

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

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

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**WANG ON GROUP LIMITED**

**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**DISCLOSEABLE TRANSACTIONS  
IN RELATION TO  
FORMATION OF JOINT VENTURE COMPANY  
AND  
ACQUISITION OF THE ENTIRE ISSUED CAPITAL  
OF VAST TIME LIMITED**

*Financial Adviser to Wang On Group Limited*



**CIMB-GK Securities (HK) Limited**

---

\* For identification purpose only

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	6
<b>Appendix – General information</b> .....	16

---

## DEFINITIONS

---

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

“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, the Company and LeRoi in connection with the Acquisition
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day other than Saturday, Sunday or public holiday in Hong Kong
“Company”	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
“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 RMB22.5 million, comprising an amount of RMB11.25 million payable by each of the Purchasers under the Acquisition Agreement
“Director(s)”	the directors of the Company, including the independent non-executive directors of the Company
“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

---

## DEFINITIONS

---

“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)
“Group”	the Company together with its subsidiaries
“Henan Land”	a land site of an area of not less than 227.53 mu located in an area near the district of the People’s Government, Xin Cheng Lu, Hui Ji District, Zhengzhou City, Henan Province, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangxi Land”	a land site of 329 mu located at Eastern of Gandong Avenue, Fuzhou, Jiangxi Province, 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
“JV Agreement”	the agreement dated 16 November 2007, as amended by the supplemental agreement of even date, entered into between Well Victory and the JV Partner in relation to the formation of JV Company
“JV Company”	鄭州毛莊宏進農副產品批發市場有限公司 (Zhengzhou Maozhuang Hong Jin Agricultural Products Wholesale Market Company Limited), a sino-foreign joint venture company to be established pursuant to the JV Agreement
“JV Partner”	鄭州毛莊綠園實業有限公司, a company registered in the PRC
“Land Acquisition Sum”	the aggregate sum required to be paid by the PRC Company to acquire the Jiangxi 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 Jiangxi Land from Fuzhou Bureau of Land and Resources, being RMB302.5 million

---

## DEFINITIONS

---

“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 Jiangxi Land by the PRC Company
“Land Use Right Certificate”	the land use right certificate of the Jiangxi 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
“Latest Practicable Date”	3 December 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 main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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

---

## DEFINITIONS

---

“Purchasers”	Strengthen Investments and Jumbo Sun Investments
“Purchasers Guarantors”	the Company, in respect of Strengthen Investments, and LeRoi, in respect of Jumbo Sun Investments
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sale Shares”	1,000 ordinary shares in Vast Time owned by the Vendor, representing the entire issued share capital of Vast Time
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the ordinary share(s) of HK\$0.005 each in the issued share capital of the Company
“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 the Company
“substantial shareholder”	has the meaning ascribed thereto under 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 Latest Practicable Date
“Vast Time Group”	Vast Time together with its subsidiaries
“Vendor”	Mr. Chen Guido Ji-zhong
“Vendor Guarantor”	Mr. Wong Lam Ping, the guarantor of the Vendor
“Warranties”	warranties, representation and undertaking given by the Vendor under the Acquisition Agreement
“Well Victory”	Well Victory Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

---

## DEFINITIONS

---

“WYT”	Wai Yuen Tong Medicine Holdings 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
“%”	per cent.
“mu”	equivalent to approximately 666.67 square metres

---

LETTER FROM THE BOARD

---



**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*)

*Independent non-executive Directors:*

Dr. Lee Peng Fei, Allen, CBE, BS, FHKIE, JP

Mr. Wong Chun, Justein, MBE, JP

Mr. Siu Yim Kwan, Sidney, S.B. St.J.

Mr. Siu Kam Chau

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal*

*place of business:*

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

6 December 2007

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTIONS  
IN RELATION TO  
FORMATION OF JOINT VENTURE COMPANY  
AND  
ACQUISITION OF THE ENTIRE ISSUED CAPITAL  
OF VAST TIME LIMITED**

**INTRODUCTION**

On 16 November 2007, Well Victory, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner, an independent third party, pursuant to which Well Victory and the JV Partner will set up JV Company, which will be a sino-foreign co-operative joint venture company established in the PRC.

\* *For identification purpose only*

---

## LETTER FROM THE BOARD

---

JV Company will be principally engaged in the development, operations and management of agricultural by-products wholesaling marketplace and related facilities, and sale and rental of properties in Zhengzhou, the PRC. JV Company will have a registered capital of RMB140 million. Well Victory will contribute RMB71.4 million in cash to JV Company and will hold 51% equity interests of JV Company. The JV Partner will contribute RMB68.6 million in cash to JV Company and will hold 49% of the equity interests of JV Company.

On 23 November 2007, Strengthen Investments, an indirect wholly-owned subsidiary of the Company, Jumbo Sun Investments, an indirect wholly-owned subsidiary of LeRoi, the Vendor, the Vendor Guarantor, the Company 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 (representing the entire issued share capital of Vast Time) 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 Jiangxi Land, which is currently intended to be developed into a residential cum commercial complex.

