) for the corresponding period last year.

BUSINESS REVIEW AND PROSPECTS

Since the last time the Company addressed to the public, our shareholders, in the Chairman's Statement of the annual report of the Company in April 2008, the Hong Kong Hang Seng Index has further deteriorated by about 21% or from around 24,000 to around 19,000. The Shanghai and Shenzhen stock

markets have fared much worse than that of Hong Kong. Oil price has been extremely volatile, reaching a high of about US\$160 per barrel before its current trading price of around US\$100 per barrel. Financial markets around the world were put into uncertainties and turmoil as a result of the US mortgage back securities. Financial powerhouses Bear Stern and Lehman Brothers have failed, Merrill Lynch has been sold at substantial discount, Fannie Mae and Freddie Mac have been taken over by the US government. Even the insurance giant, AIG is in talk with the US Government for a rescue plan.

During the Period, the Group remained the focus on its principal business of property investment, investment in securities trading, money lending and the acquisition and development of nature resources. During the first 6 months of the year, the Company was fortunate to have successfully strengthened our Company through various placement and other financial instruments and arrangements. During this Period, the Company has increased its capital base by approximately HK\$405.7 million (before issue expenses). In June 2008, the Company further announced the rights issue to raise approximately HK\$262 million (before issue expenses).

The Company had acquired various real estate properties during the first half of the year. In April 2008, the Company announced the acquisition of the entire interests in Allied Well Development Limited for its principal assets, being Room 2201 to 2203 and Room 2205 to 2209 on 22nd Floor of China United Centre, 28 Marble Road, North Point, Hong Kong at the consideration of HK\$20,160,000. The consideration was satisfied by the issuance and allotment of 160,000,000 consideration shares of the Company. In May 2008, the Group entered into three sale and purchase agreements to acquire the entire interests in Glamorous Investments Limited, Best Inspire Limited and Bright Majestic Limited for their principal assets, being the entire of 30th, 31st and 32nd Floor of China United Centre, 28 Marble Road, North Point, Hong Kong at the aggregate consideration of approximately HK\$86.9 million. The consideration was satisfied by issue of the convertible notes (the “Notes”).

During the Period, the Group also acquired the entire interests in Uprite Limited for a yacht and certain marine facilities at a cash consideration of HK\$94 million. The investment is expected to generate rental income through the leasing of the yacht and marine facilities on a time sharing basis.

In September 2008, the Company announced the acquisition (subject to shareholders’ approval) of a property holding company for a commercial building situated in Guangzhou City at the consideration of HK\$112 million which will be wholly satisfied by the issuance of consideration shares. Moreover, the Company also announced to acquire a property, being the entire of 29th Floor of China United Centre, 28 Marble Road, North Point, Hong Kong at the cash consideration of HK\$58,880,000. In order to reduce the liabilities of the Company and to improve the financial position of the Group, in September 2008, the Company also proposed (subject to shareholders’ approval) to terminate the Notes in the aggregate principal amount of approximately HK\$86.9 million in consideration of an issuance of 650,000,000 shares of the Company at an issue price of HK\$0.14 per share.

It is the Group's intention to strengthen its income base through the acquisitions and the subsequent lease of the properties. The Board believes that the rental income derived by various properties of the Company will generate a stable source of income to the Group. As most of the properties were acquired without using internal funds, the Company remains strong in cash and liquid asset and we are still in a good position to take advantage of opportunities as they may arise. The year ahead is full of uncertainties, the economy will grow thanks to various economic stimulus packages offered by the governments, but in the face of high inflation, tight credit, and uncertainties, the economy will grow sluggishly. The Board will proceed with caution for the remainder of the year.

FINANCIAL REVIEW

Liquidity and Capital Resources

During the Period, the Company has completed one share placement for 303,580,000 new shares and the issuance of 1,517,931,298 rights shares from exercise of rights issue, raising a total additional equity (before issue expenses) of approximately HK\$51.6 million and HK\$333.9 million respectively. Furthermore, the Company has issued 160,000,000 new shares to satisfy the acquisition cost of approximately HK\$20.2 million for properties located in Hong Kong.

