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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)

JOINT ANNOUNCEMENT

MAJOR TRANSACTION

TRANSFER OF 100% INTEREST IN STRENGTHEN INVESTMENTS LIMITED AND ASSIGNMENT OF THE SALE LOAN

Financial adviser



CIMB-GK Securities (HK) Limited

On 31 July 2008, Suitbest and Joyful Leap entered into the Agreement, pursuant to which Suitbest has agreed to dispose of and Joyful Leap has agreed to purchase the Sale Share, representing the entire issued share capital of Strengthen Investments, and the Sale Loan for a consideration of HK\$186.8 million. The Consideration shall be adjusted by adding thereto an amount equals to the Additional Sale Loan of up to HK\$12.0 million as at the date of Completion.

Strengthen Investments is currently ultimately wholly owned by Wang On and is an investment holding company holding 50% of the equity interest in Vast Time, the remaining 50% interest of which is currently beneficially owned by LeRoi. As at the date of this joint announcement, Vast Time holds the entire equity interest in the PRC Company owning the Land. The Land is currently intended to be developed into a residential cum commercial complex.

Upon Completion, Strengthen Investments will become an indirect wholly-owned subsidiary of LeRoi, and the Wang On Group will cease to have any interest in Strengthen Investments.

The Transfer constitutes a major transaction for each of Wang On and LeRoi under Rule 14.06(3) of the Listing Rules and is subject to shareholders' approval. Circulars containing further information on the Agreement and the Transfer required under the Listing Rules together with notice of the Wang On SGM and the LeRoi EGM will be despatched to the Wang On Shareholders and the LeRoi Shareholders, respectively, as soon as practicable.

* For identification purpose only

THE AGREEMENT

1. Date

31 July 2008

2. Parties

(i) Suitbest, as vendor

(ii) Joyful Leap, as purchaser

Each of Suitbest and Joyful Leap is principally engaged in investment holding.

Wang On indirectly wholly owns Suitbest, and is also a substantial shareholder of WYT, holding 23.59% of its equity interest as at the date of this joint announcement. Suitbest wholly owns Strengthen Investments which holds 50% of the equity interest in Vast Time.

On the other hand, as at the date of this joint announcement, WYT is a substantial shareholder of LeRoi holding 29.97% of its equity interest, which in turn indirectly wholly owns Joyful Leap, and which in turn wholly owns Jumbo Sun which holds 50% equity interest in Vast Time.

Based on the foregoing and to the best of the Wang On Directors' and the LeRoi Directors' knowledge, information and belief and having made all reasonable enquiries, Suitbest and its ultimate shareholder, and Joyful Leap and its ultimate shareholder, are independent of each other and independent of each other's connected person(s).

3. Subject assets

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

4. Consideration

The consideration of HK\$186.8 million for the Transfer was arrived at after arm's length negotiations between the parties to the Agreement with reference to the net asset value of the Strengthen Investments Group of approximately HK\$2.3 million, as adjusted for the market value of the Land as of 30 June 2008 as valued by an independent valuer, and the face value of the Sale Loan. The Consideration shall be adjusted by adding thereto an amount equals to the Additional Sale Loan of up to HK\$12.0 million as at the date of Completion.

Pursuant to the Agreement, the Consideration shall be paid in cash by Joyful Leap upon Completion.

Joyful Leap will finance the payment of the Consideration by internal resources.

5. Conditions precedent

Completion shall be conditional on the approval of the Agreement in respect of the Transfer and the transactions contemplated thereunder by both the Wang On Shareholders and the LeRoi Shareholders at the Wang On SGM and the LeRoi EGM, respectively.

The above conditions cannot be waived. In the event that the above conditions cannot be fulfilled by 30 September 2008 or such later date as the parties may agree in writing, the Agreement will lapse.

INFORMATION OF STRENGTHEN INVESTMENTS

As at the date of this joint announcement, Strengthen Investments, which is principally engaged in investment holding, is an indirect wholly-owned subsidiary of Wang On and holds 50% of the issued share capital of Vast Time, the remaining 50% interest of which is beneficially owned by LeRoi. The interest in Vast Time Group beneficially owned by each of Wang On and LeRoi is treated as jointly-controlled entity and is accounted for using proportionate consolidation as at the date of this joint announcement.

