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BEST STAR GROUP LIMITED **LEI SHING HONG LIMITED**
(incorporated in the British Virgin Islands with limited liability) (incorporated in Hong Kong with limited liability)
(Stock Code: 238)

**PROPOSAL TO PRIVATISE LEI SHING HONG LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 166 OF THE COMPANIES ORDINANCE**

**PROPOSED WITHDRAWAL OF LISTING OF
LEI SHING HONG LIMITED**

**Financial adviser to
Best Star Group Limited**



Scheme of Arrangement

The board of directors of the Offeror and the Directors jointly announce that on 29 November 2007, the Offeror requested the Board to put forward to the Minority Shareholders the Proposal for the privatisation of the Company which would result in the withdrawal of listing of the Shares on the Stock Exchange.

The Proposal will be implemented by way of a scheme of arrangement between the Company and the Minority Shareholders under Section 166 of the Companies Ordinance. Upon completion of the Scheme of Arrangement, the Company will become wholly-owned by members of the Consortium and the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

Under the Scheme of Arrangement, the Minority Shareholders will receive from the Offeror as Cancellation Consideration for the cancellation of their Scheme Shares:

HK\$10.00 in cash for every Scheme Share held by them

The Cancellation Consideration represents (i) a premium of approximately 89% over the closing price of the Shares of HK\$5.30 as quoted on the Stock Exchange on 20 July 2007, being the last full trading day before the suspension of trading in the Shares pending publication of the Preliminary Announcement; (ii) a premium of approximately 104% over the average closing price of the Shares of approximately HK\$4.91 per Share as quoted on the Stock Exchange for the one month ended 20 July 2007; (iii) a premium of approximately 119% over the average closing price of approximately HK\$4.57 per Share as quoted on the Stock Exchange for the three months ended 20 July 2007; (iv) a premium of approximately 148% over the average closing price of the Shares of approximately HK\$4.03 per Share as quoted on the Stock Exchange for the six months ended 20 July 2007; (v) a premium of approximately 69% over the unaudited consolidated net asset value per Share of approximately HK\$5.93 as at 30 June 2007; and (vi) a premium of approximately 11% over the closing price of the Shares of HK\$8.99 per Share as quoted on the Stock Exchange on 2 November 2007, being the last trading day before the suspension of trading in the Shares as referred to in "Suspension of trading of the Shares" below.

The Scheme of Arrangement is conditional upon the fulfilment or waiver, as applicable, of the conditions described in the section of this announcement headed "Conditions of the Proposal", which include, among others, the approval by the Minority Shareholders at the Court Meeting and the sanction by the High Court of the Scheme of Arrangement. If the conditions are not fulfilled or, if applicable, not waived on or before 30 June 2008 (or such other date as the Offeror and the Company may agree and the High Court may allow), the Proposal will lapse. The listing of the Shares on the Stock Exchange will not be withdrawn if the Proposal is withdrawn or not approved or lapses.

Members of the Consortium and parties acting in concert with them will not, in compliance with the Takeovers Code, be entitled to attend or vote at the Court Meeting.

Cash offer to the Optionholders

Conditional upon the Proposal becoming effective, the Offeror will make a cash offer to the Optionholders to cancel their Options. The amount of the offer to cancel an Option will be calculated by deducting the exercise price of the Option from the Cancellation Consideration under the Scheme of Arrangement.

Financial resources

The total cash consideration payable under the Proposal is approximately HK\$409.5 million assuming no Options are exercised prior to the Scheme of Arrangement becoming effective, or approximately HK\$436.8 million assuming the Options are fully exercised prior to the Scheme of Arrangement becoming effective. UBS AG, the financial advisor to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms and to satisfy full acceptance of the offer for the cancellation of the Options.

Shareholding structure of the Company

As at the date of this announcement, members of the Consortium together hold 1,019,647,189 Shares, representing approximately 96.1389% of the issued Shares, and the Minority Shareholders hold 40,951,099 Shares, representing approximately 3.8611% of the issued Shares.

As at the date of this announcement, apart from the Options (which entitle the Optionholders to subscribe for an aggregate of 2,726,000 new Shares, representing approximately 0.2564% of the enlarged issued share capital of the Company) the Company does not have any outstanding options, warrants, derivatives or convertible securities.

Upon the Proposal becoming effective and assuming no Options are exercised or other new Shares issued prior thereto, members of the Consortium will together hold 1,019,647,189 Shares, representing approximately 96.1389% of the Shares then in issue, and the Offeror will hold 40,951,099 Shares, representing approximately 3.8611% of the Shares then in issue.

