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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 TRANSACTIONS  
IN RELATION TO  
THE DISPOSAL OF THE ENTIRE  
ISSUED SHARE CAPITAL OF  
BRIGHTEST INVESTMENTS  
AND THE SALE LOAN  
AND  
THE GRANT OF A PUT OPTION TO  
THE PURCHASER**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE ENTIRE  
ISSUED SHARE CAPITAL OF  
BRIGHTEST INVESTMENTS  
AND THE SALE LOAN**

**Financial adviser**



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

The Wang On Board and the LeRoi Board jointly announce that, on 7 January 2008, the Purchaser, being an indirect wholly-owned subsidiary of LeRoi, entered into the Agreement with the Vendor, being an indirect wholly-owned subsidiary of Wang On, pursuant to which the Vendor will sell, and the Purchaser will purchase, the Sale Share, representing the entire issued share capital of Brightest Investments, and the Sale Loan at an aggregate consideration of HK\$240 million to be satisfied in cash on Completion.

Brightest Investments holds the entire equity interest of Golden Maker, which in turn is the sole equity holder of GM Property. As at the date of this joint announcement, the principal assets of the Acquired Group are certain prepayments in relation to the Land. The Land, having a site area of approximately 64,000 square meters, is located in Dongguan, Guangdong Province, the PRC and is approved for commercial and residential use.

Pursuant to the Agreement, in the event that the Acquired Group fails to obtain the Land Use Right Certificate for whatsoever reason on or before the Land Use Right Certificate Long Stop Date, the Purchaser has the sole and absolute discretion, within 7 Business Days after the Land Use Right Certificate Long Stop Date, to require the Vendor to purchase its entire interest in Brightest Investments and the Sale Loan at an amount representing an aggregate of the Consideration and interest calculated at an annual rate of 5% and any other loan the Purchaser may have advanced to the Acquired Group after Completion at the face value of such loan plus interest calculated at an annual rate of 5%. LeRoi will make further announcement as required by the Listing Rules in the event that the Purchaser exercises its discretion as mentioned above.

The Disposal and the grant of the Put Option constitute discloseable transactions for Wang On under Rules 14.06(2) and 14.74(1) of the Listing Rules. A circular containing further information of the Disposal required under Rule 14.38 of the Listing Rules will be despatched to the Wang On Shareholders as soon as practicable.

The Acquisition constitutes a discloseable transaction for LeRoi pursuant to Rule 14.06(2) of the Listing Rules. A circular containing further information on the Acquisition will be despatched to the LeRoi Shareholders as soon as practicable pursuant to Rule 14.38 of the Listing Rules.

## **AGREEMENT**

### **Date**

7 January 2008

### **Parties**

**Purchaser:** Joyful Leap Investments Limited, an indirect wholly-owned subsidiary of LeRoi and an investment holding company incorporated in the British Virgin Islands

**Vendor:** Suitbest Investments Limited, an indirect wholly-owned subsidiary of Wang On and an investment holding company incorporated in the British Virgin Islands

Wang On is a substantial shareholder of WYT and WYT is a substantial shareholder of LeRoi. Mr. Chan Chun Hong, Thomas, an executive director of LeRoi, is also an executive director of Wang On. Save for the foregoing, to the best of the knowledge, information and belief of the LeRoi Directors after making all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of and not connected with LeRoi and its subsidiaries.

### **Assets to be acquired**

The Sale Share, representing the entire issued share capital of Brightest Investments, and the Sale Loan.

### *The Acquired Group*

Brightest Investments is an investment holding company incorporated in the British Virgin Islands with limited liability and it holds the entire issued share capital of Golden Maker. Golden Maker is incorporated in Hong Kong with limited liability and is the sole equity holder of GM Property. GM Property is established in the PRC for the purpose of acquiring the Land. The Acquired Group is in the process of applying for the Land Use Right Certificate, which is expected to be obtained by the end of March 2008. Since incorporation, each of the members of the Acquired Group has not commenced

any operations other than matters in relation to obtaining the right to acquire the Land. Since its incorporation, the Acquired Group has recorded no revenue and has incurred an unaudited net loss of approximately HK\$217,000.

As at the date of this joint announcement, save for the prepayments in respect of the Land, comprising the Land Consideration and the Land Deposit, the Acquired Group has no other material assets and it has no material liabilities save for the Sale Loan.

### *The Land*

The Land is located at 中國廣東省東莞市大嶺山鎮107國道北側(宗地編號: 2007G023) (Zong Di No.: 2007G023, North China-National Highway 107, Dalingshan Town, Dongguan City, Dongguan, Guangdong Province, the PRC), and has a total site area of approximately 64,000 square meters with land use right term of 70 years for commercial and residential use.