Vast Time was incorporated in Hong Kong on 20 September 2007 and is principally engaged in investment holding. In November 2007, each of Strengthen Investments and Jumbo Sun, indirectly wholly owned by Wang On and LeRoi respectively, entered into an agreement to acquire 50% of the then issued share capital of Vast Time respectively for an aggregate consideration of RMB22.5 million. For further details, please refer to the joint announcement dated 26 November 2007 issued jointly by Wang On and LeRoi in respect of the Acquisition.

Vast Time is an investment holding company established for incorporating and holding the PRC Company, which is principally engaged in property development. Since the Acquisition, each of the Wang On Group and the LeRoi Group has contributed approximately HK\$180.5 million to the PRC Company via Vast Time for the purpose of the acquisition of the Land by the PRC Company. The PRC Company obtained the Land Use Right Certificate pursuant to the Land Purchase Agreement at the Land Consideration of RMB302.5 million on 1 February 2008.

The Land is located at Eastern of Gandong Avenue, Fuzhou, Jiangxi Province, the PRC, and has a total site area of approximately 219,540 square meters, of which approximately 473,004 square meters were approved for residential use with land use right term of 70 years, and approximately 44,803 square meters were approved for commercial use with land use right term of 40 years. The Land is currently intended to be developed into a residential cum commercial complex. The market value of the Land as of 30 June 2008 as valued by an independent professional valuer is approximately HK\$370 million. As at the date of this joint announcement, an independent architectural firm has been appointed to prepare the master layout plans for submission to the relevant government authority for its approval.

The Strengthen Investments Group has not recorded any revenue up to the date of this joint announcement. Based on its unaudited consolidated management accounts for the period from 9 May 2007, being its date of incorporation, to 31 March 2008, and the period from 1 April 2008 to 30 June 2008, the Strengthen Investments Group recorded loss of approximately HK\$11.6 million and HK\$1.1 million, respectively.

As at 30 June 2008, the Strengthen Investments Group has unaudited consolidated net liabilities of approximately HK\$1.9 million, unaudited consolidated total assets of approximately HK\$183.0 million (which mainly represented the investment in the Land) and unaudited consolidated total liabilities of approximately HK\$184.9 million (which mainly represented the amounts advanced by Suitbest as at 30 June 2008).

PRINCIPAL BUSINESS OF WANG ON AND LEROI

The Wang On Group is principally engaged in development and management of agricultural by-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, property investment and development in Hong Kong and the PRC.

REASONS FOR AND BENEFITS OF THE TRANSFER FOR LEROI

As stated in the joint announcement dated 26 November 2007 issued jointly by Wang On and LeRoi in respect of the Acquisition, the Land will be developed into a residential cum commercial complex (the “Project”).

The 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, they consider that the Transfer, which enables the LeRoi Group to take full ownership of Vast Time and hence the PRC Company, will not only enable the LeRoi Group to have better control of the Project but also allow the LeRoi Group to enjoy the full benefits and economic return from the Project.

Upon Completion, Strengthen Investments will become an indirect wholly-owned subsidiary of LeRoi and thus Vast Time will become an indirect wholly-owned subsidiary of LeRoi and the results of the Vast Time Group will be consolidated with those of the LeRoi Group.

The LeRoi Directors are of the view that the terms of the Transfer are on normal commercial terms, fair and reasonable and in the interests of the LeRoi Group and the LeRoi Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE TRANSFER FOR WANG ON

Even though the Wang On Directors are optimistic about the long term potential of the real estate market in Fuzhou, they consider that the Transfer will allow the Wang On Group to realise its investment in Vast Time and utilise the proceeds from the Transfer and focus its resources on other projects and potential investment in Hong Kong.

Upon Completion, Wang On expects to record a gain on disposal of approximately HK\$3.0 million (after estimated expenses) calculated with reference to the book value of the Strengthen Investments Group and the amount of the Sale Loan. The Wang On Shareholders should note that the actual gain on disposal to be recorded by Wang On will depend on the net asset value of the Strengthen Investments Group and the value of the Sale Loan as at the date of Completion. Upon Completion, the Wang On Group will cease to have any interest in Strengthen Investments as well as the Vast Time Group.

The Wang On Directors are of the view that the terms of the Transfer 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.

