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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
AND
UNUSUAL TRADING VOLUME MOVEMENTS**

Discloseable Transaction

On 5 July 2005, the Purchaser and the Vendor entered into the Provisional Agreement for the sale and purchase of the Property. The consideration for the acquisition of the Property by the Purchaser is HK\$75,000,000. The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Unusual trading volume movements

The Board has noted the increases in the trading volume of the Shares today and wish to state that, save for disclosed in this announcement, the Board is not aware of any reasons for such increases in the trading volume.

THE AGREEMENT

- Date : 5 July 2005
- Vendor : Mr. Yau
- Purchaser : Faithful World Investment Limited, a wholly-owned subsidiary of the Company
- Property : All that the building erected on The Remaining Portion of New Kowloon Inland Lot No. 1069 and known as Nos. 270 - 274 Cheung Sha Wan Road, Kowloon, Hong Kong, with a site area of approximately 4,200 square feet. The Property obtained the occupation permit in 1961 and is a residential and commercial 6-storey building.
- Consideration : HK\$75,000,000

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Terms of the payment

- (a) HK\$2,000,000 as initial deposit which was paid by the Purchaser to the Vendor's solicitors upon signing of the Provisional Agreement.
- (b) HK\$8,000,000 as further deposit which is to be paid by the Purchaser to the Vendor's solicitors upon signing of the Formal Agreement which is expected to be on or before 14 July 2005.
- (c) HK\$65,000,000 as the remaining balance of the consideration which will be paid on the completion date of the Acquisition, on or before 20 December 2005.

Some parts of the Property are under vacant possession whereas some parts are under tenancy. Upon the Purchaser paying the further deposit, the Vendor will issue notice to terminate eight existing domestic tenancies. For the remaining three commercial tenancies, one will expire on 30 November 2005, another one will expire on 7 February 2007 and the remaining one can be terminated by the Purchaser by giving one month notice to the tenant.

The consideration for the Property was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the market value of similar properties in the nearby location.

Conditions precedent

The Vendor covenants and undertakes to the Purchaser the fulfillment of the following conditions (unless waived by the Purchaser) precedent to completion of the Acquisition:

- (a) to procure all Beneficial Owners to execute the Assignment in favour of the Purchaser; and
- (b) to comply with an existing Building Order No. UBZ/U22/0901/04.

Completion

The Acquisition is expected to be completed on or before 20 December 2005.

In the event that the Vendor and/or the Beneficial Owners fail to fulfill the conditions by the original completion date on 20 December 2005, the completion date shall be automatically extended for a period of six months to 20 June 2006. In the event that the conditions shall be fulfilled during the said extension period, the Vendor shall forthwith give written notice to the Purchaser and the Purchaser's solicitors to that effect requiring the Purchaser to complete the Acquisition within 60 days from the date of receipt of such notice. However, if the Vendor and/or the Beneficial Owners still fail to fulfill the conditions by 20 June 2006, the Purchaser shall have the option to elect by not less than 7 days' notice to the Vendor, either to complete the purchase of the Property upon the same terms and conditions of the Provisional Agreement or to cancel the Provisional Agreement whereupon, the Vendor shall forthwith refund all the deposit(s) and part payment(s) paid by the Purchaser pursuant to the terms thereof without any interest cost or compensation.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY

The Group is principally engaged in property development and property investment, the management and sub-licensing of Chinese wet markets, shopping centres and car parks and retail business. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited, a company listed on the Stock Exchange.

The Directors believe that the Acquisition represents an investment opportunity for the Group and enhancing its property portfolios. The Acquisition was funded by internal resources of the Group and bank financing.

The Directors are of the view that the Acquisition is in the interest of the Company and the terms of the Provisional Agreement are on normal commercial terms, which are fair and reasonable as far as the Shareholders are concerned.

GENERAL

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the acquisition of the Property will be despatched to the Shareholders as soon as practicable.

The Board comprise three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Dr. Siu Yim Kwan, Sidney, and Mr. Siu Kam Chau.

UNUSUAL TRADING VOLUME MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board has noted the increases in the trading volume of the Shares today and wish to state that, save for disclosed above, the Board is not aware of any reasons for such increases in the trading volume.

Save for disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations, which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Acquisition”	the acquisition of the Property
“Board”	the board of Directors
“Company”	Wang On Group Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange
“Beneficial Owners”	persons who shall execute the Assignment of the Property pursuant to the Provisional Agreement, and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Beneficial Owners are Independent Third Parties
“Directors”	the directors of the Company
“Formal Agreement”	the formal agreement to be entered into between the Purchaser and the Vendor for the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	(an) independent third party(ies) not connected with the Company and its connected person (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yau” or “Vendor”	Yau (or Yao) Chun (or Cheong) Shun alias Yau (or Yao) Kin as surviving Administrator of the estate of Yau Chung (or Tsung) Hing alias Yau Fuk (or Fook) deceased
“Probate”	the Probate of the Will of Yau /(or Yao) Chung Kit Katherine
“Property”	All that the building erected on The Remaining Portion of New Kowloon Inland Lot No. 1069 and known as Nos. 270 - 274 Cheung Sha Wan Road, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement dated 5 July 2005 entered into between the Purchaser and the Vendor for the sale and purchase of the Property
“Purchaser”	Faithful World Investment Limited, a wholly-owned subsidiary of the Company
“Shareholder(s)”	shareholders of the Company
“Shares”	shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By Order of the Board

Tang Ching Ho

Chairman and Managing Director

* *For identification purpose only*

Hong Kong, 5 July 2005

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