The entering into of the JV Agreement and the Acquisition Agreement constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further information in relation to the JV Agreement and the Acquisition Agreement. The details of the JV Agreement and the Acquisition Agreement are set out below.

### **THE JV AGREEMENT**

#### **1. Date**

16 November 2007

#### **2. Parties**

- a. Well Victory, a wholly-owned subsidiary of the Company
- b. the JV Partner

The JV Partner is a company established in the PRC. As stated in its business licence, the scope of business of the JV Partner is trading and distribution of agricultural by-products. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its ultimate beneficial owners are third parties independent of and not connected with the Company or any of its subsidiaries or any of their respective associates.

#### **3. Scope of Business**

JV Company will be principally engaged in development, operations and management of agricultural by-products wholesaling marketplace and related facilities, and sale and rental of properties in Zhengzhou, the PRC.

---

## LETTER FROM THE BOARD

---

The Directors expect that the PRC authority will issue an auction notice (the “Auction Notice”) for the bidding of the Henan Land by public auction on or before 31 December 2007. It is the intention of JV Company to submit a bid for the Henan Land. If JV Company successfully acquires the Henan Land, it will develop and operate an agricultural by-products marketplaces on the Henan Land.

#### **4. Total Investment Amount and Registered Capital**

The total investment amount of JV Company is RMB260 million and the registered capital is RMB140 million, of which RMB71.4 million will be contributed by Well Victory and RMB68.6 million will be contributed by the JV Partner. The schedule for the payment of the registered capital shall be as follows:

- (1) subject to the Auction Notice specifying that the amount of the deposit for the bid (the “Deposit”) is not more than RMB40 million and the price per mu of the Henan Land is not more than RMB600,000, Well Victory to contribute 51% of the amount of the Deposit within 10 Business Days from the date of the Auction Notice (the “First Well Victory Contribution”). Pursuant to the terms of the JV Agreement, if the Deposit exceeds RMB40 million or the price per mu of the Henan Land is more than RMB600,000, the Company has the sole discretion to terminate the JV Agreement;
- (2) the JV Partner to contribute 49% of the amount of the Deposit on the date on which Well Victory makes the First Well Victory Contribution (the “First JV Partner Contribution”);
- (3) the JV Partner to contribute a further amount which equals to 49% of the registered capital of JV Company minus the amount of the First JV Partner Contribution within three Business Days after the signing of the land grant contract in respect of the Henan Land by JV Company, which shall be on or before 28 February 2008 (the “Second JV Partner Contribution”);
- (4) Well Victory to contribute a further amount which equals to approximately RMB60.7 million (being 85% of the total registered capital of JV Company to be contributed by Well Victory) minus the amount of the First Well Victory Contribution within 10 Business Days after the date of the Second JV Partner Contribution; and
- (5) Well Victory to contribute the balance amount of approximately RMB10.7 million (being 15% of the total registered capital of JV Company to be contributed by Well Victory) on or before 31 July 2008.

Upon completion of the capital contribution, Well Victory and the JV Partner will hold 51% and 49% of the equity interests of JV Company respectively. JV Company will be accounted for as a subsidiary of the Company with its results consolidated into that of the Group. There will be no significant impact on assets and liabilities of the Group as a result of the formation of the JV Company.

---

## LETTER FROM THE BOARD

---

The difference between the total investment amount of RMB260 million and the registered capital of RMB140 million is not an amount committed to be contributed by Well Victory and the JV Partner. Apart from contributing 51% of the registered capital of JV Company, the Group has no further obligation under the JV Agreement to inject capital into JV Company. The Company anticipates that JV Company will arrange for bank loans if additional funds are required and it does not anticipate the need for further injection into JV Company at present. In the event that the Company is required to make further injection into JV Company in the future, it will comply with the requirements under the Listing Rules.

### **5. Term**

JV Company has a term of no less than 40 years from the date of issue of the business licence of JV Company.

### **6. Board Composition**

The board of JV Company will comprise five members, three to be nominated by Well Victory and two to be nominated by the JV Partner. The chairman and the vice chairman of the board will be appointed by Well Victory and the JV Partner respectively.

### **7. Profit Sharing**

The profit of JV Company will be shared by Well Victory and the JV Partner in the ratio of 51% and 49% respectively.

### **8. Minimum Dividends**

The JV Partner warrants to Well Victory that the dividends to be received by Well Victory from JV Company within two years from the date of capital contribution by Well Victory (the “Dividends Received”) shall be no less than 15% of the amount contributed by Well Victory (the “Minimum Dividends”) per annum. In the event that the Dividends Received is less than the Minimum Dividends (the “Dividend Shortfall”), Well Victory has the option to require the JV Partner to:

- (1) acquire the equity interests in JV Company held by Well Victory (the “Put Option”) at a price equal to 120% of the amount contributed to JV Company by Well Victory, including shareholder’s advance, if any, if the Put Option is exercised by Well Victory within 12 months from the date of the First Well Victory Contribution or 145% of the amount contributed to JV Company by Well Victory, including shareholder’s advance, if any, if the Put Option is exercised by Well Victory between the 13th to the 24th month from the date of the First Well Victory Contribution; or
- (2) pay cash of an amount equal to the Dividend Shortfall to Well Victory.