Shares beneficially owned by members of the Consortium will not form part of the Scheme Shares and, accordingly, members of the Consortium will not be entitled to attend or vote at the Court Meeting. The Joint Owner, who is not a member of the Consortium but is presumed to be acting in concert with a member of the Consortium, has an interest in the Jointly Owned Shares, which represent approximately 0.0515% of the issued Shares. The Jointly Owned Shares will form part of the Scheme Shares but will not be entitled to be voted at the Court Meeting.

Information on the Offeror and the Consortium

The Offeror is a company newly formed for the purpose of effecting the Proposal. At present, the Offeror has no trading activities and does not hold any Shares. As at the date of this announcement, the Offeror is wholly-owned by Amerdale Investments. Conditional upon the Proposal becoming effective, all members of the Consortium will subscribe for shares in the Offeror, in numbers representing the proportions that the Shares respectively held by such members of the Consortium bear to the total number of the Shares held by all members of the Consortium, and at the same subscription price on a per share basis.

The Consortium consists of (i) Amerdale Investments and investment companies that are its Associates, all of which together hold in the aggregate 663,143,816 Shares representing approximately 62.5254% of the issued Shares as at the date of this announcement; (ii) Victon Investment and an investment company that is its Associate and a company holding Shares on behalf of Mr. Yaw Teck Seng, who is the ultimate beneficial owner of Victon Investment and its Associate, all of which together hold in the aggregate 274,242,987 Shares representing approximately 25.8574% of the issued Shares as at the date of this announcement; (iii) individuals who are relatives of Mr. Lau Gek Poh and companies owned and controlled by such individuals, all of whom hold in the aggregate 74,359,386 Shares representing approximately 7.0111% of the issued Shares as at the date of this announcement; and (iv) a long time Shareholder holding 7,901,000 Shares, representing approximately 0.7450% of the issued Shares as at the date of this announcement. Mr. Lau Gek Poh is the controlling shareholder (as defined in the Listing Rules) of the Company, and the ultimate beneficial owner of Amerdale Investments and its Associates referred to in (i) above.

Independent board committee of the Company

An independent committee of the Board comprising Mr. Christopher Patrick Langley, Mr. Victor Yang, Mr. Lam Kwong Yu, Mr. Fung Ka Pun, Mr. Hubert Meier and Mr. Alan Howard Smith, all being non-executive Directors of the Company, will be formed to advise the Minority Shareholders and the Optionholders in connection with the Proposal and the offer for the cancellation of the Options respectively. The Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board and the Minority Shareholders and the Optionholders on these matters.

Suspension of trading of the Shares

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:37 a.m. on 5 November 2007 pending the release of its follow-up announcement dated 29 November 2007 in relation to its high concentration of shareholding. As indicated in such announcement, the Company has recently received information that indicates the number of Shares in the hands of the public has fallen below the prescribed minimum public float of its Shares as required under Rule 8.08 of the Listing Rules. In the circumstances, trading in the Shares will remain suspended until further notice.

The Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions set out below being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the Shares.

Introduction

Reference is made to the Preliminary Announcement. On 29 November 2007, the Offeror requested the Board to put forward to the Minority Shareholders the Proposal which, if implemented, will result in the Company becoming wholly-owned by members of the Consortium and the Offeror. The Proposal will be implemented by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Following a meeting of the Board on 4 December 2007, the Board has agreed to put forward the Proposal as it considers the Proposal to be appropriate for consideration by the Minority Shareholders. Upon the successful implementation of the Proposal, the listing of the Shares will be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

The Proposal

Under the Scheme of Arrangement, the holders of the Scheme Shares will receive from the Offeror as Cancellation Consideration for the cancellation of their Scheme Shares:

HK\$10.00 in cash..... for every Scheme Share held by them

The board of directors of the Offeror notes the reference in the Preliminary Announcement to a potential offer price for the Shares of between HK\$6.20 and HK\$6.60 per Share in the event the Proposal was put forward, which potential price range had previously been communicated to the Company. In view of the period of time that has elapsed since the Preliminary Announcement, and the Company's 2007 interim accounts published after the Preliminary Announcement, which show an increase in earnings per share in the six months ended 30 June 2007 compared to the same period ended 30 June 2006, the directors of the Offeror are of the view that it is appropriate to set the Cancellation Consideration at a level exceeding the preliminary indicative price range set out in the Preliminary Announcement.

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Proposal (assuming no Options are exercised or other new Shares issued prior to such completion):

Shareholders	As at the date of this announcement		Upon completion of the Proposal	
	Number of Shares	%	Number of Shares	%
Members of the Consortium	1,019,647,189	96.1389	1,019,647,189	96.1389
Minority Shareholders*	40,951,099	3.8611	-	-
The Offeror	-	-	40,951,099	3.8611
Total issued share capital	1,060,598,288	100.0000	1,060,598,288	100.0000

*Note: The 40,951,099 Shares held by the Minority Shareholders forming part of the Scheme Shares include the Jointly Owned Shares and 72,000 Shares held by a Director.

