

**WUZHOU INTERNATIONAL HOLDINGS LTD:  
WE WANT (AND NEED) YOUR MONEY**

The Profit and Loss Account of Wuzhou International Holdings Ltd () (Code: 1369), Main Board, The Stock Exchange of Hongkong Ltd) is heavily laced with '*Fair Value Gains of Investment Properties*', representing between nine percent and 45.70 percent of the Before Tax Profit of the Company in respect of the 36 months, ended December 31, 2012:

1. For the 2010 Financial Year, the '*Fair Value Gains*' were 37,731,000 renminbi, representing 9.10 percent of the Before Tax Profit;
2. For the 2011 Financial Year, the '*Fair Value Gains*' were 233,218,000 renminbi, representing 36.03 percent of the Before Tax Profit; and,
3. For the 2012 Financial Year, the '*Fair Value Gains*' were 577,451,000 renminbi, representing 45.74 percent of the Before Tax Profit.

The above, having been established, it means that the Bottom Line in respect of the 36 months to December 31, 2012, does not reflect anyway near that accuracy that one would like to be informed as to the profitability of Wuzhou International with regard to its core activities: That of a developer of property in the People's Republic of China (PRC), as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC, and an operator of multi-functional commercial complexes.

**The Global Offering**

Wuzhou International published its Global Offering Prospectus on May 31, 2013, when it Offered 1,140,740,000, one-cent (US) Shares at an Indicative Offer Price Per Share, ranging from a low of \$HK1.15 to a high of \$HK1.50.

HKSAR Investors were Offered 114,076,000 Shares, the remaining 1,026,664,000 Shares, being reserved for International Investors.

At the midpoint of the Indicative Offer Price, being \$HK1.33, the Company hopes to be able to gross about \$HK1,517,184,200, coming down to about \$HK1,449,800,000 after all expenses are paid.

This amount of money will be used for the following purposes, one is told at Page 297 of the Global Offering Prospectus:

- About 60 percent – \$HK869.90 million – '*to finance the land acquisition, construction and development of our projects with **MOUs** (Memorandum of Undertaking) signed*';
- About 30 percent – \$HK434.90 million – '*to finance the construction and development of our projects other than projects with **MOUs** signed*'; and,
- About 10 percent – \$HK145 million – to be tipped into the Working Capital Account.

In respect of the third-mentioned expected utilisation of the net proceeds from this Share Offering, according to the Consolidated Statements of Financial Position, as at December 31, 2012, Wuzhou International had:

- Cash and cash equivalents of 755,451,000 renminbi;

- Pledged deposits of 126,800,000 renminbi; and,
- Restricted cash of 26,971,000 renminbi.

Totally, therefore, under the heading of Current Assets, this Company could lay claim to about 909,222,000 renminbi.

### **The History**

Page 102 of the Global Offering Prospectus states that the Company was founded by Mr Shu Ce Cheng () by the incorporation of Wuxi Zhongnan Property Investment Company Ltd ().

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