IMPLICATION UNDER THE LISTING RULES

The Transfer constitutes a major transaction for each of Wang On and LeRoi under Rule 14.06(3) of the Listing Rules and is subject to shareholders' approval. Circulars containing further information on the Agreement and the Transfer required under the Listing Rules together with notice of the Wang On SGM and the LeRoi EGM will be despatched to the Wang On Shareholders and the LeRoi Shareholders, respectively, as soon as practicable.

DEFINITIONS

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

“Acquisition”	the acquisition of 50% interest in Vast Time by Strengthen Investments and Jumbo Sun respectively, each of which is an indirect wholly-owned subsidiary of Wang On and LeRoi respectively, details of which are set out in the joint announcement dated 26 November 2007 issued jointly by Wang On and LeRoi
“Additional Sale Loan”	further advance may be made by Suitbest of up to HK\$12.0 million to Strengthen Investments before Completion
“Agreement”	the conditional agreement dated 31 July 2008 entered into between Suitbest and Joyful Leap in respect of the Transfer

“Completion”	completion of the Agreement
“Consideration”	the consideration of HK\$186.8 million, to be adjusted by adding thereto an amount equals to the Additional Sale Loan as at the date of Completion, payable by Joyful Leap to Suitbest under the Agreement
“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)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Joyful Leap”	Joyful Leap Investments Limited 愉躍投資有限公司, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by LeRoi as at the date of this joint announcement
“Jumbo Sun”	Jumbo Sun Investments Limited 珍日投資有限公司, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of LeRoi as at the date of this joint announcement
“Land”	the land of 219,540 square meters, located at Eastern of Gandong Avenue, Fuzhou, Jiangxi Province, the PRC
“Land Consideration”	the amount of consideration paid by the PRC Company to purchase the Land from Fuzhou Bureau of Land and Resources, being RMB302.5 million, pursuant to the Land Purchase Agreement
“Land Purchase Agreement”	the land grant contract dated 3 January 2008 entered into between the PRC Company and Fuzhou Bureau of Land and Resources in respect of the acquisition of the Land by the PRC Company
“Land Use Right Certificate”	the land use right certificate of the Land dated 1 February 2008 issued by Fuzhou Bureau of Land and Resources
“LeRoi”	LeRoi Holdings Limited 利來控股有限公司, 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 the LeRoi Directors
“LeRoi Director(s)”	the directors of LeRoi
“LeRoi EGM”	an extraordinary general meeting of LeRoi to be convened and held for the purpose of considering, and if thought fit, approving, the Agreement and the transactions contemplated thereunder
“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 of the PRC
“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
“Sale Loan”	the amount advanced by Suitbest to Strengthen Investments, which stands at approximately HK\$184.6 million as at the date of this joint announcement
“Sale Share”	one share of US\$1.00 each in the share capital of Strengthen Investments owned by Suitbest, representing the entire issued share capital of Strengthen Investments
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strengthen Investments”	Strengthen Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly owned by Suitbest as at the date of this joint announcement
“Strengthen Investments Group”	Strengthen Investments and its jointly-controlled entities

“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Cap 32, Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Suitbest”	Suitbest Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by Wang On as at the date of this joint announcement
“Transfer”	the disposal of the Sale Share and the assignment of the Sale Loan by Suitbest to Joyful Leap pursuant to the Agreement
“Vast Time”	Vast Time Limited 巨時有限公司, a company incorporated in Hong Kong with limited liability and is owned as to 50% by each of the Wang On Group and the LeRoi Group at the date of this joint announcement
“Vast Time Group”	Vast Time and its subsidiaries
“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 the Wang On Directors
“Wang On Director(s)”	the directors of Wang On
“Wang On SGM”	a special general meeting of Wang On to be convened and held for the purpose of considering, and if thought fit, approving, the Agreement and the transactions contemplated thereunder
“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

* For identification purpose only

“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.

By Order of the Wang On Board
Wang On Group Limited
(宏安集團有限公司)*
Tang Ching Ho
Chairman

By Order of the LeRoi Board
LeRoi Holdings Limited
利來控股有限公司
Chan Chun Hong, Thomas
Chairman

Hong Kong, 31 July 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. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Mr. Wong Yiu Hung, Gary, 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.

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