As at the date of this announcement, apart from the Options (which entitle the Optionholders to subscribe for an aggregate of 2,726,000 new Shares, representing approximately 0.2564% of the enlarged issued share capital of the Company) the Company does not have any outstanding options, warrants, derivatives or convertible securities. See "Cancellation of Options under the Option Scheme" below.

Conditions of the Proposal

The Proposal will become effective and binding on the Company, the Offeror and all the Shareholders subject to the fulfillment or waiver, as applicable, of the following conditions:

- (a) the approval of the Scheme of Arrangement (by way of poll) by a majority in number representing not less than three-fourths in value of the Minority Shareholders present and voting either in person or by proxy at the Court Meeting to be convened at the direction of the High Court, provided that:
 - (i) the Scheme of Arrangement is approved by the Minority Shareholders (excluding the holders of the Jointly Owned Shares, and the Relevant Optionholders if they exercise their Options prior to the Court Meeting) holding not less than 75% in nominal value of those Shares that are voted either in person or by proxy at the Court Meeting; and
 - (ii) the Scheme of Arrangement is not disapproved by the Minority Shareholders (excluding the holders of the Jointly Owned Shares, and the Relevant Optionholders if they exercise their Options prior to the Court Meeting) at the Court Meeting holding more than 10% in nominal value of all the Scheme Shares held by the Minority Shareholders (excluding the Jointly Owned Shares and any Shares held by the Relevant Optionholders pursuant to any exercise of their Options prior to the Court Meeting);
- (b) the passing of a special resolution by a majority of not less than 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to give effect to the Scheme of Arrangement, including the approval of the reduction of the issued share capital of

the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror such number of new Shares as is equal to the number of the Scheme Shares cancelled;

- (c) the sanction of the Scheme of Arrangement (with or without modifications) and the confirmation of the reduction of the share capital of the Company involved in the Scheme of Arrangement by the High Court;
- (d) an office copy of the order of the High Court, together with a minute relating to the reduction of the share capital of the Company containing the particulars required by Section 61 of the Companies Ordinance, being registered by the Registrar of Companies in Hong Kong;
- (e) all Authorizations in connection with the Proposal having been obtained from or granted by (as the case may be) the Relevant Authorities in Hong Kong and any other relevant jurisdictions;
- (f) all Authorizations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the Scheme of Arrangement becomes effective; and
- (g) all necessary consents which may be required under any existing contractual obligations of the Group having been obtained and remaining in full force and effect without modification.

The Offeror reserves the right to waive condition (g) either in whole or in part in respect of any particular matter. In the event that condition (e) or condition (f) is not fulfilled, the Offeror reserves the right to assess the materiality of such non-fulfilment and to waive the fulfilment of any such condition to such extent as it considers appropriate. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 30 June 2008 (or such other date as the Offeror and the Company may agree and the High Court may allow), otherwise the Proposal will lapse. If the Proposal is withdrawn or not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn, subject to the restoration of its public float by the Company.

Comparison of value

The Cancellation Consideration of HK\$10.00 in cash for each Scheme Share cancelled under the Proposal represents:

- a premium of approximately 89% over the closing price of the Shares of approximately HK\$5.30 per Share as quoted on the Stock Exchange on 20 July 2007, being the last full trading day before the suspension of the trading in the Shares pending publication of the Preliminary Announcement;
- a premium of approximately 104% over the average closing price of the Shares of approximately HK\$4.91 per Share as quoted on the Stock Exchange for the one month ended 20 July 2007;
- a premium of approximately 119% over the average closing price of the Shares of approximately HK\$4.57 per Share as quoted on the Stock Exchange for the three months ended 20 July 2007;
- a premium of approximately 148% over the average closing price of the Shares of approximately HK\$4.03 per Share as quoted on the Stock Exchange for the six months ended 20 July 2007;
- a premium of approximately 69% over the unaudited consolidated net asset value per Share of approximately HK\$5.93 as at 30 June 2007; and
- a premium of approximately 11% over the closing price of the Shares of HK\$8.99 per Share as quoted on the Stock Exchange on 2 November 2007, being the last day on which the Shares were

traded before the suspension of trading in the Shares as referred to below in the section headed "Suspension of trading in the Shares".

Reasons for the Proposal

Low trading liquidity, insufficient public float and high concentration of shareholding. The trading liquidity of the Shares on the Stock Exchange in recent years has been generally thin. The average daily volume of the Shares over the twelve-month period prior to the Preliminary Announcement was approximately 2,695 Shares, representing approximately 0.0003% of the issued share capital of the Company as at the date of this announcement.