Pursuant to the transfer agreement and the escrow agreement in respect of the Land, the Acquired Group has paid HK\$30 million as Land Deposit and the Acquired Group will acquire the Land at the Land Consideration of approximately HK\$145.5 million. It is currently expected that the Land Use Right Certificate will be granted to the Acquired Group by the end of March 2008. Upon the grant of the Land Use Right Certificate, the Land Deposit shall be refunded to the Acquired Group.

### **Consideration**

The Consideration of HK\$240 million of which approximately HK\$177.3 million and HK\$62.7 million was attributable to the sale and purchase of the Sale Loan and the Sale Share respectively. The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor taking into consideration (i) the indicative valuation of the Land as at 31 December 2007 of approximately HK\$210 million as valued by an independent property valuer under the direct comparison approach with reference to the comparable transactions as available in the market; and (ii) the face value of the Land Deposit.

The Consideration will be settled in cash on Completion and will be financed by the LeRoi Group's internal resources.

### **Completion**

Completion shall take place on the Completion Date, being the Business Day immediately following the date of the Agreement or such other date as the Vendor and the Purchaser may agree.

Upon Completion, Brightest Investments will become an indirect wholly-owned subsidiary of LeRoi and each of Golden Maker and GM Property will become a member of the LeRoi Group.

## **Put option**

Pursuant to the Agreement, the Vendor has granted a put option (the “Put Option”) to the Purchaser. Pursuant to the Put Option, in the event that the Acquired Group fails to obtain the Land Use Right Certificate for whatsoever reason on or before the Land Use Right Certificate Long Stop Date, the Purchaser has the sole and absolute discretion, within 7 Business Days after the Land Use Right Certificate Long Stop Date, to require the Vendor to purchase its entire interest in Brightest Investments and the Sale Loan at an amount representing an aggregate of the Consideration and interest calculated at an annual rate of 5% and any other loan the Purchaser may have advanced to the Acquired Group after Completion at the face value of such loan plus interest calculated at an annual rate of 5%. LeRoi will make further announcement as required by the Listing Rules in the event that the Purchaser exercises its discretion as mentioned above.

## **USE OF PROCEEDS**

The net proceeds from the Disposal of approximately HK\$240 million will be used by Wang On Group as to approximately HK\$140 million for property development and property investment and as to approximately HK\$100 million for general working capital.

## **GAIN ON DISPOSAL**

Upon Completion, Wang On expects to record a gain on disposal of approximately HK\$57.6 million calculated with reference to the book value of the Acquired Group and the deferred gain as a result of the Disposal. Upon Completion, the results of Brightest Investments will cease to be accounted for as a subsidiary of Wang On.

## **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 sale of fresh pork meat and related products, trading of fashion apparel, property holding in Hong Kong and property development in Vietnam and the PRC.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL, THE PUT OPTION AND THE ACQUISITION**

Upon Completion, Wang On will record a gain on disposal of approximately HK\$57.6 million and will generate a net cash proceeds of approximately HK\$240 million of which the Wang On Directors intend to be used for property development and property investment and as general working capital of the Wang On Group. The Wang On Directors are of the view that the terms of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Wang On Group and the Wang On Shareholders as a whole.

The Wang On Directors consider that the Put Option facilitates LeRoi in entering into the Agreement, and are of the view that the terms of the Put Option are on normal commercial terms, fair and reasonable and in the interests of the Wang On Group and the Wang On Shareholders as a whole.

The LeRoi Directors consider that the Acquisition will enable the LeRoi Group to participate in property development in Dongguan, Guangdong Province, the PRC, which has been growing due to the high economic growth and increasing demand for the commercial and residential properties in the PRC.

It is intended that the Land will be developed into a residential cum commercial complex. The economic growth of the PRC remains strong in 2007. According to the National Bureau of Statistics of China, the gross domestic products of the PRC grew at a year-on-year rate of approximately 11.5% in the third quarter of 2007. With the continuous improvement in the living standard of the PRC population, the LeRoi Directors believe that the economic and social development of the Guangdong Province will continue to prosper and therefore promoting a long term and healthy development of the local real estate market. As such, it is expected that the LeRoi Group will benefit from the development of the Land and the sale of properties to be constructed on the Land.

The 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 LeRoi Group and the LeRoi Shareholders as a whole.

