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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)



LEROI HOLDINGS LIMITED
利來控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 221)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE ISSUED CAPITAL OF VAST TIME LIMITED

Financial adviser



CIMB-GK Securities (HK) Limited

On 23 November 2007, Strengthen Investments, an indirect wholly owned subsidiary of Wang On, Jumbo Sun Investments, an indirect wholly owned subsidiary of LeRoi, the Vendor, the Vendor Guarantor, Wang On and LeRoi entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, each of Strengthen Investments and Jumbo Sun Investments will acquire 50% of the Sale Shares for a consideration of RMB11.25 million.

Vast Time is an investment holding company which holds the entire equity interest in the PRC Company. After Completion, the PRC Company will acquire the Land, which is currently intended to be developed into a residential cum commercial complex.

The Acquisition constitutes a discloseable transaction for each of Wang On and LeRoi under Rule 14.06(2) of the Listing Rules. Circulars containing further information of the Acquisition required under Rule 14.38 of the Listing Rules will be despatched to the Wang On Shareholders and the LeRoi Shareholders, respectively, as soon as practicable.

* *For identification purpose only*

THE ACQUISITION AGREEMENT

1. Date

23 November 2007

2. Parties

a. Vendor:

Mr. Chen Guido Ji-zhong

To the best knowledge of the Wang On Directors and the LeRoi Directors after making all reasonable enquiries, the Vendor is a third party independent of and not connected with Wang On, LeRoi and their respective connected persons and associates.

b. Purchasers:

- (i) Strengthen Investments, an indirect owned subsidiary of Wang On; and
- (ii) Jumbo Sun Investments, an indirect wholly owned subsidiary of LeRoi.

While Wang On is a substantial shareholder of WYT, and that WYT is a substantial shareholder of LeRoi, Wang On is not a connected person of LeRoi.

c. Guarantors:

- (i) The Vendor Guarantor, guarantor of the Vendor

To the best knowledge of the Wang On Directors and the LeRoi Directors after making all reasonable enquiries, the Vendor Guarantor is a third party independent of and not connected with Wang On, LeRoi and their respective connected persons and associates.

- (ii) Wang On, as guarantor of Strengthen Investments
- (iii) LeRoi, as guarantor of Jumbo Sun Investments

3. Assets to be acquired

Each of Strengthen Investments and Jumbo Sun Investments will acquire 50% of the Sale Shares. The Sale Shares, which are owned by the Vendor, represent the entire issued share capital of Vast Time.

Vast Time

Vast Time is incorporated in Hong Kong on 20 September 2007 and is wholly owned by the Vendor. Vast Time is an investment holding company established for the sole purpose of incorporating and holding the PRC Company. Since the date of its incorporation, Vast Time has not commenced any operations other than incorporating the PRC Company and has only incurred insignificant amount of administrative expenses. As at the date of this announcement,

save for the interest in the PRC Company, Vast Time has no other material assets and liabilities. The PRC Company was established in the PRC for the sole purpose of acquiring the Land. Since its establishment, the PRC Company has not commenced any operations and as at the date of this announcement, the PRC Company has no material assets and liabilities.

The Land

The Land is located at Eastern of Gandong Avenue, Fuzhou, Jiangxi Province, the PRC, and has a total site area of approximately 329 mu, of which approximately 295 mu were approved for residential use with land use right term of 70 years, and approximately 34 mu were approved for commercial use with land use right term of 40 years.

The Vendor has obtained the right to acquire the Land Use Right Certificate from Fuzhou Bureau of Land and Resources pursuant to a transaction confirmation letter issued by Fuzhou Bureau of Land and Resources on 29 October 2007 at the Land Consideration of RMB302.5 million. The Vendor has already paid the Land Deposit of RMB60 million to Fuzhou Bureau of Land and Resources, which will be applied as part payment of the Land Consideration upon the PRC Company entering into the Land Purchase Agreement.

Pursuant to the terms of the Acquisition Agreement, the PRC Company will acquire the Land after Completion. For details, please see the section headed “Post Completion Obligations” in below.

4. Consideration

The Consideration of RMB22.5 million was arrived at after arm’s length negotiations between the parties to the Acquisition Agreement with reference to the services rendered by the Vendor in procuring the transfer of the land use right of the Land to the PRC Company.

Pursuant to the Acquisition Agreement, each of Strengthen Investments and Jumbo Sun Investments will pay RMB11.25 million to the Vendor in the following manner:

- HK\$5,000,000 on or before signing of the Acquisition Agreement (the “Deposit”); and
- the remaining balance (the “Balance Payment”) upon the PRC Company having obtained the Land Use Right Certificate at any time on or before the Land Use Right Certificate Long Stop Date.