In addition, as announced by the Company on 1 June 2007 and 29 November 2007, there has been a high concentration of shareholding in the Company in the hands of a limited number of Shareholders. The Company has recently received information which indicates that the public float of the Shares is less than 25% as required under Rule 8.08 of the Listing Rules. The ultimate beneficial owners of Amerdale Investments and Victon Investment, being respectively Mr. Lau Gek Poh and Mr. Yaw Teck Seng, notified the Company that they respectively hold interests representing 62.5254% and 25.8574%, respectively, of the issued Shares as at the date of this announcement. Together, their interests in the Company represent approximately 88.3828% of the issued Shares.

Given the low liquidity of the Shares traded on the Stock Exchange, the insufficient public float and high concentration of shareholding, the directors of the Offeror and the Company believe that there is currently limited opportunity for the Minority Shareholders to divest their investment in the Company.

Further, since members of the Consortium together already own approximately 96.1389% of the issued Shares as at the date of this announcement, the directors of the Offeror and the Company believe that it is unlikely that the Minority Shareholders will receive any other general offer from a third party to acquire their Shares, as any such offer will not succeed without the approval of the members of the Consortium. Shareholders should also note that no discussion has taken place or is taking place with any third party regarding the disposal of any of the Shares held by the members of the Consortium.

Upfront premium. The Cancellation Consideration represents a premium of approximately 89% over the closing price of the Shares as quoted on the Stock Exchange on 20 July 2007, being the last trading day before the suspension of the Shares pending publication of the Preliminary Announcement, and a premium of approximately 104% and 119% over the average closing price as quoted on the Stock Exchange of the Shares for the one month and three months ended 20 July 2007, respectively.

Information on the Company

The Company is a company incorporated in Hong Kong with limited liability. The Shares were originally listed on the Stock Exchange on 6 March 1973 and were relisted on the Stock Exchange on 1 September 1988. The Group is principally engaged in the trading of motor vehicles, heavy equipment, spare parts and the provision of product support services, property development and investment, general trading and financial services.

A summary of the audited consolidated results of the Company for each of the two financial years ended 31 December 2005 and 2006 is set out below:

	For the year ended 31 December 2005 HK\$'000	For the year ended 31 December 2006 HK\$'000	Increase compared to previous year %
Turnover	13,298,776	17,692,282	33.04
Profit before taxation	507,827	667,985	31.54
Profit after taxation	313,009	381,265	21.81
Profit attributable to Shareholders	285,879	315,215	10.26
Dividends	31,816	31,818	0.01
Basic earnings per Share (HK cents)	27.0	29.7	10.00

The audited consolidated net assets attributable to the Shareholders were approximately HK\$5,333 million as at 31 December 2005 and approximately HK\$5,771 million as at 31 December 2006.

As at the date of this announcement, the Options granted by the Company under the Option Scheme entitled the Optionholders to subscribe for a total of 2,726,000 Shares.

As at the date of this announcement, other than the Options the Company does not have any outstanding options, warrants, derivatives or convertible securities.

Information on the Offeror

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 6 November 2007. The Offeror is newly formed for the purpose of effecting the Proposal. At present, the Offeror has no trading activities and does not hold any shares in the Company.

As at the date of this announcement, the Offeror is wholly-owned by Amerdale Investments, and the directors of the Offeror consist of Ms. Sim Siew Meng, Mr. Heng Chin Tung and Mr. Ito Taikichi. Conditional upon the Proposal becoming effective, all members of the Consortium will subscribe for shares in the Offeror, in numbers representing the proportions that the Shares respectively held by such members of the Consortium bear to the total number of the Shares held by all the members of the Consortium, and at the same subscription price on a per share basis. Further details regarding such proportions are set out in the following section headed "Information on the Consortium".

Information on the Consortium

The Consortium consists of 35 members, who together hold 1,019,647,189 Shares, representing approximately 96.1389% of the issued share capital of the Company as at the date of this announcement. Those Shares beneficially owned solely by the members of the Consortium will not form part of the Scheme Shares and accordingly the members of the Consortium will not be entitled to attend and vote at the Court Meeting. The Jointly Owned Shares will form part of the Scheme Shares notwithstanding that they will not be entitled to be represented or voted at the Court Meeting.

The Consortium consists of (i) Amerdale Investments and investment companies that are its Associates, all of which together hold in the aggregate 663,143,816 Shares representing approximately 62.5254% of the issued Shares as at the date of this announcement; (ii) Victon Investment and an investment company that is its Associate, and a company holding Shares on behalf of Mr. Yaw Teck Seng, who is the ultimate beneficial owner of Victon Investment and its Associate, all of which together hold in the aggregate 274,242,987 Shares representing approximately 25.8574% of the issued Shares as at the date of this announcement; (iii) individuals who are relatives of Mr. Lau Gek Poh and companies owned and controlled by such individuals, all of whom hold in the aggregate 74,359,386 Shares representing approximately 7.0111% of the issued Shares as at the date of this announcement; and (iv) a long time Shareholder holding 7,901,000 Shares representing approximately 0.7450% of the issued Shares as at the date of this announcement. Mr. Lau Gek Poh is the controlling shareholder (as defined in the Listing Rules) of the Company and the ultimate beneficial owner of Amerdale Investments and its Associates referred to in (i) above.

