
IMPORTANT

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

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

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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

DISCLOSEABLE TRANSACTIONS

DISPOSALS OF PORK BUSINESS AND PROPERTIES

* For identification purpose only

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DEFINITIONS

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

“All Access”	All Access Limited, an indirect wholly-owned subsidiary of LeRoi and a company incorporated in the British Virgin Islands with limited liability
“Allied Victory”	Allied Victory Investment Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Business Day”	means a day other than Saturday, Sunday or public holiday in Hong Kong
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Completion Date”	the first Business Day after the day on which the last conditions precedent under the First Sale and Purchase Agreement or the Second Sale and Purchase Agreement, as the case may be, is satisfied (or such other date as may be agreed between the parties)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors of the Company
“Financial Assistance”	the financial assistance provided by WYT, through its indirect wholly-owned subsidiary to LeRoi under the Loan Agreement
“First Disposal”	the disposal of entire issued share capital of Greatest Wealth and a related shareholder’s loan by WOCM to All Access in accordance with the terms and conditions of the First Sale and Purchase Agreement
“First Sale and Purchase Agreement”	the conditional sale and purchase agreement dated as of 26 January 2007 entered into between WOCM and All Access in respect of the sale and purchase of the entire issued share capital of Greatest Wealth and a related shareholder’s loan

DEFINITIONS

“Gain Better”	Gain Better Investments Limited, an indirect wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands, directly held 25.32% interests in LeRoi
“Garwell”	Garwell Investments Limited, an indirect wholly-owned subsidiary of LeRoi and a company incorporated in the British Virgin Islands with limited liability
“Greatest Wealth”	Greatest Wealth Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability
“Group” or “Wang On Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent WYT Shareholders”	shareholders of WYT, other than the Company and its associates and those who are required to abstain from voting under the Listing Rules and their respective associates (if any)
“Latest Practicable Date”	23 February 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in the circular
“LeRoi”	LeRoi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“LeRoi Group”	LeRoi and its subsidiaries
“License Agreements”	the 10 existing license agreements entered into between Greatest Wealth as licensee and Majorluck as licensor in respect of the Retail Spaces
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated as of 26 January 2007 entered into between Gain Better and LeRoi pursuant to which Gain Better agreed to provide the loan facility to LeRoi upon and subject to the terms and conditions contained therein

DEFINITIONS

“Majorluck”	Wang On Majorluck Limited or Majorluck Limited, as the case may be, both of which are indirect wholly-owned subsidiaries of the Company and companies incorporated in Hong Kong with limited liability
“New Properties”	7/F., Kwok Chai Building, 137 Sai Yee Street, Mong Kok, Kowloon, Hong Kong 8/F., Kwok Chai building, 137 Sai Yee Street, Mong Kok, Kowloon, Hong Kong
“PRC”	the People’s Republic of China
“Properties”	<ol style="list-style-type: none">1. 7/F., No. 33 Wong Chuk Street, Sham Shui Po, Kowloon, Hong Kong2. 7C, Dun Tak Mansion, 127 Portland Street, Mong Kok, Kowloon, Hong Kong3. 9/F., Yu Chau Building, 10 Shek Kip Mei Street, Sham Shui Po, Kowloon, Hong Kong4. 8/F., 253 Tai Nan Street, Sham Shui Po, Kowloon, Hong Kong
“Retail Spaces”	10 retail stalls, currently leased from Majorluck to Greatest Wealth for the operation of its pork retailing business
“Second Disposal”	the disposal of entire issued share capital of Allied Victory and a related shareholder’s loan by Suitbest to Garwell in accordance with the terms and conditions of the Second Sale and Purchase Agreement
“Second Sale and Purchase Agreement”	the conditional sale and purchase agreement dated as of 26 January 2007 entered into between Suitbest and Garwell in respect of the sale and purchase of the entire issued share capital of Allied Victory and a related shareholder’s loan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Suitbest”	Suitbest Investments Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability
“Transactions”	the sale and purchase of the entire issued share capital of Greatest Wealth and a related shareholder’s loan and the sale and purchase of the entire issued share capital of Allied Victory and a related shareholder’s loan
“Valuation Report”	the valuation report on the Properties and New Properties prepared by Valuer Savills on or before completion of the Second Disposal
“Valuer Savills”	Savills Valuation and Professional Services Limited, an independent professional valuer
“WOCM”	Wang On Commercial Management Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability
“WYT”	Wai Yuen Tong Medicine Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“WYT Board”	the board of directors of WYT
“WYT SGM”	a special general meeting of WYT to be convened for considering and, if thought fit, approving, amongst other matters, the Financial Assistance
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong
“%”	per cent.



