
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wang On Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

DISPOSAL OF PROPERTY

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“Directors”	directors of the Company
“Disposal”	the disposal of the Property pursuant to the Provisional Agreement
“Group”	the Company and its subsidiaries
“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 the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	8 June 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in the circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Ground Floor, No. 30 Haiphong Road, Kowloon, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement entered into between the Purchaser and the Vendor in relation to the disposal of Ground Floor, No. 30 Haiphong Road, Kowloon, Hong Kong
“Purchaser”	Honest Regent Ltd. or its nominees, which and whose ultimate beneficial owners are Independent Third Parties
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 17 August 2005 entered into between China Coin Management Limited (“China Coin”), being the wholly-owned subsidiary of the Company, as landlord to the Property and X Design Factory Limited, being an Independent Third Party, as tenant to the Property. China Coin entered into an agreement with the Vendor on 3 September 2005 pursuant to which China Coin agreed to dispose of the Property to the Vendor
“Vendor”	Lica Parking Company Limited, a subsidiary owned as to 99.02% by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.ft.”	square feet



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

Mr. Tang Ching Ho (*Chairman*)

Ms. Yau Yuk Yin (*Deputy Chairman*)

Mr. Chan Chun Hong, Thomas

(Managing Director)

Registered office:

Clarendon House

2 Church Street

41 Cedar Avenue

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Dr. Lee Peng Fei, Allen, CBE, JP

Mr. Wong Chun, Justein, MBE, JP

Dr. Siu Yim Kwan, Sidney, S.B. St.J.

Mr. Siu Kam Chau

Head office and principal

place of business:

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

12 June 2006

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

On 29 May 2006, the Directors announced that the Vendor, a subsidiary owned as to 99.02% by the Company, had entered into the Provisional Agreement with the Purchaser, which is and whose ultimate beneficial owner(s) are Independent Third Parties. The Agreement sets out the terms of the Disposal.

The Disposal contemplated under the Provisional Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to give you further information on the Disposal.

* *For identification purpose only*

LETTER FROM THE BOARD

THE PROVISIONAL AGREEMENT

Date:

26 May 2006

Parties:

Vendor: Lica Parking Company Limited, a subsidiary owned as to 99.02% by the Company, which is in the capacity of a confirmor in the Disposal

Purchaser: Honest Regent Ltd. or its nominees, which and whose ultimate beneficial owners are Independent Third Parties. Its principal activity is property investment

Property:

Address: Ground Floor, No. 30 Haiphong Road, Kowloon, Hong Kong

Gross floor area: approximately 938 sq.ft.

Consideration:

The consideration of HK\$78.0 million was agreed after arm's length negotiations between the parties having taken into consideration the current market value of similar properties for commercial use in areas adjacent to the Property.

HK\$2.0 million have been paid on the signing of the Provisional Agreement as initial deposit and the balance shall be payable in cash as follows:

- (i) a second deposit of HK\$5.8 million on or before 26 June 2006 being the date of signing of the formal agreement for sale and purchase of the Property; and
- (ii) the remaining balance of HK\$70.2 million upon the completion of the transaction.

Principal terms:

- The Purchaser agreed to acquire the Property subject to the Tenancy Agreement which will expire on 31 August 2007. The monthly rent (exclusive of rates and management fee) receivable under the Tenancy Agreement amounts to HK\$320,000.

The Vendor and the Purchaser agreed that the rental deposit of HK\$1.28 million paid by the tenant to the landlord be deducted from the balance of the consideration for the Disposal, and the Purchaser shall provide a letter of indemnity to the Vendor upon completion of the Disposal regarding the refund of such rental deposit upon termination of the Tenancy Agreement.

LETTER FROM THE BOARD

- The Vendor and the Purchaser agreed to enter into a formal agreement for sale and purchase of the Property on 26 June 2006. Completion of the Disposal shall take place on or before 28 February 2007.
- In consideration of the services rendered by the property agent, the property agent shall receive commission in the amount of HK\$390,000 from the Vendor and Purchaser respectively. In the event that the Disposal cannot be completed due to the breach by the Purchaser or the Vendor of their obligations under the Provisional Agreement, the defaulting party shall be responsible for an immediate cash compensation of HK\$780,000 payable to the property agent.