The table below sets out information on the members of the Consortium, their respective holdings of Shares in the Company as at the date of this announcement, and their respective shareholdings in the Offeror upon the Proposal becoming effective (assuming that no Options will be exercised or other new Shares issued prior thereto):

Name of member (Notes (2)-(7))	Number of Shares in the Company as at date of this announcement	Percentage ownership in the Company as at date of this announcement	Percentage ownership in the Offeror upon the Proposal becoming effective (Note (1))
1. Amerdale Investments	205,271,883	19.3543%	20.1317%
2. Global Range Investments Limited	45,414,000	4.2819%	4.4539%
3. Ondori Enterprises Limited	45,053,000	4.2479%	4.4185%

Name of member (Notes (2)-(7))	Number of Shares in the Company as at date of this announcement	Percentage ownership in the Company as at date of this announcement	Percentage ownership in the Offeror upon the Proposal becoming effective (Note (1))
4. Unicorn International Holdings Ltd.	44,827,000	4.2266%	4.3963%
5. Bolker Investments Ltd.	46,861,199	4.4184%	4.5958%
6. Manningvale Ltd.	4,993,500	0.4708%	0.4897%
7. Elmsgate Ltd.	9,600,000	0.9051%	0.9415%
8. Long Term Market Ltd.	32,328,977	3.0482%	3.1706%
9. Diwat Investments Ltd.	44,827,000	4.2266%	4.3963%
10. Ansoon Limited	44,826,000	4.2265%	4.3962%
11. Grand Haywood Limited	49,134,259	4.6327%	4.8188%
12. Weeluk Trading Limited	45,180,998	4.2600%	4.4310%
13. Onwick Profits Limited	44,826,000	4.2265%	4.3962%
14. Victon Investment	235,282,761	22.1840%	23.0749%
15. Yetime Nominees Limited	6,631,249	0.6252%	0.6503%
16. Starway Nominee Inc.	32,328,977	3.0482%	3.1706%
17. Ito Taikichi	7,901,000	0.7450%	0.7749%
18. Cheer Union Enterprise Limited	12,000,000	1.1314%	1.1769%
19. Futron Limited	5,000,000	0.4714%	0.4904%
20. Lei Sheng Co. Ltd.	2,476,964	0.2335%	0.2429%
21. Wellmix Enterprise Limited	2,003,322	0.1889%	0.1965%
22. Wellmaxi Investment Limited	13,365	0.0013%	0.0013%
23. Tan Linar	30,000	0.0028%	0.0029%
24. Lau Kwok Yeaw	14,000	0.0013%	0.0014%
25. Lau Shu Ya Karin	8,000	0.0008%	0.0008%
26. Pacific City Investments Ltd.	26,914,289	2.5377%	2.6396%
27. Beauty Year Limited	13,102,291	1.2354%	1.2850%
28. SCF Investment Limited	10,324,598	0.9735%	1.0126%
29. Lau Chor Lok	30,249	0.0029%	0.0030%
30. Hui Man Sheung	1,812	0.0002%	0.0002%
31. Lau Shun Fong	718,000	0.0677%	0.0704%
32. Lau Yu Hing	613,996	0.0579%	0.0602%
33. Lau Shun King, Susanna	623,000	0.0587%	0.0611%
34. Lau Shun Wah	425,500	0.0401%	0.0417%
35. Lau Soong Cheng	60,000	0.0057%	0.0059%
Total	1,019,647,189	96.1389	100.0000

Notes:

- (1) Assuming no Options will be exercised and no new Shares will otherwise be issued prior to the Scheme of Arrangement becoming effective.
- (2) The members numbered 1-13 in the table, holding in the aggregate 663,143,816 Shares representing 62.5254% of the issued Shares as at the date of this announcement, are ultimately beneficially owned by Mr. Lau Gek Poh.
- (3) The members numbered 14 and 16, holding in the aggregate 267,611,738 Shares representing 25.2321% of the issued Shares as at the date of this announcement, are ultimately beneficially owned by Mr. Yaw Teck Seng. The member numbered 15 holds its Shares on behalf of Mr. Yaw Teck Seng. Mr. Yaw Teck Seng is therefore interested in an aggregate of 274,242,987 Shares representing 25.8574% of the issued Shares as at the date of this announcement.
- (4) The member numbered 17, Ito Taikichi, is a director of the Offeror.
- (5) The members numbered 18-35, holding in the aggregate 74,359,386 Shares representing 7.0111% of the issued Shares as at the date of this announcement, are either relatives of Mr. Lau Gek Poh or companies owned and controlled by such relatives, and are presumed to be parties acting in concert with Mr. Lau Gek Poh.
- (6) The member numbered 21 is also interested in the Jointly Owned Shares jointly with the Joint Owner, in addition to the Shares set out next to its name in the above table in which it is solely interested. The Joint Owner is not a member of the Consortium but is presumed to be a party acting in concert with such member and the Jointly Owned Shares will not be entitled to be represented or voted at the Court Meeting.
- (7) The members numbered 29 and 33 also hold Options in respect of 200,000 Shares and 100,000 Shares, respectively. In the event that such members exercised their Options prior to the Record Time, the new Shares that are issued to them pursuant to such exercise would not form part of the Scheme Shares.

