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WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

DISCLOSEABLE TRANSACTION

IN RELATION TO

THE ACQUISITION OF OUTDOOR MEDIA

ADVERTISING AND BROADCASTING BUSINESS

and

RESUMPTION OF TRADING

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LIMITED

On 13 August 2007, National Cape, a wholly-owned subsidiary of the Company, entered into the Share Acquisition Agreement with the First Vendor, the Second Vendor, the Third Vendor, the First Guarantor and the Second Guarantor to acquire 10% issued share capital in Corning Investments at a consideration of HK\$36 million. Corning Investments is interested in the entire issued share capital of DOTV which together with its wholly-owned subsidiary, Today's Media, are principally engaged in the business of the provision of outdoor media advertising and broadcasting network.

The Consideration is to be satisfied by the issue and allotment of the Consideration Shares at Completion credited as fully paid to the Vendors or as they may respectively direct.

A total of 31,266,284 new Shares will be issued and allotted as Consideration Shares upon Completion. The Consideration Shares represent approximately 13.96% of the existing issued share capital of the Company as at the date of this announcement and 12.25% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The issue price of the Consideration Shares at HK\$1.1514 each credited as fully paid represents a discount of approximately 6.39% to the closing price of the Shares of HK\$1.23 on 13 August 2007; and a discount of approximately 5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days prior to the date of the Share Acquisition Agreement of HK\$1.212.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst others, further details of the Acquisition will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Dealings in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m., 14 August 2007 pending release of this announcement. Application has been made by the Company for the resumption of dealings in the Shares on the Stock Exchange on 9:30 a.m., 15 August 2007.

THE SHARE ACQUISITION AGREEMENT DATED 13 AUGUST 2007

Parties

Purchaser:	National Cape
First Vendor:	Yang Pei
Second Vendor:	Executive Talent Limited, a company incorporated in the British Virgin Islands
Third Vendor:	Ye Ai Fang
First Guarantor:	Lau Chi Yuen, Joseph
Second Guarantor:	Yuen Nim Cho

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the First Vendor, the Second Vendor, the Third Vendor, the First Guarantor and the Second Guarantor is a third party independent of the Group and connected persons (as defined in the Listing Rules) of the Group. The beneficial owners of the Second Vendor are independent third parties to the Group and connected persons (as defined in the Listing Rules) of the Group.

Assets to be acquired

The Sale Shares, being 10% of the issued share capital of Corning Investments. There is no restriction on subsequent disposal of the Sale Shares.

Consideration

The Consideration is HK\$36 million and shall be satisfied by the issue and allotment of 10,943,199 Consideration Shares, 10,943,199 Consideration Shares and 9,379,886 Consideration Shares credited as fully paid to the First Vendor, the Second Vendor and the Third Vendor respectively or to their respective nominee(s).

The Consideration of the Acquisition was determined after arm's length negotiation between the Company and the Vendor with reference to (i) the business prospects including the profitability potential, geographical scalability and market advantage offered by DOTV and Today's Media; (ii) the potential synergistic edge evolving from the existing product portfolio of the Group and the wide-reaching market coverage advantage of DOTV and Today's Media; (iii) the practical value of the installed media base thereby further stretching the marketing platform of the Group. As such, the Directors are of the view that the Consideration of the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole. A total of 31,266,284 new Shares will be issued and allotted as Consideration Shares upon Completion. The Consideration Shares represent approximately 13.96% of the existing issued share capital of the Company as at the date of this announcement and 12.25% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The issue price of the Consideration Shares at HK\$1.1514 each credited as fully paid represents a discount of approximately 6.39% to the closing price of the Shares of HK\$1.23 on 13 August 2007; and a discount of approximately 5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five trading days prior to the date of the Share Acquisition Agreement of HK\$1.212.

The Consideration Shares will be issued by the Company under the General Mandate on the Completion Date, by which the Directors may allot up to 44,323,086 Shares. Save for the Consideration Shares to be issued by the Directors under the General Mandate, no Shares have been issued pursuant to the General Mandate as at the date hereof. The Consideration Shares represent approximately 70.54% of the Shares that may be allotted under the General Mandate. Save for the Consideration Shares to be issued and allotted to the First Vendor which are subject to a lock-up period of 12 months from the Completion Date, there is no restriction on subsequent disposal of the remaining Consideration Shares.

