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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

#### **THE PROPERTY ACQUISITION**

The Board announces that on 15 May 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the purchase of the Property at a consideration of HK\$18,800,000, which will be satisfied partially in cash by internal resources of the Group and partially by bank borrowing.

The Property is located in Sha Tin, Hong Kong, which is currently leased to a third party independent of and not connected with the Company and its connected persons for commercial purpose. Upon Completion, the Group intends to continue to lease out the Property for generating rental income.

#### **GENERAL**

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

#### **THE PROVISIONAL AGREEMENT**

##### **1. Date**

15 May 2009

##### **2. Parties**

- (i) Win Regent Limited, a property holding company and a wholly-owned subsidiary of the Company, as the purchaser; and
- (ii) an independent third party, as the vendor.

\* For identification purpose only

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is independent of and not connected with the Company and its subsidiaries and there was no previous transaction entered into between the Company and the Vendor before the date of this announcement.

### **3. Assets to be acquired**

The Property, being Shop 23, ground floor, Grandway Garden, No. 16 Mei Tin Road and Nos. 15 and 35 Tsuen Nam Road, Sha Tin, New Territories, Hong Kong, has a total gross floor area of approximately 280 square feet.

The Property is currently leased by the Vendor to a third party independent of and not connected with the Company and its connected persons for commercial purpose under a lease agreement at a monthly rental of HK\$43,000 for the period from 9 February 2009 to 8 March 2009, a monthly rental of HK\$70,000 for the period from 9 March 2009 to 8 February 2010 and a monthly rental of HK\$78,000 for the period from 9 February 2010 to 8 February 2011.

### **4. Consideration**

The Consideration is HK\$18,800,000, among which, HK\$600,000 was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement as deposit, HK\$1,280,000 shall be paid upon signing of the formal agreement for the Property Acquisition on or before 29 May 2009, and the balance of HK\$16,920,000 shall be paid upon Completion on or before 27 August 2009.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing rental yield.

The Consideration will be satisfied partially in cash by the Group's internal resources and partially by bank borrowing.

### **5. Right to terminate**

Pursuant to the Provisional Agreement, the Purchaser shall have the right to terminate the Provisional Agreement, recover the deposit and claim for loss, damage and compensation, if any, in relation thereto upon the occurrence of any of the following events prior to Completion:

- (a) the Vendor amending the terms of the existing lease agreement or entering into new lease agreement(s) with the existing lessee or entering into new lease agreement(s) with new lessee(s) in relation to the Property or entering into any agreement with a third party in relation to the rights of use of the Property; or
- (b) the Vendor failing to complete any notice(s)/order(s) issued by government authorities in relation to, among others, clearance, repair, renovation and maintenance of the Property or its common areas or to pay up the relevant expenses for such works resulting from any resolution(s) by the incorporated owners, management company and/or individual owners.

## 6. Completion

Pursuant to the Provisional Agreement, Completion will take place on or before 27 August 2009.

### REASONS FOR AND BENEFITS OF THE PROPERTY ACQUISITION

The Group is principally engaged in development and management of agricultural by-products wholesaling business in 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 Wai Yuen Tong Medicine Holdings Limited.

The Property is located in Sha Tin, Hong Kong and has a total gross floor area of approximately 280 square feet and is currently leased out for commercial purpose for rental income. The Group intends to continue to lease out the Property after Completion for generating rental income. The Directors believe in the long-term prospect of office/commercial properties in Hong Kong and hence consider that the Property Acquisition will strengthen the Group's recurring income base.

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### GENERAL

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

### DEFINITIONS

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

“Board”	the board of the Directors
“Company”	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 (Stock Code: 1222)
“Completion”	completion of the Property Acquisition
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total consideration for the Property Acquisition, being HK\$18,800,000

\* For identification purpose only

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	Shop 23, ground floor, Grandway Garden, No. 16 Mei Tin Road and Nos. 15 and 35 Tsuen Nam Road, Sha Tin, New Territories, Hong Kong, with a total gross floor area of approximately 280 square feet
“Property Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Provisional Agreement
“Provisional Agreement”	the provisional sale and purchase agreement dated 15 May 2009 entered into between the Purchaser and the Vendor in relation to the Property Acquisition
“Purchaser”	Win Regent Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the laws of Hong Kong)

“Vendor”

a third party, who is independent of and not connected with the Company and its subsidiaries

By Order of the Board  
**WANG ON GROUP LIMITED**  
(宏安集團有限公司)\*  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 18 May 2009

*As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

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