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## **WISDOM VENTURE HOLDINGS LIMITED**

*(incorporated in Cayman Islands with limited liability)*

### **CONNECTED TRANSACTIONS Lease Agreements**

The directors (the “Directors”) of Wisdom Venture Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) wish to announce that Lee & Man Paper Products Company Limited (“Lee & Man Products”), a non wholly owned subsidiary of the Company, has on 22 August 2003 and 10 September 2003 respectively entered into 3 lease agreements (the “Lease Agreements”) with Dongguan Lee & Man Paper Factory Co., Ltd (“Dongguan Lee & Man”), a wholly owned subsidiary of Lee & Man Paper Manufacturing Limited, which is owned as to 75% by Gold Best Holdings Ltd., a company wholly owned by a trust which is a substantial shareholder of Lee & Man Products and in which Mr. Lee Wan Keung, a director of a subsidiary of the Company, is a discretionary object.

The Lease Agreements constitute connected transactions for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). As the aggregate rental under the Lease Agreements represents less than 3% of the consolidated net tangible assets of the Company, the transactions are subject to disclosure requirement only under Rule 14.25 of the Listing Rules. Details of the transactions will be included in the next published annual report of the Company.

## **THE LEASE AGREEMENTS**

### **1. Lease Agreement dated 22 August 2003 (“First Lease Agreement”)**

Parties : Landlord : Lee & Man Products

: Tenant : Dongguan Lee & Man

Premises : the second and third floor of the office building, staff quarters A-1, staff quarters B-2, staff quarters C, a meeting room and other facilities (including the canteen, playground and other recreational facilities) situated at Huang Chong Administrative Zone, Zhong Tong County, Dongguan City, Guangdong Province, the PRC (the “Administrative Zone”)

Area : total gross floor area of 12,131.63 square metres

- Term : 1 year commencing from 10 July 2003 which will be automatically renewed annually until Dongguan Lee & Man serves a 30 days' written notice to terminate the First Lease Agreement.
- Rental Charges : — HK\$56,136.56 per month is payable in advance on the tenth day of each month by Dongguan Lee & Man to Lee & Man Products.
- Dongguan Lee & Man has a right to take up additional staff quarters with an area of up to 3,000 square metres in the Administrative Zone at an additional monthly rent of HK\$8 per square metre i.e. an additional monthly rent of up to HK\$24,000.
- the rental payable is exclusive of any management charges, water, electricity and telephone charges.

## **2. Lease Agreement dated 10 September 2003 (“Second Lease Agreement”)**

- Parties : Landlord : Lee & Man Products
- Tenant : Dongguan Lee & Man
- Premises : paper storage No. 91 and senior staff quarters D2 situated in the Administrative Zone
- Area : total gross floor area of approximately 18,254.55 square metres
- Term : 1 year commencing from 1 September 2003 which will be automatically renewed annually until Dongguan Lee & Man serves a 30 days' written notice to terminate the Second Lease Agreement.
- Rental Charges : — RMB15,600 (approximately HK\$14,717) per month is payable in advance on the tenth day of each month by Dongguan Lee & Man to Lee & Man Products.
- the rental payable is exclusive of any management charges, water, electricity and telephone charges.

## **3. Lease Agreement dated 10 September 2003 (“Land Lease Agreement”)**

- Parties : Landlord : Lee & Man Products
- Tenant : Dongguan Lee & Man
- Premises : the land use rights of a portion of land in the Administrative Zone with a site area of approximately 994.21 square metres on which staff quarters D with a gross floor area of approximately 8,157 square metres was erected.

Term : 1 year commencing from 1 September 2003 which will be automatically renewed annually up to 12 October 2047 unless Dongguan Lee & Man serves a 30 days' written notice to terminate the Land Lease Agreement.

Rental Charges: RMB994 (approximately HK\$938) per month is payable in advance on the tenth day of each month by Dongguan Lee & Man to Lee & Man Products.

## **REASONS FOR ENTERING INTO THE LEASE AGREEMENTS**

The Directors, including the independent non-executive directors, consider that the Lease Agreements were entered into on normal commercial terms at the applicable market rates after taking into account the then prevailing market conditions and the other terms of the Lease Agreements which are determined on an arm's length basis; and are fair and reasonable and in the best interests of the Company and its shareholders as they can generate stable and recurrent rental income for the Company.

## **BUSINESS OF THE GROUP**

The Group is principally engaged in the manufacture and sales of paper packaging products as well as trading of petroleum products in the PRC.

## **FURTHER INFORMATION**

Lee & Man Products is a non wholly owned subsidiary of the Company. Dongguan Lee & Man is a wholly owned subsidiary of Lee & Man Paper Manufacturing Limited, which is owned as to 75% by Gold Best Holdings Ltd., a company wholly owned by a trust which is a substantial shareholder of Lee & Man Products and in which Mr. Lee Wan Keung, a director of a subsidiary of the Company, is a discretionary object. Dongguan Lee & Man is therefore an associate of the trust which is a substantial shareholder of the subsidiary of the Company, i.e. Lee & Man Products and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Lease Agreements entered into between Lee & Man Products and Dongguan Lee & Man constitute connected transactions for the Company under the Listing Rules. However, as the aggregate rental under the Lease Agreements represents less than 3% of the consolidated net tangible assets of the Company, the transactions are subject to disclosure requirement only under Rule 14.25 of the Listing Rules. Details of the transactions will be included in the next published annual report of the Company.

By Order of the Board  
**Wisdom Venture Holdings Limited**  
**David An**  
*Chairman*

Hong Kong, 29 September 2003

*In this announcement, certain amounts quoted in RMB have been translated into Hong Kong dollars at the reference rate of HK\$1.00 to RMB1.06 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate or at all.*

*Please also refer to the published version of this announcement in the (**The Standard**)*