Application will be made by the Company for the listing of, and the permission to deal in, the Consideration Shares.

Guarantee and Indemnity

The First Guarantor and the Second Guarantor jointly, severally, unconditionally and irrevocably guarantee to National Cape the due and punctual performance by any of the Vendors of all its obligations under the Share Acquisition Agreement and agree to indemnify National Cape against all losses, damages, costs and expenses which National Cape may suffer through or arising from any breach by any of the Vendors of such obligations.

Conditions

Completion is conditional upon the fulfilment of, among others, the following Conditions:

- (a) completion of the legal and financial due diligence review of the business, affairs, operation and financial position of the Target Group and the due incorporation of, the valid existence of and the power and capacity to carry on the Business by the members in the Target Group to the satisfaction of National Cape; and
- (b) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which neither the Vendors nor National Cape may reasonably objects) or agreed to grant listing of and permission to deal in the Consideration Shares.

If any of the Conditions shall not have been fulfilled (or waived in accordance with the Share Acquisition Agreement) by the Long Stop Date, the Share Acquisition Agreement and everything therein contained shall, subject to the liability of any party to the others in respect of any breaches of the terms hereof, be null and void and of no effect.

Completion

Completion will be on or before any business day after satisfaction of the last of the Conditions within three months after the date of the Share Acquisition Agreement (or such later date as the parties may agree in writing prior to Completion). It is expected that Completion will take place within 3 months from the date of the Share Acquisition Agreement.

Information on Corning Investments and its subsidiaries

Corning Investments is a company incorporated in the British Virgin Islands on 28 February 2007. Corning Investments is an investment holding company. Its only assets are the entire shareholding interests in DOTV and Today's Media. DOTV and Today's Media are principally engaged in the provision of outdoor media advertising and broadcasting network.

Corning Investments is owned as to 3.5% by the First Vendor, as to 18% by the Second Vendor, as to 3% by the Third Vendor and as to 75.5% by 2 third parties. Both the 2 third parties and their respective ultimate beneficial owners are independent of the Vendors, the Company and connected persons (as defined under the Listing Rules) of the Vendors and the Company.

DOTV is a media company incorporated in Hong Kong on 9 June 2006, and its business is the first to build the largest outdoor television network with the latest high definition display and broadband technology. To quickly become a dominant player in this high growth media market, DOTV acquired Today's Media on 2 May 2007 and started its operation since then. Today's Media is a company incorporated in Hong Kong on 15 October 2004 and has an installed base of over 100 plasma TVs in various locations in Hong Kong. The source of income for DOTV mainly comes from advertisement over the DOTV's network that can reach a lot of high spending consumers when they are out-of-home (OOH).

Today's Media has recorded net loss before and after tax for each of the two financial years ended 31 December 2006 as follows:

	For the year ended 31 December 2005 (audited)	For the year ended 31 December 2006 (unaudited)
Loss before and after tax	HK\$2,724,820	HK\$4,836,499

According to the unaudited consolidated financial statements of the Target Group as at 31 May 2007, the net liabilities of the Target Group was approximately HK\$659,000 and the Target Group recorded a loss before and after tax of approximately HK\$660,000 for the 5 month period ended 31 May 2007.

DOTV has currently over 100 locations with an average of one to two TVs installed per store, including restaurants, computer arcade and record stores. With its aggressive expansion, DOTV targets to reach over 250 locations in 2007, with a weekly reach of over 3 millions high spending young adults in Hong Kong.

As an alternative media option for advertisers from traditional TV, hard-printing and outdoor media, DOTV provides cutting-edge technology to catch up the wave of the increase of High Definition video content and the increase of media spending for OOH reach. DOTV aims at positioning itself as the market leader in this new OOH media in the foreseeable future.

Upon completion of the Share Acquisition Agreement, Corning Investments will be owned as to 10% by the Company. The results of the Target Group will not be consolidated into the Group's financial results for the financial year ending 31 December 2007.

Reasons for the Acquisition

The Group is principally engaged in the import, marketing and distribution of air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products, cars and car accessories, motor yachts, other electronic and electrical products and property investment. National Cape is principally engaged in investment holding.

