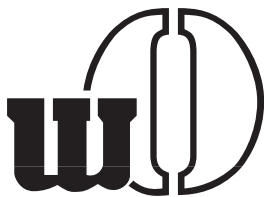


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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 1222)

DISCLOSEABLE AND POSSIBLE MAJOR TRANSACTION – DISPOSAL OF PROPERTIES

The Group is currently offering for sale of 48 residential units and 9 shop lots (having various tenancy agreements with monthly rental of approximately HK\$0.3 million) in Milan Place, which is a 18-storey building located at No. 58, Yen Chow Street, Kowloon, Hong Kong.

Since 21 September 2005, the Group has commenced sale of the Properties through the Independent Property Agent. Hanwin Investment Limited and Lica Parking Company Limited, each being an indirect wholly-owned subsidiary of the Company, has respectively since 21 September 2005 and 5 October 2005, entered into various Provisional Agreements with purchasers who are Independent Third Parties for their purchase of 25 residential units and 3 shop lots in the Milan Place from the Group. The Disposals contemplated under the Provisional Agreements in aggregate constitute a discloseable transaction under Chapter 14 of the Listing Rules.

The Group intends to sell the remaining units of Milan Place to Independent Third Parties which, in aggregate with the Disposals, may constitute a major transaction under Chapter 14 of the Listing Rules.

A SGM will be convened by the Company to seek prior approval from the Shareholders for a period of 12 months from the date of SGM for the sale of the remaining units of Milan Place to the Independent Third Party(ies) only to the extent that any further sale of the remaining units of Milan Place in aggregate with the Disposals constitutes major transactions under Chapter 14 of the Listing Rules.

A circular containing, among others, details of the Disposals, a valuation report of the Properties by an independent property valuer and a notice of the SGM proposing a resolution in respect of seeking prior approval from the Shareholders for the possible major transaction arising from the future disposal of the remaining units in Milan Place will be sent to Shareholders within 21 days after the publication of this announcement.

INFORMATION ON MILAN PLACE (PREVIOUSLY KNOWN AS WEALTHY TERRACE)

Milan Place, located at No. 58, Yen Chow Street, Kowloon, Hong Kong, is a 18-storey building, in which (i) 16 storeys comprising of 48 units are currently offered for sale for residential purpose; and (ii) 2 storeys with 9 shop lots having various tenancy agreements with monthly rental of approximately HK\$0.3 million are currently offered for sale for commercial purposes. The aggregate site area and a total floor area of the Properties are approximately 3,300 square feet and approximately 30,000 square feet respectively.

The Properties were acquired by the Group and such acquisition was completed in July 2005 for a consideration of HK\$110 million, details of which were set out in the Company's announcement and circular dated 22 March 2005 and 13 April 2005 respectively.

The unaudited net book value of the Properties as at 30 September 2005 was approximately HK\$115.7 million.

In view of the improvement of the property market, the Group has commenced the sale of the Properties since 21 September 2005. Since then, 25 residential units and 3 shop lots in the Milan Place have been sold to Independent Third Parties. It is anticipated that the remaining units of the Properties will be sold in light of the sentiment of the property market.

REASONS AND BENEFITS FOR THE DISPOSAL OF THE PROPERTIES

The Group is principally engaged in property development, property investment, 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 of Hong Kong Limited.

Having regard to the recent improvement in the Hong Kong economy and the property market, the Directors consider that (i) the terms of the Disposals are fair and reasonable; and (ii) the Disposals and the timing of the sale of the remaining units in Milan Place are in the best interests of the Company and its shareholders as a whole.

It is expected that further renovation costs, marketing costs and professional fees amounting to approximately HK\$7.3 million will be incurred before completion of the sale of the Properties, resulting in a total cost of HK\$123 million. Assuming that the whole of the Properties is sold at the fair value of HK\$138 million, the possible potential gain before tax arising from the sale of the Properties is expected to be approximately HK\$15 million, representing the excess over the total costs of HK\$123 million. Such an expected gain to the Group from the sale of the Properties will be booked in the Group's financial year in which the disposals are completed.

USE OF PROCEEDS FROM THE SALE OF THE PROPERTIES

The estimated gross proceeds from the Disposals and the proposed disposal of the remaining units of the Properties of approximately HK\$138 million are intended to be applied (i) as to HK\$59.4 million for full repayment of the bank loans secured by the Properties; and (ii) as to the remaining balance of HK\$78.6 million for the Group's working capital. As at the date of this announcement, the aggregate amount of the bank loan secured by the Properties was approximately HK\$59.4 million and the interest accrued thereto was approximately HK\$0.5 million.