REASONS FOR THE DISPOSAL

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.

Having regard to the recent improvement in the Hong Kong economy and the property market, the Directors consider that the terms of the Disposal are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

The Property was acquired by the Group on 18 May 2004 at a cost of approximately HK\$58.5 million (including the expenses of approximately HK\$2.5 million incurred in conjunction to such acquisition) from an Independent Third Party. The unaudited net book value of the Property as at 30 September 2005 amounted to HK\$74.0 million. Such unaudited net book value of the Property has taken into account a revaluation surplus of approximately HK\$15.5 million which is based on a valuation conducted by Savills (Hong Kong) Limited, an independent professional valuer, and have been reflected as realized profits of the Group. Based on the unaudited net book value of the Property as at 30 September 2005, the gain on disposal of the Property before taxation, after deducting relevant expenses of approximately HK\$0.6 million, amounts to approximately HK\$3.4 million. The Disposal will have no material impact on the assets and liabilities of the Group.

USE OF PROCEEDS FROM THE DISPOSAL

The estimated net proceeds from the Disposal of approximately HK\$76.1 million are intended for the repayment of bank loan of approximately HK\$32.5 million and as to the remaining balance of approximately HK\$43.6 million for the general working capital of the Group.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is also drawn to the general information as set out in this circular.

Yours faithfully,
For and on behalf of
Wang On Group Limited
Chan Chun Hong, Thomas
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of each Director or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

Long Position in Shares

Name of Director	Number of shares held, capacity and nature of interest					Total	Percentage of the Company's issued share capital
	Personal interest	Family interest	Corporate interest	Other interest			
Mr. Tang Ching Ho	737,226	737,224 <i>(Note (a))</i>	2,696,672 <i>(Note (b))</i>	31,192,155 <i>(Note (c))</i>		35,363,277	15.74%
Ms. Yau Yuk Yin	737,224	3,433,898 <i>(Note (d))</i>	–	31,192,155 <i>(Note (e))</i>		35,363,277	15.74%

Notes:

- (a) Mr. Tang Ching Ho was taken to be interested in those shares in which his spouse, Ms. Yau Yuk Yin, was interested.
- (b) Mr. Tang Ching Ho was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang Ching Ho was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau Yuk Yin was taken to be interested in those shares in which her spouse, Mr. Tang Ching Ho, was interested.

- (e) Ms. Yau Yuk Yin was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position in the shares or underlying shares of the Company which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name	Number of shares	Percentage of the Company's issued share capital
Accord Power Limited	31,192,155	13.89%
Trustcorp Limited (<i>Note (a)</i>)	31,192,155	13.89%
Newcorp Ltd. (<i>Note (b)</i>)	31,192,155	13.89%
Newcorp Holdings Ltd. (<i>Note (c)</i>)	31,192,155	13.89%
Mr. David Henry Christopher Hill (<i>Note (d)</i>)	31,192,155	13.89%
Ms. Rebecca Ann Hill (<i>Note (e)</i>)	31,192,155	13.89%
Mr. David William Roberts (<i>Note (f)</i>)	31,192,155	13.89%

Notes:

- (a) Accord Power Limited is wholly-owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust; accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power Limited.
- (b) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd.; accordingly, Newcorp Ltd. was taken to be interested in those shares in which Trustcorp Limited was interested.

- (c) Newcorp Ltd. is a wholly-owned subsidiary of Newcorp Holdings Ltd.; accordingly, Newcorp Holdings Ltd. was taken to be interested in those shares in which Newcorp Ltd. was interested.
- (d) Mr. David Henry Christopher Hill owned 35% interest in the issued shares capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holdings Ltd was interested.
- (e) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken be interested in the shares in which Mr. David Henry Christopher Hill was interested.
- (f) Mr. David William Roberts owned 35% interest in the issued share capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holdings Ltd. was interested.

Save as disclosed above, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, as at the Latest Practicable Date, no other person (not being a Director or chief executive of the Company) had any interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

5. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, 41 Cedar Avenue, Hamilton HM11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The qualified accountant of the Company is Mr. Leong Weng Kin, CPA.
- (d) The company secretary of the Company is Mr. Chan Chun Hong, Thomas. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

- (e) The branch share registrar of the Company in Hong Kong is Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.