The Second Vendor is principally engaged in investment holding.

The Board is of the view that the businesses of the Group shall be strengthened and further diversified by engaging in the sectors/industries which are anticipated to improve its profitability and broaden its revenue stream. In view of the virtue of the Acquisition, the Board believes that the media advertising and broadcasting business is expected to expand the Group's business horizon and create massive exposure opportunities by tapping into the potential synergistic benefit as a result of the Group's existing high-value consumer product portfolio crossing over the outdoor TV platform of DOTV. Foreseeing that the coverage of the outdoor TV platform will expand into different geographical regions, including Macau and Mainland China, the Group can further leverage its business to enhance the brand values of its growing product portfolios in the next level. Given the potential of high growth of the next-generation out of home digital broadcasting market in Hong Kong and mainland China and the synergistic advantage

resulting from the marketing power of DOTV, the Company will continue to explore opportunities in this direction.

In view of the above, the Directors are of the view that the terms of the Share Acquisition Agreement including the Consideration are fair and reasonable so far as the Shareholders are concerned and the Share Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

General

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst others, further details of the Acquisition will be despatched to the Shareholders as soon as practicable.

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Definitions

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

“Acquisition”	the conditional acquisition of 10% issued share capital in Corning Investments
“Board”	the board of Directors
“Business”	the business of the provision of outdoor media advertising and broadcasting network carried out by DOTV and Today’s Media
“Company”	Wo Kee Hong (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Share Acquisition Agreement
“Completion Date”	any business days after satisfaction of the last of the Conditions within three months after the date of the Share Acquisition Agreement or such other date as the parties may agree in writing
“Conditions”	conditions to Completion of the Share Acquisition Agreement
“Consideration”	the consideration for the Acquisition

“Consideration Shares”	31,266,284 new Shares to be issued to the Vendors or as they may direct, credited as fully paid, pursuant to the Share Acquisition Agreement
“Corning Investments”	Corning Investments Limited, a company incorporated in the British Virgin Islands
“Directors”	the directors of the Company
“DOTV”	Digital Outdoor Television (Hong Kong) Limited, a company incorporated in Hong Kong and is wholly owned by Corning Investments
“First Guarantor”	Lau Chi Yuen, Joseph
“First Sale Shares”	7 shares of US\$1.00 each in the share capital of Corning Investments held by the First Vendor
“First Vendor”	Yang Pei
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2007
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	13 November 2007 or such other date as the parties to the Share Acquisition Agreement may agree
“National Cape”	National Cape Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Sale Shares”	the First Sale Shares, the Second Sale Shares and the Third Sale Shares, representing 10% of the issued share capital of Corning Investments
“Second Guarantor”	Yuen Nim Cho
“Second Sale Shares”	7 shares of US\$1.00 each in the share capital of Corning Investments held by the Second Vendor

”Second Vendor”	Executive Talent Limited, a company incorporated in the British Virgin Islands
“Share Acquisition Agreement”	the agreement dated 13 August 2007 entered into between the Company, the First Vendor, the Second Vendor, the Third Vendor, the First Guarantor and the Second Guarantor in connection with the Acquisition
“Shareholders”	the holders of the Shares
“Shares”	the ordinary shares of HK\$1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Corning Investments and its subsidiaries
“Third Sale Shares”	6 shares of US\$1.00 each in the share capital of Corning Investments held by the Third Vendor
“Third Vendor”	Ye Ai Fang
“Today’s Media”	Today’s Media Limited, a company incorporated in Hong Kong and is wholly owned by DOTV
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor

As at the date of this announcement, the Board comprises Mr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE, Mr. Tik Tung WONG and Mr. Waison Chit Sing HUI, all of whom are executive Directors; Ms. Kam Har YUE, who is a non-executive Director; Mr. Boon Seng TAN, Mr. Raymond Cho Min LEE, and Mr. Ying Kwan CHEUNG, all of whom are independent non-executive Directors.

By Order of the Board of
WO KEE HONG (HOLDINGS) LIMITED
Richard Man Fai LEE
Executive Chairman and Chief Executive Officer

Hong Kong, 14 August 2007