IMPLICATIONS OF THE LISTING RULES

Discloseable transaction

Since September 2005, the Group has commenced sale of the Properties through the Independent Property Agent. Hanwin Investment Limited and Lica Parking Company Limited, each being an indirect wholly-owned subsidiary of the Company, has respectively since 21 September 2005 and 5 October 2005, entered into various Provisional Agreements with purchasers who are Independent Third Parties for their purchases of 25 residential units and 3 shop lots in the Milan Place from the Group at the aggregate consideration of HK\$60,342,360, of which HK\$3,691,118 was received as deposit, the balance of HK\$56,651,242 shall be received on completion of each individual transaction.

The Disposals contemplated under the Provisional Agreements in aggregate constitute a discloseable transaction under Chapter 14 of the Listing Rules.

Possible major transaction

The Group intends to sell the remaining units in Milan Place (i.e. 23 residential units and 6 shop lots) to Independent Third Party(ies) with reference to the prevailing market price. The consideration will be determined on an arm's length basis. It is estimated that the gross proceeds arising from the sale of the remaining properties in Milan Place in aggregate with the Disposals will amount to approximately HK\$138 million, which may constitute a major transaction under Chapter 14 of the Listing Rules. Any major transaction of the Company must be made conditional on approval by the Shareholders under Rules 14.40 to 14.47 of the Listing Rules.

The Directors presently believe that it is unlikely that potential purchasers would be willing to commit to purchasing part or whole of the remaining units in Milan Place from the Group conditional upon the Company having obtained the Shareholders' approval. The Board is also of the view that the disposal(s) of the remaining units in Milan Place conditional upon such Shareholders' approval will greatly reduce the interest of any potential purchasers and also undermine the bargaining power of the Group in terms of selling price, which is not in the best interests of the Company and the Shareholders as a whole. Therefore, the Company proposes to seek prior approval from the Shareholders for a period of 12 months from the date of SGM for the sale of the remaining units of Milan Place to the Independent Third Party(ies) only to the extent that any further sale of the remaining units of Milan Place in aggregate with the Disposals constitutes major transactions under Chapter 14 of the Listing Rules.

In case that any further sale of the remaining units of Milan Place in aggregate with the Disposals have constituted major transaction under Chapter 14 of the Listing Rules, the sale of the remaining units in Milan Place to that extent will be conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders at the SGM to be convened by the Company to seek prior approval from the Shareholders in respect of such possible major transaction arising from the future disposals of the remaining units of Milan Place;
- (b) the sale of the remaining units in Milan Place will be made to Independent Third Parties and such sale will be conducted by the Independent Property Agent;
- (c) the aggregate selling price of the remaining units in Milan Place will not be less than HK\$78 million (equivalent to the average gross floor price of approximately HK\$5,300 per square foot (Note)) (which are by reference to recent sale of the properties in the nearby areas and are comparable to the relevant selling prices of the sold units in Milan Place under the Provisional Agreements); and

- (d) a valuation of the Properties will be performed by an independent property valuer, which will issue an independent valuation report to be set out in the Company’s circular for convening the SGM.

Note: The average floor price per square foot represents the proceeds per square foot to be received from the purchasers by the Company. Similar to the sold units in Milan Place, such average price per square foot does not include any renovation cost and discount to be borne by the Company.

GENERAL

The sale of the remaining properties in Milan Place, in aggregate with the Disposals, may constitute a major transaction under Chapter 14 of the Listing Rules. A SGM will be convened by the Company to seek prior approval from the Shareholders in respect of such possible major transaction arising from the future disposal(s) of the remaining units of Milan Place to the Independent Third Party(ies).

A circular containing, amongst other things, details of the Disposals, a valuation report of the Properties by an independent property valuer and a notice of the SGM proposing a resolution in respect of seeking prior approval from the Shareholders for the possible major transaction arising from the future disposal of the remaining units in Milan Place will be sent to Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

“Board”	the board of Directors
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Disposals”	the disposals of the properties pursuant to the Provisional Agreements
“Group”	the Company and its subsidiaries
“Independent Property Agent”	the property agency firm independent of and not connected with the Company, any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules
“Independent Third Party(ies)”	independent third party(ies) who, to the best of knowledge, information and belief having made all reasonable enquiry of the Directors, are not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Milan Place”	a 18-storey building, amongst which 16 storeys comprising of 48 units are currently offered for sale for residential purpose and 2 storeys with 9 shop lots are currently offered for sale and rental for commercial purposes

“Properties”	the 48 residential units and 9 shop lots in Milan Place
“Provisional Agreements”	the provisional sale and purchase agreements entered into between Hanwin Investment Limited and Lica Parking Company Limited and the Independent Third Parties in relation to the disposals of 25 residential units and 3 shop lots in Milan Place respectively
“Shareholders”	shareholders of the Company
“SGM”	special general meeting to be convened by the Company to seek prior approval from the Shareholders in respect of such possible major transaction arising from the future disposal of the remaining units of Milan Place

By Order of the Board
Wang On Group Limited
Tang Ching Ho
Chairman

Hong Kong SAR, 7 November 2005

* *For identification purpose only*

As at the date of this announcement, the Board comprises 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.

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