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

Mr. Tang Ching Ho (*Chairman*)
Ms. Yau Yuk Yin (*Deputy Chairman*)
Mr. Chan Chun Hong, Thomas
(Managing Director)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Dr. Lee Peng Fei, Allen, CBE, JP
Mr. Wong Chun, Justein, MBE, JP
Mr. Siu Yim Kwan, Sidney, S.B. St.J.
Mr. Siu Kam Chau

Head office and principal

place of business:

5th Floor
Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

26 February 2007

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTIONS

DISPOSALS OF PORK BUSINESS AND PROPERTIES

INTRODUCTION

On 2 February 2007, the Company announced that i) WOCM (an indirect wholly-owned subsidiary of the Company) and All Access (an indirect wholly-owned subsidiary of LeRoi) entered into the First Sale and Purchase Agreement pursuant to which All Access has conditionally agreed to acquire and WOCM has conditionally agreed to dispose of the entire issued share capital of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$2.0 million at a total consideration of HK\$8.0 million. Greatest Wealth currently

* *For identification purpose only*

LETTER FROM THE BOARD

operates 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by the Company; and ii) Suitbest (an indirect wholly-owned subsidiary of the Company) and Garwell (an indirect wholly-owned subsidiary of LeRoi) entered into the Second Sale and Purchase Agreement pursuant to which Garwell has conditionally agreed to acquire and Suitbest has conditionally agreed to dispose of the entire issued share capital of Allied Victory and a related shareholder's loan. As at the Latest Practicable Date, the sole assets held by Allied Victory are mainly comprised of the Properties which are located in Kowloon and are currently leased to tenants who are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Allied Victory has also made a commitment to purchase the New Properties which are located in Kowloon, at a total consideration of HK\$4.65 million.

The Transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules. The purpose of this circular is to give you further details of the transactions contemplated under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement.

DISPOSAL OF PORK BUSINESS

The First Disposal

Date: 26 January 2007

Parties:

Vendor: WOCM, an indirect wholly-owned subsidiary of the Company and a connected person of LeRoi and All Access

Purchaser: All Access, an indirect wholly-owned subsidiary of LeRoi and an indirect associate of the Company and not a connected person of the Company (as defined in the Listing Rules)

Subject to be disposed

Pursuant to the First Sale and Purchase Agreement, All Access has conditionally agreed to acquire and WOCM has conditionally agreed to dispose of the entire issued share capital, being 100 shares, of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$ 2.0 million at a total consideration of HK\$ 8.0 million. Greatest Wealth currently operates 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by the Company.

LETTER FROM THE BOARD

Consideration and payment terms

The total consideration of HK\$8.0 million (including the shareholder's loan) will be payable in cash on completion of the First Disposal. Upon completion of the First Sale and Purchase Agreement, the consideration will be payable with financial assistance by WYT, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules. In the event that WYT fails to obtain Independent WYT Shareholders' approval in relation to the Financial Assistance at the WYT SGM, LeRoi will be allowed to settle the abovementioned consideration within 3 years, at an interest rate of 6.5% per annum, from the date of completion of the Transactions.