As at the date of this announcement, the Minority Shareholders hold in the aggregate 40,951,099 Shares, representing approximately 3.8611% of the issued Shares. Except for the Joint Owner, who is interested in 546,000 Shares representing approximately 0.0515% of the issued Shares, the Minority Shareholders will be entitled to attend and vote at the Court Meeting.

Except for the following dealings in Shares by Wellmix Enterprise Limited, none of the members of the Consortium or any party acting in concert with them has dealt in the Shares in the six months immediately preceding the date of the Preliminary Announcement and the period since the date of the Preliminary Announcement up to the date of this announcement:

- (i) a purchase of 3,000 Shares at a price of HK\$3.30 per Share on the Stock Exchange on 12 February 2007;
- (ii) a purchase of 5,000 Shares at a price of HK\$3.50 per Share on the Stock Exchange on 21 March 2007;
- (iii) a purchase of 20,000 Shares at a price of HK\$3.45 per Share on the Stock Exchange on 18 May 2007;
- (iv) a sale of 10,000 Shares at a price of HK\$3.60 per Share, 5,000 Shares at a price of HK\$3.70 per Share, 2,000 Shares at a price of HK\$3.80 per Share and 5,000 Shares at a price of HK\$3.90 per Share, in each case on the Stock Exchange, on 4 June 2007;
- (v) a sale of 3,000 Shares at a price of HK\$8.70 per Share, 2,000 Shares at a price of HK\$8.80 per Share, 2,000 Shares at a price of HK\$8.90 per Share, 1,000 Shares at a price of HK\$9.00 per Share, 10,000 Shares at a price of HK\$9.10 per Share, 15,000 Shares at a price of HK\$9.20 per Share and 10,000 Shares at a price of HK\$9.40 per Share, in each case on the Stock Exchange, on 22 October 2007; and
- (vi) a sale of 1,000 Shares at a price of HK\$10.10 per Share and 1,000 Shares at a price of HK\$10.20 per Share in each case on the Stock Exchange on 23 October 2007.

The Consortium arrangements

The members of the Consortium have entered into a subscription agreement with the Offeror to subscribe for shares in the Offeror, conditional upon the Proposal becoming effective. The number of shares to be subscribed by each subscriber will represent the proportions that the Shares currently held by them respectively bear to the total number of the Shares currently held by all of the members of the Consortium, as described in "Information on the Consortium" above. The subscription price to be paid by each subscriber will be in all cases equal on a per share basis. The affairs of the Offeror and the rights and obligations of the Consortium members as shareholders of the Offeror shall be governed by the Memorandum and Articles of Association of the Offeror. The members of the Consortium have not entered into, and do not intend to enter into, any shareholders' agreement relating to their holdings of the shares in the Offeror.

Cancellation of the Options under the Option Scheme

After the Scheme of Arrangement has become effective, the Offeror will make a cash offer to cancel the Options under the Option Scheme that remain outstanding at such time. The amount of the cash offer to cancel each Option will be calculated by deducting the exercise price of the Option from the Cancellation Consideration.

As at the date of this announcement, 2,726,000 Options under the Option Scheme each with an exercise price of HK\$6.00 are currently outstanding and exercisable. Mr. Lau Chor Lok and Ms. Lau Shun King, Susanna, both being members of the Consortium, hold Options in respect of 200,000 Shares and 100,000 Shares, respectively. The Relevant Optionholders, each being a party acting in concert with certain members of the Consortium, each holds Options in respect of 200,000 Shares. Certain Directors, namely Mr. David Park, Mr. Gan Khian Seng, Ms. Lim Mooi Ying, Marianne and Mr. Yong Foo San, each holds Options in respect of 200,000 Shares. In the event that any Option is exercised

