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# WANG ON GROUP LIMITED

*(incorporated in Bermuda with limited liability)*  
(stock code 1222)

## DISCLOSEABLE TRANSACTION

### ACQUISITION OF PROPERTY

On 26 March 2004, Charter Golden Design and Contracting Limited, an indirect wholly owned subsidiary of the Company, entered into the Agreement with, among others, the Vendor, an Independent Third Party to acquire the Property at the consideration of HK\$103,800,000.

The transactions contemplated under the Agreement constitute a discloseable transaction of the Company under the Listing Rules. A circular containing details of the Acquisition will be sent to shareholders of the Company as soon as possible.

#### THE AGREEMENT

- Date** : 26 March 2004
- Parties** : Vendor : a company, which and its beneficial owners are Independent Third Parties
- Purchaser: Charter Golden Design and Contracting Limited, an investment holding company and an indirect wholly owned subsidiary of the Company;
- Property : a company, which and its beneficial owners are Independent Third Agent Parties
- Property** : Lot No. 1476 in DD 189 – to be known as STTL No. 465
- Consideration** : The consideration of HK\$103,800,000 was agreed after arm's length negotiations between the Vendor and the Purchaser by reference to an internal assessment by the Purchaser of the current market value of properties for residential use in the market in the Shatin area and shall be payable in cash as follows:
- (i) HK\$5,000,000 on the signing of the Agreement;
  - (ii) HK\$15,380,000 on the signing of the formal agreement for sale and purchase, of which HK\$10,000,000 shall be applied by the Vendor in the payment of the land premium in respect of the Property; and
  - (iii) The balance on Completion

**Terms** : The Agreement is not subject to any conditions precedent.

The Vendor and the Purchaser will enter into a formal agreement for sale and purchase of the Property on or before 8 April 2004. Completion of the sale and purchase shall take place on or before 8 July 2004 (i.e. Unless otherwise agreed by the parties, if the Agreement shall not be completed on or before 8 July 2004 by reason of the default by any of them, the innocent party shall have a cause of action against the defaulting party.) The Agreement provides that in the event the Purchaser fails to complete the transaction, all the deposits paid by the Purchaser shall be forfeited to the Vendor.

The Vendor is responsible for the payment of the land premium to the Hong Kong Government in respect of the Property.

The Vendor shall prove a good title to the Property and vacant possession of the Property shall be delivered to the Purchaser on Completion.

In consideration of the services rendered by the Property Agent, the Property Agent shall receive a 1% commission (i.e. HK\$1,038,000) from the Vendor and a 0.5% commission (i.e. HK\$519,000) from the Purchaser.

## **REASONS FOR THE ACQUISITION**

The Property, located in Sha Tin Heights Road, Shatin, is a piece of leasehold land, subject to payment of the land premium, to be granted by the Lands Department of the Hong Kong SAR for private residential purposes with a site area of approximately 4,560 square metres with plot ratio of 0.568. The term of the lease is 50 years from the date of grant. The Company currently plans to develop the Property by itself into a low density residential area, depending on the then market conditions, for sale and/or rental.

The Group has expertise and experience in building construction and properties investment in Hong Kong. As the Directors are optimistic of the upturn of Hong Kong's economy and property market, the Acquisition of the Property represents a milestone for the Group to diversify into the property development business.

The Directors consider the terms of the Acquisition are fair and reasonable and the Acquisition is made in the best interest of the Group. The Acquisition will be funded by the Company's internal resources and bank borrowings.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the commercial management of Chinese wet markets, shopping centers, car parks, retail business and property investment.

## **GENERAL**

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing details of the Acquisition will be sent to the shareholders of the Company as soon as possible.

## **DEFINITIONS**

**“Acquisition”** the acquisition of the Property pursuant to the Agreement;

<b>“Agreement”</b>	the provisional agreement for sale and purchase dated 26 March 2004, entered into between the Vendor, Charter Golden Design and Contracting Limited as the Purchaser and the Property Agent relating to the Acquisition;
<b>“associates”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Wang On Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange;
<b>“Consideration”</b>	HK\$103,800,000;
<b>“Directors”</b>	the directors of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Independent Third Party”</b>	an independent third party not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Property”</b>	Lot No. 1476 in DD 189 – to be known as STTL No. 465; and
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Wang On Group Limited**  
**Chan Chun Hong, Thomas**  
*Director*

Hong Kong SAR, 30 March 2004

“Please also refer to the published version of this announcement in The Standard”