The consideration was determined after arm's length negotiation between WOCM and All Access with reference to, among other things, (i) the unaudited profits before tax of Greatest Wealth of approximately HK\$1.09 million for the eight months ended 30 November 2006; (ii) unexploited market potential of the pork business; and (iii) approximately 7 times average price-earning ratio of 4 similar companies (which are principally engaged in the food retailing business) listed on the Stock Exchange.

The Directors consider that the terms under the First Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent of the First Sale and Purchase Agreement

Completion of the transactions under the First Sale and Purchase Agreement is conditional upon, among others:

1. no change, effect, event, occurrence, state of facts or development that could reasonably be expected to be materially adverse to the business, financial condition or results of operations or prospects of Greatest Wealth having occurred between 30 November 2006 and the Completion Date;
2. the shareholders of LeRoi approving in an extraordinary general meeting the First Sale and Purchase Agreement and other transactions contemplated by or incidental thereunder in accordance with the requirements of the Listing Rules;
3. a certified copy of resolution of the directors of All Access and WOCM resolving to approve, respectively the sale and purchase of the 100 shares of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$ 2.0 million to All Access;
4. WOCM assigning the shareholder's loan in the principal amount of HK\$ 2.0 million to All Access under a deed of assignment between WOCM, Greatest Wealth and All Access;

LETTER FROM THE BOARD

5. all licenses relating to the Retail Spaces being renewed (as the case may be), validly held and maintained by Greatest Wealth at the time of completion of the First Sale and Purchase Agreement; and
6. there being no breach of the warranties, representations and indemnities made by WOCM to All Access under the First Sale and Purchase Agreement.

If any of the above conditions has not been fulfilled on or before 26 March 2007 (or such later date as agreed between the parties), the First Sale and Purchase Agreement shall terminate and cease to be of any further effect save in respect of claims arising out of any antecedent breach of the First Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date. Thereafter, Greatest Wealth will cease to be an indirect wholly-owned subsidiary of the Company and become an indirect wholly-owned subsidiary of LeRoi.

Information on Greatest Wealth

Greatest Wealth, an indirect wholly-owned subsidiary of the Company, is principally engaged in operating 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by the Company. These 10 stalls are located in districts in the New Territories of Hong Kong. The Company manages and operates wet markets in Hong Kong and leases retail stalls or spaces to wet market retailers. It also operates wet market retailing through and only through Greatest Wealth in selling fresh pork meat and related produce. Greatest Wealth leases the Retail Spaces from Majorluck for the operation of its pork retailing business. After completion of the First Disposal, Greatest Wealth will continue to lease the Retail Spaces from Majorluck under the existing License Agreements or new License Agreements in the event that the existing License Agreements have expired.

Greatest Wealth recorded audited net profits before and after tax of HK\$263,959 and HK\$217,771 respectively for the year ended 31 March 2005 and HK\$486,984 and HK\$398,173 respectively for the year ended 31 March 2006. For the eight months ended 30 November 2006, the unaudited profits before and after tax was approximately HK\$ 1,090,000 and HK\$900,000 respectively. The growth of the net profits after tax of approximately 126% from HK\$398,173 for the year ended 31 March 2006 to HK\$900,000 for the period ended 30 November 2006 was mainly due to efficient cost control measures implemented by the management of the Company.

The audited net assets of Greatest Wealth were HK\$1,487,409 and HK\$1,885,582 as at 31 March 2005 and 31 March 2006 respectively. The unaudited net assets as at 30 November 2006 decreased to approximately HK\$100 as a result of dividend payments made during the period.

LETTER FROM THE BOARD

Undertaking by the Company

The Company has undertaken to LeRoi that it will, in the future after the completion of the First Disposal refrain from operating pork retailing stalls in Hong Kong wet markets, which may compete with the pork retailing business of Greatest Wealth, and that it will give the first right of refusal to the LeRoi Group in operating any business similar to that of Greatest Wealth whenever such opportunities arise to the Company in the future.