As at 30 June 2008, the Group's total equity amounted to HK\$1,577.7 million as compared with HK\$1,486.5 million at 31 December 2007. As at 30 June 2008, the Group had net current assets of HK\$999.5 million including cash and cash equivalents of HK\$68.1 million as compared with HK\$1,048.3 million including cash and cash equivalents of HK\$304.4 million at 31 December 2007. The Group maintained a low gearing ratio of 9.2 % (computed on the basis of net borrowings to total equity) and current ratio of 31.6 times at 30 June 2008 as compared to 2.5% and 6.8 times respectively at 31 December 2007.

As at 30 June 2008, the Group had bank borrowings amounted to HK\$213.6 million (31 December 2007: bank and other borrowings of HK\$341.6 million). Of the Group's bank borrowings of HK\$213.6 million, 8.2%, 8.4%, 23.5%, 59.9% are repayable within 1 year, 1 to 2 years, 2 to 5 years and over 5 years respectively. The Group's bank borrowings carrying interest rates were calculated with reference to prime rate and HIBOR and denominated in Hong Kong dollars. The Group did not have any financial instruments used for hedging purpose.

As most of the Group's transactions and bank balances were denominated in Hong Kong dollars, the Group's exposure to foreign exchange risk was minimal.

Pledge of Assets

As at 30 June 2008, certain assets of the Group with an aggregate carrying value of HK\$469 million (31 December 2007: HK\$343.9 million) have been pledged to banks to secure banking facilities granted to the Group.

Capital Commitments

As at 30 June 2008, the Group had capital commitments contracted but not provided for net of deposit paid in respect of balance payment for acquisition of properties and other capital expenditure amounting to HK\$60.6 million (31 December 2007: HK\$58.3 million).

Contingent Liabilities

As at 30 June 2008, the Group had no material contingent liabilities.

Employees

As at 30 June 2008, the Group employed a total of 32 employees. The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include a medical insurance coverage, provident fund and a share option scheme.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company purchased 1 share of HK\$0.10 each in the capital of the Company at HK\$0.042 (or HK\$0.165 adjusted) per share on The Stock Exchange of Hong Kong Limited.

Date	Number of shares repurchased	Price per share	Aggregate consideration paid (excluding expenses)
27 June 2008	1	HK\$0.042	HK\$0.042

The repurchased share was cancelled and the issued share capital of the Company was diminished by the nominal value thereof.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

AUDIT COMMITTEE

The Company established the audit committee (“Audit Committee”) in January 2003 and written terms of reference were formulated. The Audit Committee comprises three independent non-executive directors, namely Mr. Shum Ming Choy (Chairman of the Audit Committee), Ms. Lin Wai Yi and Mr. Yau Yan Ming, Raymond. The primary duties of the Audit Committee include, among other matters, the review of the accounting principles and practices adopted by the Company, the internal control system and the financial results of the Company.

The Group’s interim results for the six months ended 30 June 2008 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company established the remuneration committee (“Remuneration Committee”) in June 2005. The primary duties of the Remuneration Committee are to review and make recommendation for the remuneration package of directors and senior management of the Company. The Remuneration Committee is comprised of one executive director, namely, Mr. Wong Ying Seung, Asiong (Chairman of the Remuneration Committee), and two independent non-executive directors, namely, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the Period.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by officers of the Group on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Company's website at <http://www.willie273.com> and the website of The Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The 2008 interim report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to our business partners, employees, and shareholders for their continuous support.

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

Hong Kong, 23 September 2008

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Chuang Yueheng, Henry, Mr. King Phillip, Mr. Wong Ying Seung, Asiong and Mr. Wang Lin, and four independent non-executive directors, namely, Ms. Lin Wai Yi, Mr. Liu Jian, Mr. Shum Ming Choy and Mr. Yau Yan Ming, Raymond.