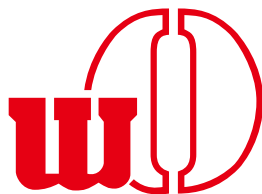


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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE PROPERTY

THE ACQUISITION

The Board is pleased to announce that on 26 April 2019, the Purchaser (an indirect wholly-owned subsidiary of WOP) entered into the Preliminary Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of HK\$306.8 million.

GENERAL

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition for the Company exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 26 April 2019, the Purchaser (an indirect wholly-owned subsidiary of WOP) entered into the Preliminary Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of HK\$306.8 million.

* *For identification purpose only*

THE PRELIMINARY AGREEMENT

The principal terms of the Preliminary Agreement are summarised as follows:

Date

26 April 2019

Parties

- (i) The Purchaser as purchaser; and
- (ii) The Vendor as vendor.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is a third party independent of each of the Company, WOP and their respective connected persons and there was no previous transaction entered into between any member of the Group or the WOP Group and the Purchaser prior to the date of the Preliminary Agreement which will need to be aggregated with the Acquisition.

Subject matter

Pursuant to the Preliminary Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Property upon the terms contained therein.

The Property comprises of 45 workshops and 18 car parking spaces of the building known as “EW International Tower” located at Nos. 120-124 Texaco Road, Tsuen Wan, New Territories, Hong Kong, with a total gross floor area of approximately 90,729 square feet.

The Property is being acquired on an “as is” basis, subject to and with the benefits of the existing tenancies in respect of the Property. The aggregate monthly rental income of the existing tenancies in respect of the Property is approximately HK\$820,512.

Consideration

The Consideration shall be in a sum of HK\$306.8 million, which was paid or is payable by the Purchaser to the Vendor in the following manner:

- (a) a sum of HK\$15.34 million, being the aggregate initial deposit, was paid on 26 April 2019 upon signing of the Preliminary Agreement;

- (b) a sum of HK\$15.34 million, being the aggregate further deposit, shall be paid on or before 16 May 2019; and
- (c) a sum of HK\$276.12 million, being the balance of the Consideration, shall be paid upon Completion.

The Consideration was arrived at following arm's length negotiations with the Vendor having regard to the anticipated rental income generated from the Property and the recent transactions of similar types of properties in the market and will be financed by the WOP Group's internal resources.

Completion

Completion shall take place on or before 25 September 2019.

Formal Agreement

Pursuant to the terms of the Preliminary Agreement, the parties shall enter into the Formal Agreement for the Acquisition on or before 16 May 2019.

Costs

All stamp duty (if any) payable in relation to the Acquisition shall be borne by the Purchaser.

DEED OF GUARANTEE

The Company was approached by the Independent Third Party, who expressed interest in participating in the investment and development of the Property. The Company understands that the Independent Third Party has executed a deed of guarantee in favour of the Vendor pursuant to which the Independent Third Party has agreed to, among other things, (i) guarantee as principle obligor the prompt and punctual payment to the Vendor by the Purchaser under the Preliminary Agreement; and (ii) to indemnify the Vendor against all losses, damages, costs and expenses or otherwise which may be incurred by the Vendor as a result of the Purchaser's default under the Preliminary Agreement. The deed of guarantee was entered into purely between the Independent Third Party and the Vendor. No member of the Group is involved in the deed of guarantee, and no agreement nor understanding has been reached by the Group with the Independent Third Party in relation to the Independent Third Party's interest in investing in the Property.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of WOP which is principally engaged in property investment.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and principally engaged in property investment.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through WOP, its 75%-owned listed subsidiary; and (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), its 58.08%-owned listed subsidiary.

The Board considers that the Acquisition can enhance and enlarge the investment property portfolio of, and bring additional stable rental income to, the Group and the WOP Group. The Board may also consider partnering with suitable strategic investors to invest in the Property if suitable opportunity arises or may consider to realise its investment depending on the then market circumstances.

The Directors consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition for the Company exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Preliminary Agreement
“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Preliminary Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$306.8 million paid or payable by the Purchaser in respect of the Acquisition
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement in relation to the Acquisition to be entered into between the Vendor and the Purchaser on or before 16 May 2019
“Group”	the Company and 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”	a person who is independent of the Company, WOP and their respective connected person(s)

* *For identification purpose only*

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Preliminary Agreement”	the binding preliminary agreement dated 26 April 2019 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Property”	Workshop No.1 on Ground Floor, 20th Floor, 21st Floor, 25th Floor, 27th Floor, 28th Floor, 29th Floor; Workshop No.2 on 2nd Floor (together with Flat Roof No.2), 10th Floor, 15th Floor, 17th Floor, 20th Floor, 22nd Floor, 25th Floor, 26th Floor, 27th Floor, 28th Floor, 29th Floor; Workshop No.3 on 2nd Floor (together with Flat Roof No.3), 5th Floor, 12th Floor, 15th Floor, 17th Floor, 18th Floor, 19th Floor, 20th Floor, 21st Floor, 22nd Floor, 25th Floor, 26th Floor, 27th Floor, 28th Floor, 29th Floor; Workshop No.4 on 2nd Floor (together with Flat Roof No.4), 7th Floor, 15th Floor, 18th Floor, 20th Floor, 21st Floor, 22nd Floor, 25th Floor, 26th Floor, 27th Floor, 28th Floor, 29th Floor; and car parking spaces Nos. L1, L2, L3, L4, L5, L6, L7, L8 and C1 on the Ground Floor and V1, V2, V3, V4, V5, V6, V7, V8 and V9 on the 1st Floor of EW International Tower, Nos. 120-124 Texaco Road, Tsuen Wan, New Territories, Hong Kong, together with the common areas and common facilities including all external walls and retained areas including naming and other rights
“Purchaser”	Cannex Limited 健諾有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of WOP and is principally engaged in property investment
“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)
“Vendor”	First Trading Company Limited 第一貿易有限公司, a company incorporated in Hong Kong with limited liability
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75%-owned listed subsidiary of the Company
“WOP Group”	WOP and its subsidiaries
“%”	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, 26 April 2019

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 three independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein and Mr. Siu Kam Chau.

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