DISPOSAL OF PROPERTIES

The Second Disposal

Date: 26 January 2007

Parties:

Vendor: Suitbest, an indirect wholly-owned subsidiary of the Company and a connected person of LeRoi and Garwell

Purchaser: Garwell, an indirect wholly-owned subsidiary of LeRoi and an indirect associate of the Company and not a connected person of the Company (as defined in the Listing Rules)

Subject to be disposed

Pursuant to the Second Sale and Purchase Agreement, Garwell has conditionally agreed to acquire and Suitbest has conditionally agreed to dispose of the entire issued share capital, being 2 shares, of Allied Victory and a related shareholder's loan. As at the Latest Practicable Date, the sole assets held by Allied Victory are mainly comprised of the Properties which are located in Kowloon of Hong Kong and are currently leased to tenants who are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Allied Victory has also made a commitment to purchase the New Properties which are located in Kowloon of Hong Kong, for a total consideration of HK\$4.65 million. The New Properties are currently used for residential purposes and are subject to existing tenancy agreements. The consideration to be paid for each of the New Properties is approximately HK\$2.66 million and approximately HK\$1.99 million respectively, giving a total consideration of approximately HK\$4.65 million.

Consideration and payment terms

In view of the purchase commitment made by Allied Victory, the consideration payable by Garwell under the Second Sale and Purchase Agreement will be subject to whether the purchase of the New Properties can be completed before the Completion Date.

LETTER FROM THE BOARD

In the event that Allied Victory fails to complete the purchase of the New Properties on or before the Completion Date, the consideration will be approximately HK\$5.3 million (included the shareholder's loan in the principal amount of HK\$5.08 million). In the event that the purchase of the New Properties is completed on or before the Completion Date, the consideration will be approximately HK\$10.2 million (included the shareholder's loan in the principal amount of HK\$9.98 million). The increase in the shareholder's loan from HK\$5.08 million to HK\$9.98 million is mainly due to the purchase of the New Properties. The consideration under the Second Sale and Purchase Agreement will be payable with Financial Assistance by WYT, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules. In the event that WYT fails to obtain Independent WYT Shareholders' approval in relation to the Financial Assistance at the WYT SGM, LeRoi will be allowed to settle the abovementioned consideration within 3 years, at an interest rate of 6.5% per annum, from the date of completion of the Transactions.

The considerations above were determined after arm's length negotiation between Suitbest and Garwell with reference to the valuation as at 26 January 2007 prepared by Valuer Savills in respect of the Properties at a value of HK\$5.3 million (for Properties) and HK\$10.2 million (for the Properties and the New Properties). The Directors consider that the terms under the Second Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent of the Second Sale and Purchase Agreement

Completion of the transactions under the Second Sale and Purchase Agreement is conditional upon, among others:

1. no change, effect, event, occurrence, state of facts or development that could reasonably be expected to be materially adverse to the business, financial condition or results of operations or prospects of Allied Victory having occurred between 30 November 2006 and the Completion Date;
2. the shareholders of LeRoi approving in an extraordinary general meeting the Second Sale and Purchase Agreement and other transactions contemplated in or incidental thereunder in accordance with the requirements of the Listing Rules;
3. a certified copy of a resolution of the directors of Garwell and Suitbest resolving to approve, respectively, the sale and purchase of the 2 shares of Allied Victory and a related shareholder's loan in the principal amount of HK\$5.08 or HK\$9.98 million to Garwell, as the case may be;
4. Suitbest assigning the shareholder's loan in the principal amount of HK\$5.08 million or HK\$9.98 million, as the case may be, to Garwell under a deed of assignment between Suitbest, Allied Victory and Garwell;

LETTER FROM THE BOARD

5. Suitbest procuring the issuance of the Valuation Report; and
6. there being no breach of the warranties, representations and indemnities made by Suitbest to Garwell under the Second Sale and Purchase Agreement.

If any of the above conditions has not been fulfilled on or before 26 March 2007 (or such later date as may be agreed between the parties), the Second Sale and Purchase Agreement shall terminate and cease to be of any further effect save in respect of claims arising out of any antecedent breach of the Second Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date. Thereafter, Allied Victory will cease to be an indirect wholly-owned subsidiary of the Company and become an indirect wholly-owned subsidiary of LeRoi.