after the date of this announcement and new Shares are issued pursuant to such exercise prior to the Record Time, such Shares (excluding those Shares issued to Mr. Lau Chor Lok and/or Ms. Lau Shun King, Susanna but including those Shares issued to the Relevant Optionholders and/or Directors referred to above pursuant to any exercise of their Options) shall constitute Scheme Shares and their holders shall be eligible to receive the Cancellation Consideration under the Scheme of Arrangement. Any Shares so issued to the Relevant Optionholders, given they are parties acting in concert with members of the Consortium, would not be entitled to be represented or voted at the Court Meeting even though such Shares will constitute Scheme Shares. Any Shares so issued to the aforementioned Directors would be entitled to be represented and voted at the Court Meeting. Any Shares so issued to Mr. Lau Chor Lok and/or Ms. Lau Shun King, Susanna would not form part of the Scheme Shares and therefore would not be entitled to be represented or voted at the Court Meeting.

Total cash consideration and confirmation of financial resources

The total cash consideration payable under the Proposal is approximately HK\$409.5 million assuming no Options are exercised prior to the Scheme of Arrangement becoming effective, or approximately HK\$436.8 million assuming the Options are fully exercised prior to the Scheme of Arrangement becoming effective. The total cash consideration will be financed by funds lent to the Offeror by Hayfield Enterprises Limited, a company that is indirectly owned by a discretionary trust set up by Mr. Lau Gek Poh for the benefit of his family members, whose prospective beneficiaries include certain members of the Consortium. Hayfield Enterprises Limited is accordingly presumed to be a party acting in concert with members of the Consortium and with the Offeror. Hayfield Enterprises Limited does not hold any Shares as at the date of this announcement. The funding provided by Hayfield Enterprises Limited is secured by a share mortgage given by the Offeror in respect of one Share to be acquired by the Offeror under the Proposal, and any dividend interest or other rights accruing thereto. UBS AG, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms and to satisfy full acceptance of the offer for the cancellation of the Options.

Future intentions

It is the intention of the Offeror and members of the Consortium to continue the businesses of the Group after the successful privatisation of the Company. The Offeror and members of the Consortium do not have any intention to introduce any major changes to the existing operations and management of the Group, nor do they have any intention to make any changes to the continued employment of the Group's employees. However, the Offeror and members of the Consortium may from time to time review strategic options with regards to the businesses of the Group and the Group as a whole. These strategic options may include, but are not limited to, the restructuring or the rationalisation of one or more of the businesses.

Withdrawal of listing of the Shares

Upon the Scheme of Arrangement becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules immediately on the effective date of the Scheme of Arrangement. The Scheme of Arrangement will lapse if any of the conditions described in the section headed "Conditions of the Proposal" above has not been fulfilled or waived, as applicable, on or before 30 June 2008 (or such other date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct). The holders of the Scheme Shares will be notified by way of a press announcement of the dates of the last day for dealing in the Shares and on which the Scheme of Arrangement and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme of Arrangement will be included in the composite document referred to in the section headed "Composite document" below. The composite document will also contain, among other things, further details of the Proposal and the Scheme of Arrangement.

If the Scheme of Arrangement is withdrawn or not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn subject to the Company restoring its public float.

Overseas Shareholders

Offers made under the Proposal to those Minority Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Minority Shareholders are located. Such Minority Shareholders should observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Minority Shareholders wishing to accept the offers under the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Independent committee of the Board

An independent committee of the Board comprising Mr. Christopher Patrick Langley, Mr. Victor Yang, Mr. Lam Kwong Yu, Mr. Fung Ka Pun, Mr. Hubert Meier and Mr. Alan Howard Smith, all being non-executive Directors of the Company, will be formed to advise the Minority Shareholders and the Optionholders as to what action they should take in respect of the Scheme of Arrangement and the offer for the cancellation of their Options respectively. For this purpose the Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board and the Minority Shareholders and the Optionholders on such matters.

Composite document

A composite document including the Scheme of Arrangement, an explanatory statement, the offer for the cancellation of the Options, the expected timetables relating to the Scheme of Arrangement and the offer for the cancellation of the Options, the recommendations of the independent committee of the Board, the letter of advice from the independent financial adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders and Optionholders within 21 days from the publication of this announcement or such later date as may be permitted by the Takeovers Code. A further announcement will be made regarding the expected timetable when the composite document is despatched.

Suspension of trading in the Shares

At the request of the Company, trading in the Shares was suspended with effect from 9:37 p.m. on 5 November 2007, pending the issue of its announcement dated 29 November 2007 in relation to its high concentration of shareholding. As indicated in the announcement, the Company has recently received information that indicates the number of Shares in the hands of the public has fallen below the minimum public float of the Shares as required under Rule 8.08 of the Listing Rules. In the circumstances, trading in the Shares will remain suspended until further notice.

General

Associates of the Company are reminded to disclose their dealings in any securities in the Company.