In the event that the PRC Company cannot obtain the Land Use Right Certificate on or before the Land Use Right Certificate Long Stop Date, Strengthen Investments and Jumbo Sun Investments shall have the sole and absolute right: (a) not to pay the Balance Payment; or (b) exercise the Put Options (please see the section headed “Put Options” below for details).

Each of Wang On and LeRoi will finance their respect portion of the Consideration by internal resources.

5. Conditions precedent

Completion shall be conditional on the following conditions precedent (“Conditions”):

- (a) the Purchasers having satisfied with the results of the due diligence review to be conducted by them on the Vast Time Group; and
- (b) Vast Time Group has been duly incorporated.

If any of the Conditions are not all fulfilled or waived by the Purchasers on or before the Completion Date, the Acquisition Agreement shall forthwith be terminated. If the Acquisition Agreement is so terminated, the Vendor shall forthwith refund the Deposit to the Purchasers.

6. Termination

If at any time prior to Completion,

1. the Purchasers are aware that any of the Warranties is incorrect or misleading and for which the Vendor fails to reasonably remedy and thereby resulting in negative impact on the business or finance of the Vast Time Group; or
2. the Vendor breaches or fails to comply with any of the Warranties, and for which the Purchasers reasonably believe that will have a negative impact on the business or finance of the Vast Time Group,

the Vendor shall be deemed to be in breach of the Acquisition Agreement and the Purchasers shall be entitled to require the Vendor to remedy the same within a reasonable period of time. If the Vendor fails to remedy the same in the required period of time, the Purchasers is entitled to terminate the Acquisition Agreement and in such event the Vendor shall forthwith refund the Deposit to the Purchasers.

7. Put options

Pursuant to the Acquisition Agreement, the Vendor has granted a put option (the “Put Options”) to each of the Purchasers. Pursuant to the Put Options, in the event that (i) the PRC Company cannot obtain the Land Use Right Certificate on or before the Land Use Right Certificate Long Stop Date, or (ii) the Land Acquisition Sum is greater than RMB317 million, the Purchasers have the sole and absolute discretion to exercise the Put Options during the Exercise Period which requires the Vendor to buy back the Sale Shares at an amount equal to the amount paid by the Purchasers under the Acquisition Agreement plus an interest amount calculated at the annual rate of 8%.

However, in the event that the Land Acquisition Sum is greater than RMB317 million and the Vendor repays the Purchasers the excess amount of money within 3 days after the same was incurred by the PRC Company, the Purchasers cannot exercise the Put Options.

8. Completion

Completion shall take place on the Completion Date, being the 5th Business Day after all Conditions have been fulfilled (or waived as appropriate) or on such other date as agreed by the Vendor and the Purchasers in writing.

Upon Completion, Vast Time will become an associated company of each of Wang On and LeRoi.

9. Post Completion Obligations

Pursuant to the terms of the Acquisition Agreement:

- (a) the Vendor undertakes to procure the Land Purchase Agreement be entered into and the Land Use Right Certificate be issued on or before the Land Use Right Certificate Long Stop Date; and
- (b) the Purchasers undertake to procure the PRC Company to repay the Land Deposit to the Vendor on the Land Consideration Payment Date.

PRINCIPAL BUSINESS OF WANG ON AND LEROI

The Wang On Group is principally engaged in development and management of agricultural products wholesaling business in the PRC and Hong Kong, management and sub-licensing of wet markets in the PRC and Hong Kong, property development, property investment, management and sub-licensing shopping centres in Hong Kong. It also has interests in the pharmaceutical business through its investments in WYT.

The LeRoi Group is principally engaged in the trading of fashion apparel to the market in the PRC, the sale of fresh pork meat and related products, property holding and property development in Vietnam.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Both the Wang On Directors and LeRoi Directors consider that the Acquisition will enable the Wang On Group and the LeRoi Group to participate in property development in Fuzhou, Jiangxi Province, the PRC, which has been growing owing to the high economic growth and high demand for the properties in the PRC.

It is currently intended that the Land will be developed into a residential cum commercial complex. The Wang On Directors and LeRoi Directors believe that the economic and social development of Fuzhou will continue to prosper, promoting the long term and healthy development of the local real estate market. As such, it is expected that the Wang On Group and the LeRoi Group will benefit from the development of the Land and the sale of properties to be constructed on the Land.

Both the Wang On Directors and LeRoi Directors are of the view that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Wang On Group and the LeRoi Group as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for each of Wang On and LeRoi under Rule 14.06(2) of the Listing Rules. Circulars containing further information of the Acquisition required under Rule 14.38 of the Listing Rules will be despatched to the Wang On Shareholders and the LeRoi Shareholders, respectively, as soon as practicable.