Information on Allied Victory

Allied Victory, an indirect wholly-owned subsidiary of the Company, is an investment holding company and its principal assets include the Properties and, subject to the completion of the sale and purchase of the New Properties, the New Properties. The Properties and the New Properties are described below:

Address	Status
Properties	
1. 7/F., No. 33 Wong Chuk Street, Sham Shui Po, Kowloon, Hong Kong	Leasing out
2. 7C, Dun Tak Mansion, 127 Portland Street, Mong Kok, Kowloon, Hong Kong	Vacant under renovation
3. 9/F., Yu Chau Building, 10 Shek Kip Mei Street, Sham Shui Po, Kowloon, Hong Kong	Leasing out
4. 8/F., 253 Tai Nan Street, Sham Shui Po, Kowloon, Hong Kong	Leasing out
New Properties	
5. 7/F., Kwok Chai Building, 137 Sai Yee Street, Mong Kok, Kowloon, Hong Kong	Purchase to be completed on 28 February 2007
6. 8/F., Kwok Chai Building, 137 Sai Yee Street, Mong Kok, Kowloon, Hong Kong	Purchase to be completed on 28 February 2007

LETTER FROM THE BOARD

Allied Victory holds the legal and beneficial title to the Properties as at the Latest Practicable Date and will hold the legal and beneficial title to the New Properties subject upon completion of such purchase. The Properties acquired and the New Properties to be acquired are from independent third parties not connected with the Wang On Group and the LeRoi Group and their respective connected persons (as defined in the Listing Rules). Properties (1), (3) and (4) are currently leased to independent third parties with terms ranging from one year to two years and the aggregate monthly gross rental income generated for Allied Victory amounts to about HK\$28,400.

Since Allied Victory commenced its business in October 2006, no audited financial figures are available as at the Latest Practicable Date. The unaudited net liabilities of Allied Victory as at 30 November 2006 was HK\$6,852 and the unaudited net loss of Allied Victory was HK\$6,854 for the period ended 30 November 2006.

REASONS FOR THE TRANSACTIONS

The LeRoi Group is principally engaged in the trading of fashion apparel to the market in the PRC.

The Wang On Group is principally engaged in property development, property investment, management and sub-licensing of wet markets, shopping centres, car parks and retail business in Hong Kong. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited, a company listed on the Stock Exchange.

As stated in the paragraphs under sections “Disposal of Pork Business” and “Disposal of Properties” of this circular, the shares of Greatest Wealth and Allied Victory are currently indirectly held by the Company. Greatest Wealth recorded audited net profits before and after tax of HK\$486,984 and HK\$398,173 respectively for the year ended 31 March 2006 and Allied Victory generates monthly gross rental income of about HK\$28,400 from three of the Properties which are leased to independent third parties.

The Directors are of the view that the Group will be able to focus more of its resources on its core business upon completion of the Transactions. In addition, given that the considerations for the disposals of Greatest Wealth and Allied Victory were determined with reference to the audited and latest management account profit figures of Greatest Wealth and the fair market price of the Properties and New Properties determined by Valuer Savills. The Directors consider that the terms under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSALS

For Wang On Group, the Transactions are expected to realize a total gain of approximately HK\$2.17 million in respect of which (i) approximately HK\$1.95 million will be from the disposal of Greatest Wealth (the pork business) and (ii) approximately HK\$220,000 will be from the disposal of Allied Victory (the property business). The expected gain for the First Disposal of approximately HK\$1.95 million is arrived by deducting the consideration of HK\$8.0 million by the related shareholder's loan of HK\$2.0 million and the carrying amount of goodwill of Greatest Wealth of approximately HK\$4.04 million as at 31 March 2006. The expected gain for the Second Disposal of approximately HK\$220,000 is arrived by deducting the consideration of approximately HK\$5.3 million (or approximately HK\$10.2 million in the event that the purchase of the New Properties is completed on or before the Completion Date) by the related shareholder's loan of approximately HK\$5.08 million (or approximately HK\$9.98 million in the event that the purchase of the New Properties is completed on or before the Completion Date). The proceeds from the Transactions will be used for the core businesses of the Company which is property investment, management and sub-licensing of Chinese wet market.

