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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)**

**ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
THE ACQUISITION OF A TARGET  
HOLDING INVESTMENT PROPERTIES IN  
KOWLOON COMMERCE CENTRE**

**THE ACQUISITION**

The Board announces that on 20 February 2017, the Purchaser, an indirect wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of the Company), and the Vendors entered into the Provisional Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendors have agreed to sell the Sale Shares and assign the benefit of the Shareholder Loan for the Consideration of HK\$274,549,000, which will be satisfied by the WOP Group's banking facilities and/or internal resources.

The Target holds the Properties, comprising of office units and car park units located in Kowloon Commerce Centre (九龍貿易中心), No. 51 Kwai Cheong Road, Kwai Chung, New Territories, which are currently vacant.

**GENERAL**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all relevant percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

\* *For identification purpose only*

## THE PROVISIONAL AGREEMENT

1. **Date:** 20 February 2017
2. **Parties:**
  - i. Vendors: independent third party individuals; and
  - ii. Purchaser: Joyful Lake Limited, an indirectly wholly-owned subsidiary of WOP (a listed 75%-subsidiary of the Company) and is principally engaged in investment holding,

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors is a third party independent of and not connected with the Company and its connected persons and there was no previous transaction entered into between the Company and the Vendors prior to the date of the Provisional Agreement.

### 3. Assets to be acquired of

Pursuant to the Provisional Agreement, the Purchaser has agreed to acquire and the Vendors have agreed to sell the Sale Shares (representing the entire issued share capital of the Target at the date of this announcement) and assign the benefit of the Shareholder Loan.

### 4. Consideration

The Consideration payable by the Purchaser to the Vendors for the purchase of the Sale Shares and the Shareholder Loan shall be HK\$274,549,000, of which the consideration for the Shareholder Loan shall be a sum equal to the principal amount of the Shareholder Loan and the balance shall be the consideration for the Sale Shares. The Consideration shall be payable by the Purchaser to the Vendors in the following manner:

- (a) an initial deposit in the amount of HK\$14,000,000 was paid to the Vendors' solicitors upon the execution of the Provisional Agreement, and which shall be held by the Vendors' solicitors as stakeholders and not to be released to the Vendors until either upon Completion (in which case such deposits shall represent part payment of the Consideration) or upon their release or forfeiture in accordance with the Provisional Agreement;

- (b) a further deposit in the amount of HK\$13,454,900 shall be paid to the Vendors' solicitors on or before 22 March 2017, and which shall be held by the Vendors' solicitors as stakeholders and not to be released to the Vendors until either upon Completion (in which case such deposits shall represent part payment of the Consideration) or upon their release or forfeiture in accordance with the Provisional Agreement; and
- (c) a sum of HK\$247,094,100 (being the balance of the Consideration) shall be paid by the Purchaser to Vendors on Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors with reference to the prevailing market price of similar properties at similar location and the prevailing rental yield as compared to the Properties held by the Target. The Consideration will be financed by the WOP Group's banking facilities and/or internal resources.

## **5. Completion**

Pursuant to the Provisional Agreement, Completion will take place on or before 25 April 2017 or such other date as the Purchaser and the Vendors may agree in writing.

## **INFORMATION ON THE TARGET**

The Target is a company incorporated in Hong Kong and is principally engaged in property holding. As at the date of this announcement, each of the Vendors is directly interested in 50% of the entire issued share capital of the Target.

The Target is principally holding the Properties – being the premises at 13/F (comprising Office Units Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17 and 18) of Tower B and ALL THOSE Car Park Unit(s) Nos. P81, P82, P83, P84, P85, P86, P87 and P88 on Level 6 of KOWLOON COMMERCE CENTRE (九龍貿易中心), No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong, for commercial usage with a gross floor area of approximately 24,959 square feet.

According to the information available to the Purchaser, the Properties are currently vacant. Vacant possession of the Properties shall be delivered upon Completion.

Set out below is the audited financial information of the Target for the two financial years ended 31 March 2016 extracted from the audited financial statements of the Target which are prepared under the generally accepted accounting principles in Hong Kong:

	<b>For the year ended 31 March</b>	
	<b>2016</b>	2015
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<b>(audited)</b>	(audited)
Revenue	<b>7.1</b>	6.3
Net loss before taxation	<b>0.8</b>	1.6
Net loss after taxation	<b>0.8</b>	1.6

The audited net liabilities of the Target as at 31 March 2016 was approximately HK\$11.7 million.

#### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, WOP; 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 Purchaser is an indirectly wholly-owned subsidiary of WOP and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding.

The Properties will be delivered to the Purchaser in vacant possession. Upon Completion, the WOP Group intends to lease out the Properties to generate stable rental income for the WOP Group. The Directors believe in the long term prospect of commercial properties in Hong Kong and hence consider that the Acquisition will strengthen the WOP Group's property portfolio and/or income base.

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all relevant percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements in Listing Rules.

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition do not exceed 5%, the Acquisition does not constitute any notifiable transaction for WOP under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Target by the Purchaser from the Vendors pursuant to the Provisional 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 whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$274,549,000
“Director(s)”	the director(s) of the Company
“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

“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
“Properties”	being the premises at 13/F (comprising Office Units Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17 and 18) of Tower B and ALL THOSE Car Park Unit(s) Nos. P81, P82, P83, P84, P85, P86, P87 and P88 on Level 6 of Kowloon Commerce Centre (九龍貿易中心), No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong with a gross floor area of approximately 24,959 square feet
“Provisional Agreement”	the provisional sale and purchase agreement dated 20 February 2017 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Purchaser”	Joyful Lake Limited, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP (a listed 75%-subsidiary of the Company), which is principally engaged in investment holding
“Sale Shares”	10,000 issued ordinary shares of the Target, representing the entire issued share capital of the Target beneficially held by the Vendors
“Shareholder Loan”	the loan owing by the Target to the Vendors (the principal amount of such loan being US\$14,571,485.34 as at 31 December 2016 which may be varied before Completion), being an interest free loan and repayable on demand and which, subject to and on the terms and conditions of the Agreement, shall be assigned by the Vendors to the Purchaser on Completion
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the 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)
“Target”	PT Harvest Holdings Limited 卓豐控股有限公司, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendors as at the date of this announcement
“US\$”	United States dollar(s), the lawful currency of the United State of America
“Vendors”	independent third party individuals, being the vendors under the Provisional Agreement and are third parties independent of and not connected with the Company and its connected persons
“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), being a listed 75%-subsidiary of the Company
“WOP Group”	WOP and its subsidiaries

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, 20 February 2017

*As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

\* For identification purpose only