Terms and definitions

“Acquisition”	the acquisition of the Sale Shares by the Purchasers from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 23 November 2007 entered into between the Purchasers, the Vendor, the Vendor Guarantor, Wang On and LeRoi in connection with the Acquisition
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Business Day”	means a day other than Saturday, Sunday or public holiday in Hong Kong
“Completion”	completion of the Acquisition Agreement
“Completion Date”	the date of Completion, being the 5th Business Day after all conditions to the Acquisition Agreement have been fulfilled (or waived as appropriate) or such other date as agreed by the Vendor and the Purchasers in writing
“Consideration”	the aggregate consideration of RMB22,500,000, comprising an amount of RMB11,250,000 payable by each of the Purchasers under the Acquisition Agreement
“Exercise Period”	the period commencing from the Land Use Right Certificate Long Stop Date (in the event that the PRC Company cannot obtain the Land Use Right Certificate on or before the Land Use Right Certificate Long Stop Date) or the day when it is ascertained that the amount of the Land Acquisition Sum is greater than RMB317 million up to the expiry of 6 months thereafter
“Fuzhou Bureau of Land and Resources”	the Fuzhou Bureau of Land and Resources of the PRC (中國撫州市國土資源局)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jumbo Sun Investments”	Jumbo Sun Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of LeRoi

“Land”	the land of 329 mu, located at Eastern of Gandong Avenue, Fuzhou, Jiangxi Province, the PRC
“Land Acquisition Sum”	the aggregate sum required to be paid by the PRC Company to acquire the Land (including the Land Consideration and all applicable taxes and expenses)
“Land Consideration”	the amount of consideration payable by the PRC Company to purchase the Land from Fuzhou Bureau of Land and Resources, being RMB302.5 million
“Land Consideration Payment Date”	the day on which the Land Purchase Agreement has been duly executed and Fuzhou Bureau of Land and Resources has confirmed receipt of the Land Consideration from the PRC Company
“Land Deposit”	the deposit of RMB60 million paid by the Vendor to Fuzhou Bureau of Land and Resources in respect of the acquisition of the Land Use Right Certificate
“Land Purchase Agreement”	the formal agreement to be entered into between the PRC Company, the Vendor and Fuzhou Bureau of Land and Resources (as appropriate) in respect of the acquisition of the Land by the PRC Company
“Land Use Right Certificate”	the land use right certificate of the Land to be issued by Fuzhou Bureau of Land and Resources
“Land Use Right Certificate Long Stop Date”	the expiry of 4 months after the Completion Date or such other dates as the Purchasers and the Vendor shall otherwise agree
“LeRoi”	LeRoi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“LeRoi Board”	the board of LeRoi Directors
“LeRoi Director(s)”	the directors of LeRoi, including the independent non-executive directors of LeRoi
“LeRoi Group”	LeRoi together with its subsidiaries
“LeRoi Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of LeRoi
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region

“PRC Company”	撫州宏安房地產開發有限公司 (Fuzhou Wang On Property Development Co., Ltd.), a wholly-foreign owned enterprise established under the laws of the PRC and is wholly-owned by Vast Time
“Purchasers”	Strengthen Investments and Jumbo Sun Investments
“Purchasers Guarantors”	Wang On, in respect of Strengthen Investments, and LeRoi, in respect of Jumbo Sun Investments
“Sale Shares”	1,000 ordinary shares in Vast Time owned by the Vendor, representing the entire issued share capital of Vast Time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strengthen Investments”	Strengthen Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of Wang On
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Vast Time”	Vast Time Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor as at the date of this announcement
“Vast Time Group”	Vast Time and its subsidiaries
“Vendor”	Mr. Chen Guido Ji-zhong
“Vendor Guarantor”	the guarantor of the Vendor
“Wang On”	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Wang On Board”	the board of Wang On Directors
“Wang On Directors”	the directors of Wang On, including the independent non-executive directors of Wang On
“Wang On Group”	Wang On together with its subsidiaries
“Wang On Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.005 each in the issued share capital of Wang On
“Warranties”	warranties, representation and undertaking given by the Vendor under the Acquisition Agreement

“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“%”	per cent.
“mu”	equivalent to approximately 666.67 square meters

By Order of the Wang On Board
Wang On Group Limited
 (宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

By Order of the LeRoi Board
LeRoi Holdings Limited
 利來控股有限公司
Ng Cheuk Fan, Keith
Director

Hong Kong, 26 November 2007

As at the date of this announcement, the Wang On Board comprises three executive Wang on Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive Wang On Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

As at the date of this announcement, the LeRoi Board comprises of Mr. Hung Man Sing, Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Mr. Ng Cheuk Fan, Keith, being the executive LeRoi Directors and Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Yuen Kam Ho, George, being the independent non-executive LeRoi Directors.

* For identification purpose only