Upon completion of the disposal of Greatest Wealth and Allied Victory, the Group's assets will be decreased by approximately HK\$13,000 and the Group's liabilities will be decreased by approximately HK\$2.18 million.

IMPLICATIONS OF THE LISTING RULES

The Transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

Your attention is also drawn to the general information as set out in this circular.

Yours faithfully,
For and on behalf of
Wang On Group Limited
Chan Chun Hong, Thomas
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of each Director or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they 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 Companies, to be notified to the Company and the Stock Exchange, were as follows:

Long Position in Shares

Name of Director	Number of shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital*
	Personal interest	Family interest	Corporate interest	Other interest		
Mr. Tang Ching Ho	810,948	810,946 <i>(Note (a))</i>	2,966,339 <i>(Note (b))</i>	53,126,970 <i>(Note (c))</i>	57,715,203	25.13%
Ms. Yau Yuk Yin	810,946	3,777,287 <i>(Note (d))</i>	–	53,126,970 <i>(Note (e))</i>	57,715,203	25.13%

* To the best of the knowledge of the Directors, the issued share capital of the Company as at the Latest Practicable Date was 229,678,882.

Notes:

- (a) Mr. Tang Ching Ho was taken to be interested in those shares in which his spouse, Ms. Yau Yuk Yin, was interested.
- (b) Mr. Tang Ching Ho was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang Ching Ho was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

- (d) Ms. Yau Yuk Yin was taken to be interested in those shares in which her spouse, Mr. Tang Ching Ho, was interested.
- (e) Ms. Yau Yuk Yin was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning 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 any interests and short positions which he was 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 Companies, to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position in the shares or underlying shares of the Company which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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:

Name	Number of shares	Percentage of the Company's issued share capital*
Accord Power Limited	53,126,970 (L)	23.13%
Trustcorp Limited (<i>Note (a)</i>)	53,126,970 (L)	23.13%
Newcorp Ltd. (<i>Note (b)</i>)	53,126,970 (L)	23.13%
Newcorp Holdings Ltd. (<i>Note (c)</i>)	53,126,970 (L)	23.13%
Mr. David Henry Christopher Hill (<i>Note (d)</i>)	53,126,970 (L)	23.13%
Ms. Rebecca Ann Hill (<i>Note (e)</i>)	53,126,970 (L)	23.13%
Mr. David William Roberts (<i>Note (f)</i>)	53,126,970 (L)	23.13%

L: Long position

* To the best of the knowledge of the Directors, the issued share capital of the Company as at the Latest Practicable Date was 229,678,882.

Notes:

- (a) Accord Power Limited is wholly-owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust; accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power Limited.
- (b) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd.; accordingly, Newcorp Ltd. was taken to be interested in those shares in which Trustcorp Limited was interested.
- (c) Newcorp Ltd. is a wholly-owned subsidiary of Newcorp Holdings Ltd.; accordingly, Newcorp Holdings Ltd. was taken to be interested in those shares in which Newcorp Ltd. was interested.
- (d) Mr. David Henry Christopher Hill owned 35% interest in the issued shares capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holdings Ltd. was interested.
- (e) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.
- (f) Mr. David William Roberts owned 35% interest in the issued share capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holdings Ltd. was interested.

Save as disclosed above, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, as at the Latest Practicable Date, no other person (not being a Director or chief executive of the Company) had any interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

3. LITIGATION

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

4. SERVICE CONTRACTS

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

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

6. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The qualified accountant of the Company is Mr. Leong Weng Kin, CPA.
- (d) The company secretary of the Company is Mr. Chan Chun Hong, Thomas. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) The branch share registrar of the Company in Hong Kong is Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.