## **GENERAL**

The Disposal and the grant of the Put Option constitute discloseable transactions for Wang On under Rules 14.06(2) and 14.74(1) of the Listing Rules. A circular containing further information of the Disposal required under Rule 14.38 of the Listing Rules will be despatched to the Wang On Shareholders as soon as practicable.

The Acquisition constitutes a discloseable transaction for LeRoi pursuant to Rule 14.06(2) of the Listing Rules. A circular containing further information on the Acquisition will be despatched to the LeRoi Shareholders as soon as practicable pursuant to Rule 14.38 of the Listing Rules.

## DEFINITIONS

In this joint announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

|                         |                                                                                                                                                                                                                   |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquired Group”        | Brightest Investments and its subsidiaries                                                                                                                                                                        |
| “Acquisition”           | the acquisition of the Sale Share and the Sale Loan by the Purchaser from the Vendor pursuant to the Agreement                                                                                                    |
| “Agreement”             | an agreement entered into between the Vendor and the Purchaser on 7 January 2008 in connection with the sale and purchase of the Sale Share and the Sale Loan                                                     |
| “Brightest Investments” | Brightest Investments Limited 光明投資有限公司, a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Wang On                                                 |
| “Business Day”          | means a day other than Saturday, Sunday, public holiday or a day on which typhoon signal no. 8 or a “black” rainstorm warning is hoisted in Hong Kong on which banks are generally open for business in Hong Kong |
| “Completion”            | completion of the Agreement                                                                                                                                                                                       |
| “Completion Date”       | the date of Completion, being the Business Day immediately following the date of the Agreement or such other date as the Vendor and the Purchaser may agree                                                       |
| “Consideration”         | the consideration payable by the Purchaser for the Sale Share and the Sale Loan in the amount of HK\$240 million                                                                                                  |
| “Disposal”              | the disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser pursuant to the Agreement                                                                                                         |
| “Golden Maker”          | Golden Maker Investment Limited 金億利投資有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Brightest Investments                                                      |
| “GM Property”           | 金億利(東莞)房地產開發有限公司 (Golden Maker (Dongguan) Property Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of Golden Maker                                                   |
| “Hong Kong”             | Hong Kong Special Administrative Region of the PRC                                                                                                                                                                |

|                                             |                                                                                                                                                                                                                                |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Land”                                      | the land of approximately 64,000 square meters, located at中國廣東省東莞市大嶺山鎮107國道北側(宗地編號: 2007G023) (Zong Di No.: 2007G023, North China-National Highway 107, Dalingshan Town, Dongguan City, Dongguan, Guangdong Province, the PRC) |
| “Land Consideration”                        | HK\$145.5 million, being the consideration for the purchase of the Land                                                                                                                                                        |
| “Land Deposit”                              | a deposit for HK\$30 million paid by Golden Maker to a designated entity of Dongguan Bureau of Land and Resources in respect of the acquisition of the Land                                                                    |
| “Land Use Right Certificate”                | 國有土地使用權證, the land use right certificate of the Land to be issued by Dongguan Bureau of Land and Resources                                                                                                                     |
| “Land Use Right Certificate Long Stop Date” | the date falling on the expiry of the 6-month period immediately after the Completion Date                                                                                                                                     |
| “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 director(s) 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 joint announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region                                                                   |
| “Purchaser”                                 | Joyful Leap Investments Limited 愉躍投資有限公司, a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of LeRoi                                                              |

|                              |                                                                                                                                                                                                       |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale Loan”                  | the amount advanced by the Vendor to Golden Maker by way of an interest-free loan which stands at approximately HK\$177.3 million as at the date of this joint announcement                           |
| “Sale Share”                 | one share of US\$1.00 each in the issued share capital of Brightest Investments, representing the entire issued share capital of Brightest Investments                                                |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited                                                                                                                                                               |
| “subsidiaries”               | has the meaning ascribed to it under the Companies Ordinance (Cap. 32, Laws of Hong Kong)                                                                                                             |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules                                                                                                                                                |
| “Vendor”                     | Suitbest Investments Limited, a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Wang On                                               |
| “Wang On”                    | Wang On Group Limited(宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange                       |
| “Wang On Board”              | The board of Wang On Directors                                                                                                                                                                        |
| “Wang On Director(s)”        | the director(s) 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                                                                                                       |
| “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 |
| “HK\$”                       | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                   |
| “RMB”                        | Renminbi, the lawful currency of the PRC                                                                                                                                                              |

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

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, 9 January 2008

*As at the date of this joint 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 joint announcement, the LeRoi Board comprises 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*