Stockbrokers, banks and others who deal in the Shares 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 to their attention the relevant rules under the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in the Shares 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 under the Takeovers Code in its dealings enquiries. Therefore, those who deal in the Shares 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.

Warning

The Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions set out above in the section of this announcement headed "Conditions of the Proposal" being fulfilled or waived, as applicable, and thus the Proposal may not become effective or be made. Accordingly, they are advised to exercise caution when dealing in the Shares.

Definitions

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

"acting in concert"	has the meaning given to it in the Takeovers Code
"Amerdale Investments"	Amerdale Investments Limited, a company originally incorporated in the Isle of Man and subsequently redomiciled to the Republic of the Marshall Islands with limited liability and a member of the Consortium
"Associate(s)"	has the meaning given to it in the Takeovers Code
"Authorizations"	all necessary authorizations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
"Board"	the board of directors of the Company
"Cancellation Consideration"	the consideration of HK\$10.00 in cash for every Scheme Share cancelled
"Companies Ordinance"	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	Lei Shing Hong Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
"Consortium"	the Shareholders listed in the table under the section headed "Information on the Consortium" in this announcement
"Court Meeting"	a meeting of the Minority Shareholders to be convened at the direction of the High Court for the purpose of approving the Scheme of Arrangement
"Directors"	the directors of the Company
"EGM"	an extraordinary general meeting of the Company to be held immediately following the Court Meeting for the purpose of approving the reduction of the share capital of the Company and implementing the Scheme of Arrangement
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Group"	the Company and its subsidiaries
"High Court"	High Court of Hong Kong
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administration Region of the People's Republic of China
"Joint Owner"	Chan Man Chit, who is not a member of the Consortium but is presumed to be a party acting in concert with Wellmix Enterprises Limited, being a member of the Consortium, by

	reason of the Jointly Owned Shares
"Jointly Owned Shares"	the 546,000 Shares owned jointly by Wellmix Enterprise Limited, being a member of the Consortium, and the Joint Owner
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Minority Shareholders"	Shareholders other than those holding the Shares beneficially owned by members of the Consortium
"Mr. Lau Gek Poh"	Mr. Lau Gek Poh, being the ultimate beneficial owner of Amerdale Investments and certain associates of Amerdale Investments as described in this announcement and the controlling shareholder (as defined in the Listing Rules) of the Company
"Offeror"	Best Star Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Amerdale Investments as at the date of this announcement
"Option Scheme"	the share option scheme of the Company adopted on 25 June 1997
"Options"	options granted to the Optionholders which remain unexercised under the Option Scheme
"Optionholder(s)"	holder(s) of Options granted under the Option Scheme
"Preliminary Announcement"	the announcement dated 24 July 2007 issued by the Company in relation to the Proposal
"Proposal"	the proposed privatisation of the Company by the Offeror by way of the Scheme of Arrangement
"Record Time"	4:00 p.m. Hong Kong time on the trading day immediately preceding the day when the Scheme of Arrangement becomes effective, being the record time for determining entitlements of the holders of the Scheme Shares under the Scheme of Arrangement
"Registrar of Companies"	the Registrar of Companies appointed under the Companies Ordinance
"Relevant Authorities"	appropriate governments or governmental bodies, regulatory bodies, courts or institutions including the SFC and the Stock Exchange
"Relevant Optionholders"	Mr. Lau Kwok Kee and Mr. Lau Yu Ting, each being an Optionholder in respect of 200,000 Shares, and each being a party acting in concert with certain members of the Consortium
"Scheme of Arrangement"	the scheme of arrangement between the Company and the holders of the Scheme Shares under Section 166 of the Companies Ordinance for the implementation of the Proposal
"Scheme Shares"	Shares in issue at the Record Time, including any Shares which may be issued by the Company following the date of this announcement, other than those beneficially owned by the Consortium but including the Jointly Owned Shares
"SFC"	Securities and Futures Commission
"Share(s)"	ordinary shares of HK\$1.00 each in the capital of the Company
"Shareholder(s)"	registered holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers
"Victon Investment"	Victon Investment Limited, a company incorporated in Hong Kong with limited liability and a member of the Consortium

By order of
the board of directors of
BEST STAR GROUP LIMITED
Sim Siew Meng
Director

By order of
the board of directors of
LEI SHING HONG LIMITED
David Park
Chairman

Hong Kong, 7 December 2007

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

As at the date of this announcement, the Board comprises Mr. David Park and Mr. Gan Khian Seng, Mr. Yong Foo San and Ms. Lim Mooi Ying, Marianne as executive Directors, Mr. Christopher Patrick Langley, Mr. Victor Yang and Mr. Lam Kwong Yu as non-executive Directors and Mr. Fung Ka Pun, Mr. Hubert Meier and Mr. Alan Howard Smith as independent non-executive Directors.

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