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WO KEE HONG (HOLDINGS) LIMITED

和記行（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

VOLUNTARY CONDITIONAL CASH OFFERS AND RESUMPTION OF TRADING

VOLUNTARY CONDITIONAL CASH OFFERS

On 8 September 2011, the Company received the Offer Letter stating that the Offeror has firm intention to make the Offers. The information pertaining to the Offers as extracted from the Offer Letter are set out below in this announcement.

Shareholders, holders of the Share Options and potential investors of the Company should be aware that the Offers may or may not become unconditional and should therefore exercise caution when dealing in the Shares. Shareholders, holders of the Share Options and potential investors of the Company are also advised to read the Offer Announcement and the offer documents to be issued by the Offeror for detailed information of the Offers and the Offeror.

On 8 September 2011, the Company received the Offer Letter stating that the Offeror has firm intention to, through Kingston Securities Limited, (i) make a voluntary conditional cash offer to acquire all the Offer Shares; and (ii) make an offer for all the outstanding Share Options of the Company.

THE OFFER LETTER

The information pertaining to the Offers as extracted from the Offer Letter are set out below:

As at the date of the Offer Letter, the Offeror and parties acting in concert with it own or control 266,587,500 Shares, representing approximately 11.2% of the issued share capital of the Company.

Offer Shares

The Offeror has a firm intention to offer HK\$0.235 per Offer Share.

The Offer Shares are to be acquired (a) fully paid; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third rights and interest of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends and other distributions (if any) which may be announced, declared, paid or made thereon by the Company).

Share Options

Subject to the Share Offer becoming unconditional in all respects, the Offeror has a firm intention to offer the following considerations to the holders of the Share Options based on the exercise prices of the Share Options in compliance with Rule 13 of the Takeovers Code for all the outstanding Share Options.

	Share Options at the exercise price of	Per Share Option in cash
1.	HK\$0.059	HK\$0.176
2.	HK\$0.150	HK\$0.085
3.	HK\$0.156	HK\$0.079
4.	HK\$0.1667	HK\$0.068
5.	HK\$0.174	HK\$0.061
6.	HK\$0.213	HK\$0.022

Conditions of the Offers

The Share Offer is conditional upon:

- (a) valid acceptances having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the closing date of the Offers in respect of the Offer Shares, which together with the Shares already held by the Offeror and parties acting in concert with any of them, constitute more than 50% of the voting rights of the Company;
- (b) subject to Note 2 to Rule 30.1 of the Takeovers Code, there having been no material adverse change in the business, assets, financial or trading position or prospects of the Company and its subsidiaries taken as a whole since 30 June 2011 (being the date to which the latest published unaudited accounts of the Company were made up); and
- (c) the Shares remaining listed on the Stock Exchange and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended as at the close of the Offers or upon the Offers becoming unconditional, save for temporary suspension of trading as a result of the Offers.

The Offeror reserves the right to waive any of the conditions set out in (b) and (c) above.

Maintaining the listing status of the Company

The Offeror intends the Company to remain listed on the Stock Exchange after closing of the Offers. The directors of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Offers.

Compliance with the Takeovers Code and further announcements

The Offers will be made in compliance with the Takeovers Code.

The Offeror will publish an announcement at the Stock Exchange in respect of the Offers and despatch the offer documents which will contain, amongst other things, the terms and conditions of the Offers and the forms of acceptance and transfer or cancellation, to the Shareholders.

The Offeror will make further announcement(s) in respect of the Offers as and when required in compliance with the Takeovers Code.

SHAREHOLDING STRUCTURE AND OUTSTANDING SECURITIES OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date hereof:

	<i>Notes</i>	<i>No. of Shares</i>	<i>%</i>
Modern Orbit Limited	<i>1</i>	582,801,420	24.4
Dr. LEE	<i>2</i>	199,718,625	8.4
Mr. Jeff LEE	<i>2</i>	2,831,400	0.1
Fisherman Enterprises Inc.	<i>3</i>	8,674,310	0.4
Ms. YUE	<i>4</i>	<u>31,258,295</u>	<u>1.3</u>
		825,284,050	34.6
The Offeror	<i>5</i>	266,587,500	11.2
Other public Shareholders		<u>1,293,257,000</u>	<u>54.2</u>
Total		<u><u>2,385,128,550</u></u>	<u><u>100.0</u></u>

Notes:

1. Modern Orbit Limited is wholly owned by Cyber Tower (PTC) Inc. as trustee of The W S Lee Unit Trust. 99% of the units of The W S Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. YUE, Dr. LEE and Mr. Jeff LEE are among the beneficiaries. The remaining 1% of the units of The W S Lee Unit Trust is held by Skylink International Asset Corporation, a company owned by Ms. YUE, Dr. LEE and Mr. Jeff LEE.
2. Dr. LEE and Mr. Jeff LEE are executive Directors.
3. Fisherman Enterprises Inc. is a company wholly-owned by Mr. Jeff LEE.
4. Ms. YUE is a non-executive Director and mother of Dr. LEE and Mr. Jeff LEE.
5. Based on the information from the Offer Letter.