Further announcement will be made if the Dividends Received is less than the Minimum Dividends and any compensation received.

---

## LETTER FROM THE BOARD

---

### THE ACQUISITION AGREEMENT

#### 1. Date

23 November 2007

#### 2. Parties

##### a. Vendor:

Mr. Chen Guido Ji-zhong

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

##### b. Purchasers:

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

While the Company is a substantial shareholder of WYT, and that WYT is a substantial shareholder of LeRoi, the Company is not a connected person of LeRoi.

##### c. Guarantors:

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

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

- (ii) The Company, as guarantor of Strengthen Investments
- (iii) LeRoi, as guarantor of Jumbo Sun Investments

---

## LETTER FROM THE BOARD

---

### 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 Latest Practicable Date, 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 Jiangxi Land. Since its establishment, the PRC Company has not commenced any operations and as at the Latest Practicable Date, the PRC Company has no material assets and liabilities.

#### *The Jiangxi Land*

The Jiangxi 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 Jiangxi Land after Completion. For details, please see the section headed "Post Completion Obligations" below.

---

## LETTER FROM THE BOARD

---

### 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 Jiangxi 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).

The Company will finance its respective 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

---

## LETTER FROM THE BOARD

---

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 are 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 of the Acquisition, the Company, through Strengthen Investments, will be interested in 50% in the share capital of Vast Time. Vast Time will become an associated company of the Company and its results will be equity accounted for in the consolidated financial statements of the Group. There will be no significant impact on assets and liabilities of the Group upon completion of the Acquisition.

### **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.

---

## **LETTER FROM THE BOARD**

---

### **PRINCIPAL BUSINESS OF THE COMPANY**

The 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.

### **REASONS FOR THE FORMATION OF JV COMPANY**

The Group is one of the leading wet markets operators in Hong Kong. The Group has also been engaged in the management and operation of agricultural by-products wholesaling marketplace in the PRC since 2006. At present, the Group's network of agricultural market operations in the PRC covers the cities of Yulin, Xuzhou and Changzhou. The Board considers that the establishment of JV Company will enable the Group to further expand its agricultural market operations network to Zhengzhou, the capital of Henan Province.

The Board considers that the JV Agreement is on normal commercial terms and fair and reasonable and the formation of JV Company is in the interest of the Company and the Shareholders as a whole.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors consider that the Acquisition will enable the 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 Jiangxi Land will be developed into a residential cum commercial complex. The 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 Group will benefit from the development of the Jiangxi Land and the sale of properties to be constructed on the Jiangxi Land.

The 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 Group as a whole.

### **LISTING RULES IMPLICATIONS**

The entering into of the JV Agreement, as well as the Acquisition Agreement, constitutes discloseable transactions of the Company under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### GENERAL

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of the Board  
**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 Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

## 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 total issued share capital*
	Personal interest	Family interest	Corporate interest	Other interest			
Mr. Tang Ching Ho	16,218,960	16,218,920 (Note (a))	59,326,780 (Note (b))	873,837,400 (Note (c))		965,602,060	14.97%
Ms. Yau Yuk Yin	16,218,920	75,545,740 (Note (d))		– 873,837,400 (Note (e))		965,602,060	14.97%

\* To the best of the knowledge of the Directors, the total number of shares of the Company in issue as at the Latest Practicable Date was 6,449,329,640 shares.

*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 total issued share capital*
Accord Power Limited	873,837,400 (L)	13.55%
Trustcorp Limited ( <i>Note (a)</i> )	873,837,400 (L)	13.55%

Name	Number of shares	Percentage of the Company's total issued share capital*
Newcorp Ltd. <i>(Note (b))</i>	873,837,400 (L)	13.55%
Newcorp Holdings Ltd. <i>(Note (c))</i>	873,837,400 (L)	13.55%
Mr. David Henry Christopher Hill <i>(Note (d))</i>	873,837,400 (L)	13.55%
Ms. Rebecca Ann Hill <i>(Note (e))</i>	873,837,400 (L)	13.55%
Mr. David William Roberts <i>(Note (f))</i>	873,837,400 (L)	13.55%
Credit Suisse Group	350,734,000 (L)	5.44%

*L: Long position*

\* *To the best of the knowledge of the Directors, the total number of shares of the Company in issue as at the Latest Practicable Date was 6,449,329,640 shares.*

*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 other member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

**5. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

**6. GENERAL**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, 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 and transfer office of the Company in Hong Kong is Tricor 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.