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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 REGARDING PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 19 January 2018, the Lender, an indirectly wholly-owned subsidiary of the Company, entered into the Loan Agreements to grant the Loans to the Customer of an aggregate principal amount of HK\$145,000,000 for a term of twelve (12) months with the annual percentage rate of 9.25%.

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the Loan Agreements constitute a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreements exceeds 5% and is below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

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* *For identification purpose only*

THE LOAN AGREEMENTS

	Loan Agreement I	Loan Agreement II
Date of agreement	: 19 January 2018	19 January 2018
Lender	: Fulling, a company incorporated in Hong Kong with limited liability and is indirectly wholly owned by the Company as at the date of this announcement. The Lender is principally engaged in finance provision under the Money Lenders Ordinance.	
Borrower	: The Customer is an individual. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customer is an Independent Third Party and not connected with the Group. There is no prior transaction entered into between the Group and the Customer which is required to be aggregated with the Loan Agreements pursuant to the Listing Rules.	
Loan amounts	: HK\$90,000,000	HK\$55,000,000
Interest rate	: A monthly interest of HK\$1,518,750 for the first month and a monthly interest of HK\$618,750 for the remaining months, respectively. The annual percentage rate is 9.25%.	A monthly interest of HK\$928,125 for the first month and a monthly interest of HK\$378,125 for the remaining months, respectively. The annual percentage rate is 9.25%.
Term	: Twelve (12) months commencing from the Drawdown Date(s) of the Loans.	
Repayment	: Interest is payable on a monthly basis and the principal shall be repaid in full twelve (12) months from the Drawdown Date.	
Securities	: The Loan I is secured by two residential properties owned by the Customer with an estimated value of approximately HK\$117,000,000.	The Loan II is secured by a residential property owned by the Customer with an estimated value of approximately HK\$73,000,000.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The advance in respect of the Loans was made on the basis of the Company's credit assessments made on the financial strength and repayment ability of the Customer, the securities and the relatively short term nature of the advance. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to the Customer are relatively low.

FUNDING OF THE LOANS

The Group will finance the Loans with its internal resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENTS

The Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and treasury management in Hong Kong and/or the PRC; (ii) property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, Wang On Properties Limited (Stock Code: 1243); and (iii) manufacturing and/or retailing of pharmaceutical and health food products through its non wholly-owned listed subsidiary, Wai Yuen Tong Medicine Holdings Limited (Stock Code: 897). The Lender is an indirectly wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability which is principally engaged in the business of provision of finance.

Taking into account the principal business activities of the Group, the grant of the Loans to the Customer is in the ordinary and usual course of business of the Group. The terms of the Loan Agreements were negotiated on an arm's length basis between the Lender and the Customer. The Directors are of the view that the terms of the Loan Agreements are entered into on normal commercial terms based on the Company's credit policy. Taking into account the satisfactory financial background of the Customer, the Loans are secured and that a stable revenue and cash inflow from the interest income is expected, the Directors consider that the terms of the Loan Agreements are on normal commercial terms, fair and reasonable and the entering into the Loan Agreements is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the Loan Agreements constitute a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreements exceeds 5% and is below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Availability Period”	the period commencing from the date of the Loan Agreements and ending on the earliest of (i) the date falling three (3) months from the date of the Loan Agreements; (ii) the date(s) on which the Loans is/are cancelled pursuant to the Loan Agreements; or (iii) the date(s) on which the Loans is/are fully advanced
“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, a company incorporated in Bermuda with limited liability and the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Customer”	the borrower, being an individual and an Independent Third Party
“Director(s)”	the directors of the Company
“Drawdown Date”	the date on which the Loan(s) is drawn down
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)

“Lender” or “Fulling”	Fulling Limited, a company incorporated in Hong Kong with limited liability and is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan I”	a secured loan in the amount of HK\$90,000,000 granted by the Lender to the Customer
“Loan II”	a secured loan in the amount of HK\$55,000,000 granted by the Lender to the Customer
“Loans”	collectively, the Loan I and the Loan II
“Loan Agreement I”	the loan agreement dated 19 January 2018 entered into between the Lender and the Customer pursuant to which the Lender agreed to advance the Loan I to the Customer
“Loan Agreement II”	the loan agreement dated 19 January 2018 entered into between the Lender and the Customer pursuant to which the Lender agreed to advance the Loan II to the Customer
“Loan Agreements”	collectively, the Loan Agreement I and the Loan Agreement II
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued 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 622 of the Laws of Hong Kong)
“%”	per cent.

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, 19 January 2018

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, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

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