As at the date hereof, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 83,140,000 Shares at various exercise prices of HK\$0.059, HK\$0.150, HK\$0.156, HK\$0.1667, HK\$0.174 and HK\$0.213 per Share. The Share Options are held by the following holders:

	No. of underlying Shares	Exercise price per Share (HK\$)
Dr. LEE	6,000,000	0.150
Mr. Jeff LEE	600,000	0.1667
	720,000	0.174
	14,500,000	0.059
	1,000,000	0.150
Mr. WONG Tik Tung (<i>executive Director</i>)	17,400,000	0.174
	3,500,000	0.150
Ms. YUE	480,000	0.1667
	840,000	0.174
	14,500,000	0.059
Mr. TAN Boon Seng (<i>independent non-executive Director</i>)	1,020,000	0.174
Mr. CHEUNG Ying Kwan (<i>independent non-executive Director</i>)	300,000	0.1667
	1,020,000	0.174
	1,500,000	0.059
Mr. YIN Pi Tak, Peter (<i>independent non-executive Director</i>)	2,500,000	0.156
Others	<u>17,260,000</u>	
Total	<u><u>83,140,000</u></u>	

Save for the above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof. Associates (as such term is defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

Pursuant to Rule 2 of the Takeovers Code, the Board is required to establish an independent committee to make recommendation as to whether the Offers are, or are not, fair and reasonable and as to acceptance. Members of such committee should comprise all non-executive Directors who have no direct or indirect interest in the Offers. The Independent Board Committee will be formed to give a recommendation to the Shareholders and holders of the Share Options in respect of the Offers. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard. Further announcement will be made by the Company as soon as practicable following the appointment of the independent financial adviser.

Pursuant to the Takeovers Code, the Company is required to despatch the Response Document to the Shareholders in accordance with the Takeovers Code after the Offeror despatches the offer documents. The Response Document will contain, among other things, the recommendation of the Independent Board Committee and the advice of the independent financial adviser of the Company on the Offers, and financial and other information of the Company and its subsidiaries.

CAUTION

Save as disclosed above, the Company has not been provided with any further information about the Offers, the Offeror or its intention regarding the Company. Shareholders, holders of the Share Options and potential investors of the Company should be aware that the Offers may or may not become unconditional and should therefore exercise caution when dealing in the Shares. Shareholders, holders of the Share Options and potential investors of the Company are also advised to read the Offer Announcement and the offer documents to be issued by the Offeror for detailed information of the Offers and the Offeror.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading of the Shares on the Stock Exchange were suspended from 9:30 a.m. on 8 September 2011 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 15 September 2011.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Company”	Wo Kee Hong (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 720)
“Director(s)”	director(s) of the Company
“Dr. LEE”	Dr. Richard Man Fai LEE, Executive Chairman & Chief Executive Officer of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the Board comprising all the non-executive Directors who have no direct or indirect interest in the Offers to be formed to give a recommendation to the Shareholders and holders of the Share Options on the Offers
“Mr. Jeff LEE”	Mr. Jeff Man Bun LEE, an executive Director
“Ms. YUE”	Ms. Kam Har YUE, a non-executive Director
“Offer Announcement”	the offer announcement required to be made by the Offeror in relation to the Offers pursuant to the Takeovers Code
“Offer Letter”	the letter dated 8 September 2011 addressed to the Board from the legal advisers of the Offeror informing the Board of the Offers
“Offer Shares”	all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Gustavo International Limited
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the voluntary conditional cash offer for the cancellation of the Share Options as referred to in the Offer Letter and this announcement
“Response Document”	a circular in relation to the Offers to be issued by the Company which will be despatched to the Shareholders in accordance with the Takeovers Code
“Share Offer”	the voluntary conditional cash offer for the Offer Shares as referred to in the Offer Letter and this announcement
“Share Options”	the outstanding share options granted under the share option scheme of the Company adopted on 30 May 2002
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

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

Hong Kong, 14 September 2011

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *for identification purposes only*